Swissquote

ANNUAL REPORT 2023

swissquote.com

OUR EXTERNAL REPORTING APPROACH

The legal and regulatory framework shapes the way Swissquote is performing external reporting. Swissquote is subject to Swiss legal and regulatory requirements (including the requirements by the Swiss Financial Market Supervisory Authority FINMA and the Swiss Code of Obligations), accounting standards and SIX Swiss Exchange rules.
In this regard, Swissquote issues an Annual Report that contains a Financial Report, a Corporate Governance Report, a Remuneration Report and a Sustainability Report.

THE SWISSQUOTE ANNUAL REPORT CONSISTS OF ONE VOLUME CONTAINING THE FOUR REPORTS AS DESCRIBED THEREAFTER

Financial Report

The Financial Report contains our audited consolidated financial statements and notes, as well as the audited statutory financial statements and notes.

Corporate Governance

The Corporate Governance Report informs shareholders, other members of the financial community and the larger public on Swissquote's policies in matters of corporate governance.

Remuneration Report

The Remuneration Report provides information about the Group's remuneration policy and organisation and about the remuneration of the members of the Board of Directors and the Executive Management.

Sustainability Report

The Sustainability Report gives comprehensive insights into our sustainability approach and performance by employing the GRI Standards.

A dedicated website offers a comprehensive oversight of external reporting and covers an investment case, statements from our CEO and highlights of the year. In addition, a chart generator is available with the most important financial and non-financial figures and comparatives. All the reports, some selected key figures and a financial presentation are available in our download centre.
reports.swissquote.com

Concept/Design: Linkgroup AG, Zurich, www.linkgroup.ch

Annual Report 2023

The Swiss leader in online banking
www.swissquote.com

Key figures

Strong year 2023 with operating income, operating profit and client assets at record levels

	2023	2022	2021	2020	2019
Number of accounts	574,274	538,946	487,847	410,248	359,612
% change	6.6%	10.5%	18.9%	14.1%	9.3%
Net new money in CHFm	4,963	7,748	9,600	5,275	4,558
% change	−35.9%	−19.3%	82.0%	15.7%	46.3%
Client assets in CHFm [1]	58,004	52,189	55,890	39,773	32,241
% change	11.1%	−6.6%	40.5%	23.4%	35.3%
Employees	1,134	1,056	952	805	722
% change	7.4%	10.9%	18.3%	11.5%	9.1%

[1] All stable bankable assets that are managed or deposited with the Group, including assets that are not held for custody, but for which the technology of the Group gives clients access to asset classes and stock markets and/or for which other services are provided.

in CHF thousand, except where indicated	2023	2022	2021	2020	2019
Operating income	530,869	408,146	471,803	341,337	232,355
% change	30.1%	−13.5%	38.2%	46.9%	4.2%
Operating expenses	270,936	214,957	247,534	211,668	180,052
% change	26.0%	−13.2%	16.9%	17.6%	12.0%
Operating profit	255,437	186,387	223,342	105,642	50,588
% change	37.0%	−16.5%	111.4%	108.8%	−5.9%
Operating profit margin [%]	48.1%	45.7%	47.3%	30.9%	21.8%
Net profit	217,630	157,394	193,113	91,021	44,654
% change	38.3%	−18.5%	112.2%	103.8%	0.1%
Net profit margin [%]	41.0%	38.6%	40.9%	26.7%	19.2%
Total equity	898,555	741,128	615,459	440,181	374,757
% change	21.2%	20.4%	39.8%	17.4%	6.4%
Capital ratio [%]	25.1%	24.8%	26.2%	23.0%	21.7%

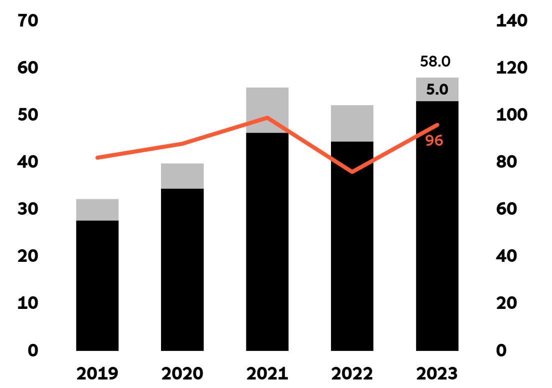
204.60 CHF
SWISSQUOTE STOCK PRICE
as at 31 December 2023

25.1%
CAPITAL RATIO

530.9m CHF
OPERATING INCOME

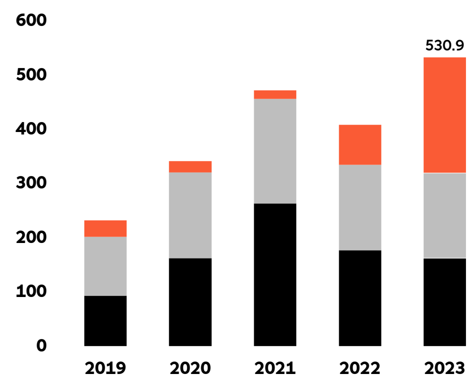
Key figures

CLIENT ASSETS
in CHFbn



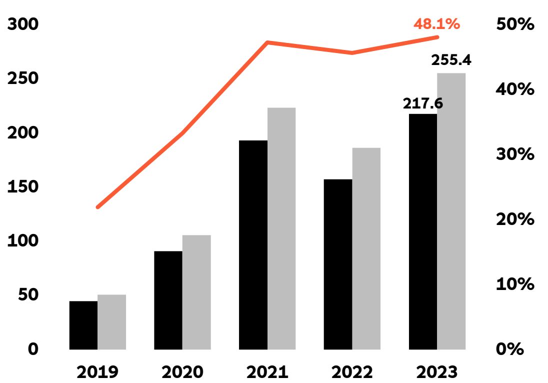
Client assets
Net new money
Margin on assets

OPERATING INCOME
in CHFm



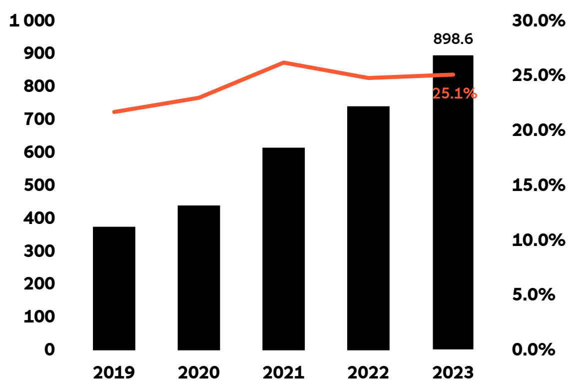
Net fee and commission income
Net trading income
Net interest income

PROFITABILITY
in CHFm



Net Profit
Operating profit
Operating profit margin

TOTAL EQUITY AND CAPITAL RATIO
in CHFm



Total equity
Capital ratio (%)

5.0 bn CHF
NET NEW MONEY INFLOW

48.1%
OPERATING PROFIT MARGIN

58.0 bn CHF
CLIENT ASSETS

Swissquote share

Stock market trading

The registered shares, each with a nominal value of CHF 0.20, are listed on the SIX Swiss Exchange under securities number 1067586 and ISIN CH0010675863. Their ticker symbols are: SQN (Swissquote); SQZ.S (Reuters); SQNSW (Bloomberg); SQN (Telekurs).

DEVELOPMENT OF STOCK MARKET SHARE PRICE 2019 – 2023

in CHF

DEVELOPMENT OF STOCK MARKET SHARE PRICE JANUARY TO DECEMBER 2023

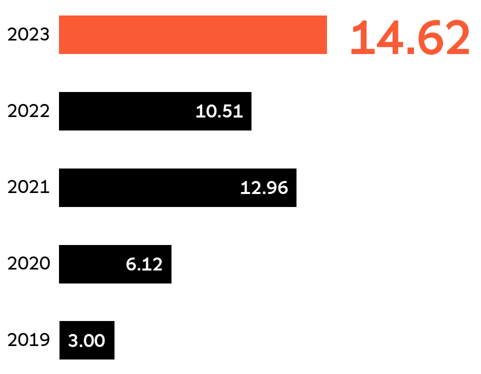
in CHF

Swissquote share

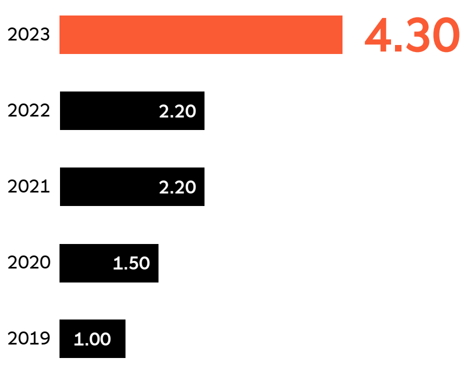
	2023	2022	2021	2020	2019
CLOSING SHARE PRICE IN CHF					
High	204.60	206.00	206.00	90.80	53.50
Low	135.90	94.40	88.70	44.28	34.25
31 December	204.60	133.50	200.50	85.90	48.52
MARKET CAPITALISATION IN CHF MILLION					
High	3,136.1	3,157.6	3,157.6	1,391.8	820.1
Low	2,083.1	1,447.0	1,359.6	678.7	525.0
31 December	3,136.1	2,046.3	3,073.3	1,316.7	743.7
KEY FIGURES PER SHARE IN CHF					
Operating income per share	35.67	27.26	31.65	22.96	15.63
Earnings per share	14.62	10.51	12.96	6.12	3.00
Equity per share	58.62	48.35	40.15	28.72	24.45
Payout per share	4.30[1]	2.20	2.20	1.50	1.00

[1] Proposal of the Board of Directors.

EARNINGS PER SHARE
in CHF



PAYOUT PER SHARE
in CHF



Business model

PRODUCTS AND SERVICES

SECURITIES TRADING
More than 3 million financial products including stocks, ETFs, funds, bonds, options, futures and derivatives

FOREX/CFD
Leverage trading on currencies, commodities, precious metals, indices, stocks and bonds

CRYPTO
Up to 35 cryptocurrencies, custody, trading, staking, crypto exchange

BANKING
Payments, mortgages, leasing, loans, interest income

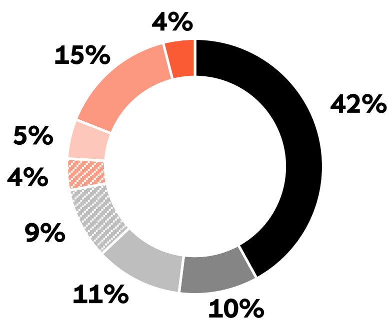
Diversified products and services mix serving all customer profiles

Multicurrency account	Custodian services	Services to asset managers	White-label services
Invest Easy	eMortgages	Multicurrency Debit card	Crypto services
Gold account	Lombard and margin loans	ESG investing tools	Securities lending

Business model

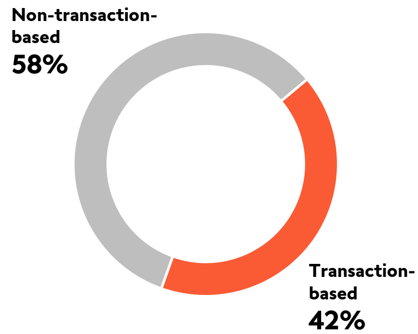
Diversification of revenue streams enabled Swissquote to benefit specifically from the change in short-term interest rates

OPERATING INCOME BY ASSET CLASS

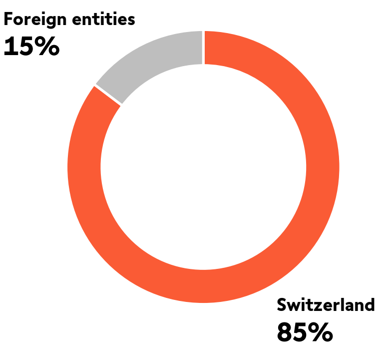


- Cash and fixed income
- Foreign exchange
- Shares
- Funds and similar vehicles and structured products and derivatives
- Crypto assets
- Others
- eFX/CFDs
- Precious metals

OPERATING INCOME BY NATURE

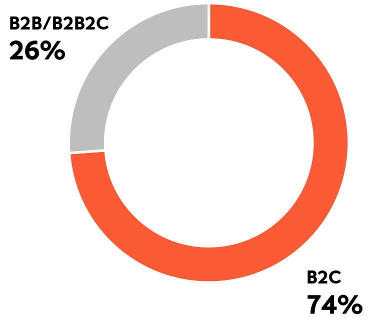


OPERATING INCOME BY SALES OFFICES[1]



[1]The split reflects the location of the office that manages the client relationship as presented in the segment reporting

OPERATING INCOME BY CUSTOMER PROFILE



B2B/B2B2C
Asset managers
Money managers
White labels
Investment funds
Fund managers
Banks and brokers

VISION

«We want to be the first bank for digital-first mass affluent traders and investors. We challenge the code to deliver innovative services and products that make financial opportunities accessible to ambitious, self-directed people.»

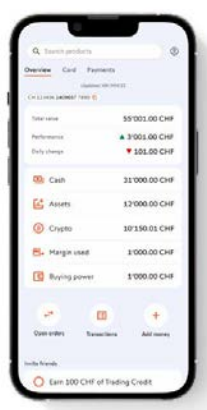
VALUES

UNITE AS ONE
DARE TO BE DIFFERENT
DO THE RIGHT THING
IN PURSUIT OF EXCELLENCE
ALWAYS SAY IT HOW IT IS
CHAMPION THE CUSTOMER

Swissquote culture

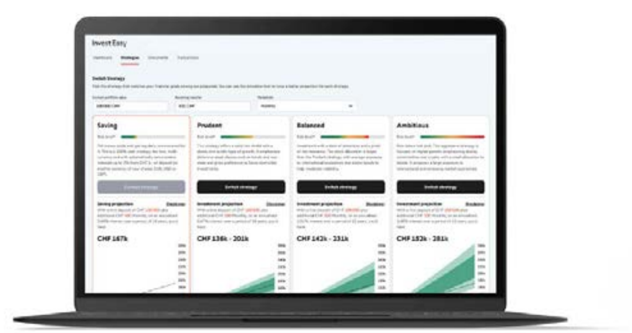
VALUE PROPOSITION

SWISSQUOTE UNIVERSE



TRADE

SECURITIES
FOREX & CFDs
CRYPTO
THEMES TRADING
SWISS DOTS



INVEST

PORTFOLIO MANAGEMENT
SAVINGS
SUSTAINABLE INVESTING

BANK

360° services, 365 days a year, with the Swiss leader in online banking.

DEBIT CARDS
ONLINE PAYMENTS
MORTGAGE

HIGHLIGHTS 2023

MAR

Swissquote's net revenues and pre-tax profit at guidance; 2023 eyes at all-time records

With net revenues of CHF 408.0 million, a pre-tax profit of CHF 186.4 million and net new monies of CHF 7.7 billion, Swissquote is reporting robust and qualitatively strong numbers for 2022. The diversification of revenue streams enabled Swissquote to benefit specifically from the change in short term interest rates. In 2022, 51,099 new client accounts (+10.5 percent) contributed to further growth, while total client assets reached CHF 52.2 billion. Swissquote anticipates a promising 2023 with new records in revenues and profit targeted.

APR

Swissquote brings interest back to trading accounts

After the general turnaround in interest rates has already ensured rising interest rates on savings accounts, Swissquote is going a step further and brings back interest rates as of 1 May 2023 on private accounts/trading accounts as well. The positive interest rates apply to all customers, for deposits of any amount. Withdrawals are possible at any time and free of charge. Furthermore, Swissquote trading accounts have no maintenance fees.

MAY

Swissquote, Stableton and Morningstar Indexes collaborate to introduce Private Market Investment products focusing on the Top 20 Unicorns

Investing in private markets can be difficult and time-consuming. Available options typically demand high investment minimums, capital calls, long-term fund commitments, opaque 'black-box' investments, and high fees. A first-of-its-kind range of investment products, where the strategy aims to broadly reflect the holdings of a private market index, now gives institutional and private investors, including retail investors, easy and convenient access to privately held high-growth companies.

JUL

Invest Easy: Swissquote introduces the investment and saving solution for simplicity seekers

Swissquote launches one-click investments with four professionally predefined strategies, highly competitive interest rates of up to 2% on cash deposits, depending on currency, and low-to-no-fees. In its initial phase, Invest Easy provides four strategies with tiered growth opportunities and risk profiles for fast, easy and intuitive investment decisions.

AUG

Results for the first half of 2023 – Swissquote reports record-high net revenues and client assets. Full-year guidance increased

While the first half of 2023 was challenging for investors and trading activity remained low across the industry, Swissquote can report strong results that exceeded initial expectations: net revenues of CHF 265.6 million, pre-tax profit of CHF 124.9 million and client assets: CHF 56.9 billion. For 2023 as a whole, Swissquote is now targeting a pre-tax profit of around CHF 250 million (initially: CHF 230 million).

SEP

Swissquote appoints Nestor Verrier as future Chief Operating Officer

As announced in March, Swissquote's current COO, Lino Finini, will retire at the end of 2023. Nestor Verrier was appointed to replace him as of 1 January 2024. "We are pleased to welcome Nestor as our new COO from January 2024", says Marc Bürki, CEO of Swissquote. "He is highly valued by our team for his leadership work. With his international and technologically oriented background, he was the natural successor of our COO."

Multi-currency and crypto-friendly: Swissquote introduces its new debit card and complete daily banking packages

Swissquote is taking the next step towards becoming the first universal digital bank by introducing two complete daily banking packages. The packages include comprehensive daily banking services, a multi-currency and crypto-friendly Swissquote debit card, a wide range of popular payment solutions, and an attractive cashback program. Altogether, these new packages make payments seamless and rewarding, while their attractive low-to-no-fees pricing is always fully transparent.

Report to the shareholders

Dear shareholders,

Markus Dennler
Chairman of the Board of Directors

Marc Bürki
Chief Executive Officer

Despite a challenging environment, Swissquote achieved stronger results than ever with an operating income of CHF 530.9 million, an operating profit of CHF 255.4 million and client assets reaching CHF 58.0 billion in 2023. During this period, Swissquote diversified its revenue streams not only by expanding beyond transaction-based earnings, but also by growing its revenues from international clients in Europe, Asia, and the Middle East. For the first time, non-transaction-based revenues (58%) exceeded transaction-based revenues (42%) and internationally located customers represented a bigger share of net revenues than Swiss residents (51% and 49%, respectively). Looking ahead, Swissquote expects to continue to grow in 2024, and is confirming its operating profit target for 2025 (CHF 350 million). The Board of Directors is proposing a dividend of CHF 4.30 per share.

Strong year 2023 with operating income, operating profit and client assets at record levels. Heading to 2024 with positive momentum.

Growth led by revenue diversification

In 2023, operating income reached CHF 530.9 million, an increase of 30.1% compared to the previous year (CHF 408.1 million). This favourable development was mainly supported by continued growth in net interest income (CHF 213.1 million), as a result of higher interest rates on all major currencies and resilient cash deposits (15% of total client assets). Net fee and commission income (excluding crypto assets) decreased by 4.0%, reflecting a low level of customer activity. Net crypto assets income decreased by 31.9%. 2023 was generally a year of low volatility for the crypto market, particularly in the first nine months. Crypto assets volatility improved in the last part of 2023, mainly driven by excitement around better conditions in 2024. Net eForex income decreased by 2.7% in 2023. Even though both eForex assets and volumes grew in comparison to the previous year, the low volatility, which dominated FX markets, affected the profitability of the eForex volumes. Net trading income (excluding eForex) increased by 1.5%, supported by the development of new products and services (e.g. debit cards and payments).

Improved operating profit margin at 48.1%

At CHF 270.9 million, total expenses increased by 26.0% mainly due to increased payroll & related expenses and other operating expenses. As of 31 December 2023, the total headcount was up by 78 to 1,134 FTE (+7.4%), due primarily to hiring in the field of technology and at the level of foreign offices. In 2023, the operating profit increased by 37.0% to a new record level of CHF 255.4 million (CHF 186.4 million). The operating profit margin grew to 48.1% (45.7%), while the net profit increased to CHF 217.6 million (CHF 157.4 million), with the net profit margin rising to 41.0% (38.6%).

Trading accounts grew by 7.2% in 12 months

A total of 574,274 client accounts was reached at the end of 2023, a net increase of 35,328 accounts or 6.6%. The number of Trading accounts grew by 7.2% in the last 12 months, reflecting intact customer interest in a year of rising interest rates. The implementation of more accessible investment strategies such as “Invest Easy” triggered a solid 14.9% growth in Robo-advisory/Saving accounts. The number of active eForex accounts (inactive eForex accounts are not reported) decreased by 4.3%, but the eForex assets continued to show growth (+7.2%).

Overall, total client assets grew by 11.1% to an all-time high of CHF 58.0 billion (CHF 52.2 billion). This positive development results from a net new money inflow of CHF 5.0 billion (CHF 7.7 billion) and a positive market impact. The strength of the Swiss franc affected both client assets and net new monies (translated from foreign currency to CHF for reporting purposes).

574,274

Total number of accounts

Thanks to solid equity position, payout ratio at 30%

As of 31 December 2023, total balance sheet assets amounted to CHF 10.0 billion (CHF 10.2 billion). Bolstered by a combination of solid profitability and cautious balance sheet management, total equity grew by 21.2% to CHF 898.6 million (CHF 741.1 million). The capital ratio increased further to 25.1% (24.8%), well above the regulatory limit of 11.2%. In that context, the Board of Directors strives for a stable dividend policy. The payout ratio to shareholders should generally amount to 30% of the reported net profit, i.e. CHF 4.30 per share for 2023 (+95%).

International presence reinforced

Swissquote is announcing the acquisition of Optimatrade Investment Partners (Pty) Ltd, a company domiciled in Cape Town, South Africa. This company, regulated locally as a financial services provider, has been acting as an introducer for Swissquote for more than ten years. In 2023, the related commission expenses incurred by Swissquote represented approximately 0.4% of net revenues. The transaction will enable natural synergies, in particular when rebranding Optimatrade. The current CEO and founder of Optimatrade, a Swiss national living in South Africa, will pursue his role in the company. The transaction was completed on 1 March 2024.

Yuh mobile app close to 200,000 customers

In 2023, the mobile finance app Yuh, Swissquote's 50 percent joint venture, successfully increased the number of accounts from 106,853 to 193,175 (+80.8%) and its client assets from CHF 0.6 billion to CHF 1.4 billion (+141.9%). During 2023, the net operating profit contribution of Yuh was still negative by –CHF 5.0 million (–CHF 6.7 million).

In 2024, this contribution is still expected to be negative, but to a lesser extent. Early 2024, the number of Yuh accounts surpassed 200,000.

Further upgrades in non-financial reporting

In addition to the GRI standards that we have applied since 2020, the Sustainability Report 2023 contains new disclosures prepared in accordance with the framework developed by the Task Force on Climate-related Financial Disclosures (TCFD). As a result, the report provides additional climate-related information, in line with the new climate strategy and climate risk management framework adopted by the Board of Directors in 2023. At the centre of the Group's sustainability strategy lies the double materiality assessment, which has been fully revised in 2023. The materiality assessment is a cornerstone of the Group's sustainability strategy and guides the Board of Directors in the setting of the objectives to the Executive Management and the whole organisation. In 2023, Swissquote was able to improve its Sustainalytics ESG rating from "medium" to "low" risk, confirming the successful concretisation of its efforts in that field. At this year's annual General Meeting, the shareholders will for the first time vote on the Sustainability Report, which serves as the report on non-financial matters newly required by the Swiss Code of Obligations. In that context, the Sustainability Report was subject to a larger scope of external assurance, including with respect to an extended selection of indicators and non-financial disclosures.

Corporate governance and remuneration

In 2023, Swissquote continued its intense dialogue with shareholders and had the opportunity to discuss topics such as corporate governance, remuneration and sustainability. Swissquote reviewed and evaluated the points raised by shareholders as they contribute to the improvement of Swissquote's practices, especially in terms of disclosure. In particular, the Board of Directors decided to improve disclosure on its members' qualifications, which are now presented in a detailed table in the Corporate Governance Report in line with best practice.

Concerning the composition of the Board, Esther Finidori was elected at the annual General Meeting of 10 May 2023. She has a strong expertise in sustainability in general and in environmental aspects and digital transformation specifically. Thanks to her election, the representation of the underrepresented gender reached 37.5%, hence exceeding the target set at 30%. At the level of the Executive Management, Swissquote welcomed Nestor Verrier at the position of Chief Operating Officer as from 1 January 2024, following Lino Finini's retirement as of 31 December 2023 after more than two decades of working for Swissquote.

With respect to remuneration, shareholders appreciated Swissquote's response to the comments made previously, in particular regarding the following two points: the disclosure of the metrics of the objectives set to the Executive Management as part of the Short-term Incentive Plan (STIP) and the re-balancing of the Executive Management's variable remuneration towards the longer term via the partial payment of the annual bonus in shares blocked for three years. Shareholders equally valued the Board of Directors' decision to put in place a new board and committee fee structure.

Swissquote greatly appreciated the time and active participation of its shareholders and is looking forward to maintaining this valuable dialogue in the future.

Thanks

On behalf of the Board of Directors and the Executive Management, we would like to thank our clients for their loyalty and contribution to Swissquote's success and long-term solidity. Thanks to their informed feedback, suggestions and requests, we continuously seek to improve and innovate to deliver exceptional and refreshing banking experiences. Furthermore, we would like to thank our shareholders for the trust they place in us, and all our employees for their hard work and commitment. And finally, we extend our thanks to our cooperation partners for their collaboration and unfailing expertise in helping us to grow our business.

Markus Dennler
Chairman of the Board
of Directors

Marc Bürki
Chief Executive Officer

FINAN-
CIAL
REPORT

Consolidated financial statements

Consolidated statement of financial position

in CHF	Notes	31 December 2023	31 December 2022
ASSETS			
Cash and balances with central banks	1	4,548,150,659	4,492,342,779
Treasury bills and other eligible bills	1	474,606,436	1,165,904,963
Due from banks	1/4	1,504,026,695	1,627,923,294
Derivative financial instruments	2	147,986,246	109,201,988
Trading assets	3	873,726	2,684,024
Loans	5	805,573,888	814,331,758
Investment securities	6	2,098,624,421	1,722,032,893
Investment in joint venture	7	8,979,084	4,460,572
Deferred income tax assets	15a	1,489,711	1,393,649
Intangible assets	8	54,749,408	55,784,621
Information technology systems	9	92,299,204	75,258,028
Property, plant and equipment	10	73,760,573	72,506,590
Other assets	11	148,668,642	74,570,589
Total assets		**9,959,788,693**	**10,218,395,748**
LIABILITIES AND EQUITY			
Liabilities			
Deposits from banks	1	307,486,046	366,399,780
Derivative financial instruments	2	78,439,731	57,835,148
Financial liabilities designated at fair value	12	215,908,273	71,313,623
Due to customers	13	8,307,692,780	8,860,519,759
Other liabilities	14	110,831,608	90,092,881
Current income tax liabilities	15c	31,642,163	23,048,468
Deferred tax liabilities	15b	2,345,870	1,582,439
Provisions	16	6,887,228	6,475,556
Total liabilities		**9,061,233,699**	**9,477,267,654**
Equity			
Ordinary shares	18.1	3,065,634	3,065,634
Share premium		57,575,297	57,833,801
Share option reserve	18.2	7,054,044	5,338,134
Other reserve	18.3	(14,569,176)	(9,828,340)
Treasury shares	18.4	(66,939,521)	(40,106,180)
Retained earnings	18.5	912,368,716	724,825,045
Total equity		**898,554,994**	**741,128,094**
Total liabilities and equity		**9,959,788,693**	**10,218,395,748**

The notes on pages 26 to 118 are an integral part of these financial statements.

Consolidated income statement

in CHF	Notes	2023	2022
Fee and commission income	19	182,676,969	197,650,607
Fee and commission expense	19	(20,935,680)	(21,067,568)
Net fee and commission income		**161,741,289**	**176,583,039**
Interest income	20	199,355,266	64,629,024
Interest expense	20	(29,123,172)	(22,479,551)
Other interest income	20	50,944,838	35,410,382
Other interest expense	20	(8,116,341)	(4,089,863)
Net interest income		**213,060,591**	**73,469,992**
Net trading income	21	**156,066,778**	**158,093,438**
Operating income		**530,868,658**	**408,146,469**
Credit loss release/(expense)		486,571	(103,578)
Operating expenses	22	(270,936,378)	(214,956,557)
Net result from investment in joint venture	7	(4,981,488)	(6,699,181)
Operating profit		**255,437,363**	**186,387,153**
Income tax expense	15d	(37,807,111)	(28,993,396)
Net profit		**217,630,252**	**157,393,757**
SHARE INFORMATION			
Earnings per share	23	14.62	10.51
Diluted earnings per share	23	14.55	10.45

The notes on pages 26 to 118 are an integral part of these financial statements.

Consolidated statement of comprehensive income

in CHF	Notes	2023	2022
NET PROFIT		**217,630,252**	157,393,757
Other comprehensive income: Gains/(losses) recognised directly in equity			
Items that may be reclassified to the income statement			
Investment securities measured at fair value through other comprehensive income (FVOCI):			
Net unrealised gains/(losses)		3,198,185	–
Income tax effect		(438,151)	–
Currency translation differences	18.3	(7,027,278)	(4,694,327)
Total other comprehensive income that may be reclassified to the income statement		**(4,267,244)**	**(4,694,327)**
Items that will not be reclassified to the income statement			
Investment securities measured at fair value through other comprehensive income (FVOCI equities):			
Net realised/unrealised gains/(losses)		11,226	(2,272,079)
Income tax effect		(1,538)	299,914
Defined benefit obligation:			
Remeasurement	17b	(560,000)	18,060,000
Income tax effect		76,720	(2,383,920)
Total other comprehensive income that will not be reclassified to the income statement		**(473,592)**	**13,703,915**
Other comprehensive income for the period (net of tax)		**(4,740,836)**	**9,009,588**
Total comprehensive income for the period		**212,889,416**	**166,403,345**

The notes on pages 26 to 118 are an integral part of these financial statements.

Consolidated statement of changes in equity

in CHF	Notes	Ordinary shares	Share premium	Share option reserve	Other reserve	Treasury shares	Retained earnings	Total
BALANCE AS AT 1 JANUARY 2023		3,065,634	57,833,801	5,338,134	(9,828,340)	(40,106,180)	724,825,045	741,128,094
Net profit of the period		–	–	–	–	–	217,630,252	217,630,252
Investment securities FVOCI	6	–	–	–	3,209,411	–	912,236	4,121,647
Remeasurement of defined benefit obligation	17b	–	–	–	(560,000)	–	–	(560,000)
Income tax effect (aggregated)		–	–	–	(362,969)	–	(124,976)	(487,945)
Currency translation differences	18.3	–	–	–	(7,027,278)	–	–	(7,027,278)
Total comprehensive income for the period		**–**	**–**	**–**	**(4,740,836)**	**–**	**218,417,512**	**213,676,676**
Dividend	18.5	–	–	–	–	–	(32,729,952)	(32,729,952)
Employee stock option plan:								
Amortisation of services	18.2	–	–	3,572,021	–	–	–	3,572,021
Stock options exercised, lapsed or forfeited	18.2	–	–	(1,856,111)	–	–	1,856,111	–
Treasury shares:								
Purchase	18.4	–	–	–	–	(37,967,768)	–	(37,967,768)
Sale/remittance	18.4	–	(258,504)	–	–	11,134,427	–	10,875,923
Balance as at 31 December 2023		**3,065,634**	**57,575,297**	**7,054,044**	**(14,569,176)**	**(66,939,521)**	**912,368,716**	**898,554,994**

The notes on pages 26 to 118 are an integral part of these financial statements.

Consolidated statement of changes in equity (continued)

in CHF	Notes	Ordinary shares	Share premium	Share option reserve	Other reserve	Treasury shares	Retained earnings	Total
BALANCE AS AT 1 JANUARY 2022		3,065,634	56,422,625	3,154,374	(18,837,928)	(27,656,922)	599,311,550	615,459,333
Net profit of the period		–	–	–	–	–	157,393,757	157,393,757
Investment securities FVOCI	6	–	–	–	(2,272,079)	–	372,746	(1,899,333)
Remeasurement of defined benefit obligation	17b	–	–	–	18,060,000	–	–	18,060,000
Income tax effect (aggregated)		–	–	–	(2,084,006)	–	(49,202)	(2,133,208)
Currency translation differences	18.3	–	–	–	(4,694,327)	–	–	(4,694,327)
Total comprehensive income for the period		**–**	**–**	**–**	**9,009,588**	**–**	**157,717,301**	**166,726,889**
Dividend	18.5	–	–	–	–	–	(33,022,905)	(33,022,905)
Employee stock option plan:								
Amortisation of services	18.2	–	–	3,002,859	–	–	–	3,002,859
Stock options exercised, lapsed or forfeited	18.2	–	–	(819,099)	–	–	819,099	–
Treasury shares:								
Purchase	18.4	–	–	–	–	(17,420,411)	–	(17,420,411)
Sale/remittance	18.4	–	1,411,176	–	–	4,971,153	–	6,382,329
Balance as at 31 December 2022		**3,065,634**	**57,833,801**	**5,338,134**	**(9,828,340)**	**(40,106,180)**	**724,825,045**	**741,128,094**

The notes on pages 26 to 118 are an integral part of these financial statements.

Consolidated statement of cash flows

in CHF	Notes	2023	2022
Cash flow from/(used in) operating activities:			
Fee and commission received		179,198,201	183,873,821
Fee and commission paid		(20,709,610)	(21,126,027)
Interest received		235,872,599	88,259,799
Interest paid		(37,833,632)	(30,418,484)
Net trading income received		146,556,946	157,908,033
Income tax paid		(26,990,812)	(23,754,700)
Payments to employees		(122,893,261)	(121,026,135)
Payments to suppliers		(92,580,320)	(109,759,201)
Cash flow from operating profit before changes in operating assets and liabilities		**260,620,111**	**123,957,106**
Net change in operating assets and liabilities:			
Treasury bills and other eligible bills (above 3 months)		(45,637,549)	(13,761,420)
Due from banks (above 3 months)		403,446,266	(293,416,747)
Derivative financial instruments (assets)		(38,784,258)	(16,513,591)
Trading assets		1,750,480	2,292,301
Loans		(16,843,963)	17,455,823
Derivative financial instruments (liabilities)		20,604,583	2,068,901
Issuance of financial liabilities designated at fair value		295,359,912	82,007,268
Repayment of financial liabilities designated at fair value		(138,639,986)	(2,307,644)
Due to customers		(449,178,690)	589,977,727
Net cash from/(used in) operating activities		**292,696,906**	**491,759,724**
Cash flow from/(used in) investing activities:			
Purchase of property, plant and equipment and information technology systems	9/10	(53,090,205)	(51,730,560)
Proceeds from sale and reimbursement of investment securities		270,667,103	134,123,926
Purchase of investment securities		(706,171,119)	(1,123,706,365)
Purchase of subsidiary, net of cash acquired	28	–	299,844,443
Increased investment in joint ventures	7	(9,500,000)	–
Net cash from/(used in) investing activities		**(498,094,221)**	**(741,468,556)**
Cash flow from/(used in) financing activities:			
Repayment of lease liabilities		(3,393,580)	(3,699,363)
Purchase of treasury shares		(37,967,768)	(17,420,411)
Sale/remittance of treasury shares		9,797,087	5,542,580
Dividend and reimbursement from reserves	18.5	(32,729,952)	(33,022,905)
Net cash from/(used in) financing activities		**(64,294,213)**	**(48,600,099)**
Net decrease in cash and cash equivalents		**(269,691,528)**	**(298,308,931)**
Cash and cash equivalents as at 1 January	1	6,048,013,440	6,354,966,064
Exchange difference on cash and cash equivalents		(46,005,436)	(8,643,693)
Cash and cash equivalents as at 31 December [1]	**1**	**5,732,316,476**	**6,048,013,440**
Cash and cash equivalents:			
Cash and balances with central banks		4,548,150,659	4,492,342,779
Treasury bills and other eligible bills (less than 3 months)		274,324,191	1,000,813,368
Due from banks (less than 3 months)		1,217,327,672	921,257,073
Deposits from banks		(307,486,046)	(366,399,780)
Total as at 31 December [1]	**1**	**5,732,316,476**	**6,048,013,440**

[1] CHF 304.5 million and CHF 267.1 million of cash and cash equivalents were restricted as at 31 December 2023 and 31 December 2022, respectively (see Note 1).

The notes on pages 26 to 118 are an integral part of these financial statements.

Notes to the consolidated financial statements

Section I: General information

Swissquote Group Holding Ltd (the "Company") and its subsidiaries (together the "Group") provide a comprehensive suite of online financial services to a broad spectrum of customers, ranging from retail investors, affluent investors to professional and institutional customers. The Group operates in Switzerland through Swissquote Bank Ltd (the "Bank") and globally under the Swissquote brand with offices located in the United Arab Emirates (Dubai), Europe (United Kingdom, Luxembourg, Malta, Romania and Cyprus), and in Asia Pacific with offices in the Republic of China (Hong Kong) and Singapore. Reference is made to Note 28.

The Group also shares 50% interest in Yuh Ltd (Gland, Switzerland). This venture markets a digital banking mobile application under a separate brand in the Swiss market (www.yuh.com).

The Group's headquarters are located in Gland (Canton of Vaud), Switzerland.

The Group employed 1,134 employees (full-time equivalent) at the end of December 2023 (31 December 2022: 1,056) and 574,274 customers were using the platforms and apps of Swissquote (31 December 2022: 538,946).

The parent company of the Group is Swissquote Group Holding Ltd, which is a limited liability company incorporated in Switzerland. The address of its registered office is: Chemin de la Crétaux 33, CH-1196 Gland. The shares of Swissquote Group Holding Ltd have been listed on the Swiss Stock Exchange since 29 May 2000. The ticker is SQN, the security number is 1067586 and the ISIN number is CH0010675863.

The issued share capital as at 31 December 2023 consisted of 15,328,170 ordinary shares of CHF 0.20 nominal value each (2022: 15,328,170 ordinary shares of CHF 0.20 nominal value). There is also a conditional capital and a capital band. Details are provided in Note 18.1.

According to the information available to the Group, the shareholders with an interest in the Group above 3% (including stock options) are as follows:

	2023			2022		
	Shares	Options	Total	Shares	Options	Total
Marc Bürki	11.56%	0.07%	**11.63%**	11.56%	0.09%	**11.65%**
Paolo Buzzi	10.41%	0.05%	**10.46%**	10.41%	0.05%	**10.46%**
PostFinance AG	5.00%	–	**5.00%**	5.00%	–	**5.00%**
Treasury shares:						
Swissquote Group Holding Ltd (Note 18.4)			**3.07%**			**2.52%**

Except for the above-mentioned shareholders, no other shareholder registered in the share register or announced to SIX Swiss Exchange owns 3% or more of the issued share capital as at 31 December 2023. All shares are freely tradable. SIX Swiss Exchange regulations, however, provide that individual shareholdings exceeding 5% (save for, inter alia, certain investment funds) are deemed to be permanent investments and are to be excluded from the free float. In accordance with SIX Swiss Exchange regulations, the free float as at 31 December 2023 is 73.03% (2022: 73.03%).

The consolidated financial statements were approved for publication by the Board of Directors on 13 March 2024.

Notes to the consolidated financial statements

Section II: Scope of operations of the Group and reportable segments

The current scope of operations is the result of a historic development, of which the key milestones are summarised as follows:

1996

- The Swissquote financial platform is founded. For the first time, private investors can access the real-time prices of all securities traded on the Swiss Stock Exchange for free.

2000

- Swissquote Group Holding Ltd is listed on the Swiss Stock Exchange (symbol: SQN);
- Swissquote Bank Ltd is granted a banking licence.

2001

- Online trading of investment funds, access to the SIX Swiss Exchange (at the time SWX and Virt-X) and to the US NYSE, Nasdaq and AMEX stock exchanges.

2002 2007

- Market consolidation in Switzerland (e.g. takeover of Consors (Switzerland) Ltd and Skandia Bank Switzerland).

2008

- A new Swissquote forex trading platform goes live.

2010

- Launch of the Swissquote Magazine;
- Takeover of ACM Advanced Currency Markets Ltd, one of the largest currency traders with subsidiaries in Dubai.

2013

- Takeover of MIG Bank Ltd, one of the leading forex brokers worldwide with subsidiaries in London and Hong Kong;
- Swiss DOTS, a new OTC trading service for derivative products;
- Launch of a subsidiary in Malta, today named Swissquote Financial Services (Malta) Limited, active in the field of fund custody and brokerage to non-retail clients.

2014 2016

- Strategic partnership between Swissquote and PostFinance, the main white-label partner in the field of eTrading as of today;
- Launch of Themes Trading: dynamic thematic portfolios.

2017

- First online bank to offer trading and custody on five cryptocurrencies: Bitcoin, Bitcoin Cash, Ether, Litecoin and Ripple.

2018

- Acquisition of Internaxx Bank S.A. in Luxembourg to have unrestricted access to the European market. Was rebranded Swissquote Bank Europe SA in March 2020.

2019

- Creation of Swissquote Singapore Pte. Ltd approved by the Monetary Authority of Singapore (MAS).

2021

- Launch of Yuh, the digital banking app from Swissquote and PostFinance;
- Swissquote becomes the official sponsor of UEFA;
- Strategic partnership with Luzerner Kantonalbank for online mortgages.

2022

- Launch of SQX, Swissquote's own crypto exchange;
- Swissquote becomes an issuer of structured products;
- Acquisition of Keytrade Bank Luxembourg SA, subsequently merged with Swissquote Bank Europe SA.

2023

- Launch of Invest Easy: Swissquote's investment and saving solution for simplicity seekers;
- Launch of the new debit card with multi-currency and crypto-friendly offering.

As at 31 December 2023, the Group's operations consisted of operating a digital online bank that accepts multi-currency deposits/withdrawals (including crypto assets) and that provides:

Securities trading services (including custody services) by means of tools to trade in real time a large palette of asset classes and access a set of investment, decision-making, risk-monitoring and margin-lending services to:

- Private investors;
- Independent asset managers and professional investors;
- Investment funds and other institutional clients;
- Third-party financial institutions.

Access to over-the-counter trading of foreign exchange and contracts-for-differences (including leveraged forex) to:

- Private investors;
- Money managers;
- Investment funds and other institutional clients;
- Third-party financial institutions.

The Group is not involved in the following banking activities:

- Providing commercial lending, direct mortgages lending, retail borrowings, credit-related commitments such as guarantees and standby letters of credit;
- Providing trustee, corporate administration to third parties.

Reportable segments

IFRS 8 requires an entity to identify its operating segments and based thereon to determine its reportable segments, which may comprise one operating segment or an aggregation of operating segments, which meet certain quantitative thresholds set out in the standard. An operating segment is defined in IFRS 8 as a component of an entity (1) that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses relating to transactions with other components of the same entity, (2) whose operating results are regularly reviewed to take decisions about resources to be allocated and assess its performance, and (3) for which discrete financial information is available.

IFRS 8 requires entities to disclose information in a manner consistent with the basis of internal reporting provided to the chief operating decision maker (CODM) and used by the CODM to evaluate segment results and allocate resources.

The management information system of the Group is designed and constantly amended in order to reflect the development of the business model of the Group and hence to support the strategic and operating processes.

Historically, the Group acts as a leader in the online securities trading market and has progressively extended its activities not only by increasing the level of assistance to its customers (Robo-Advisory) but also by adding products and services such as Lombard loans, crypto assets trading and securities lending. In the securities trading segment, the Group operates in a number of geographic markets and is regulated by different financial regulators.

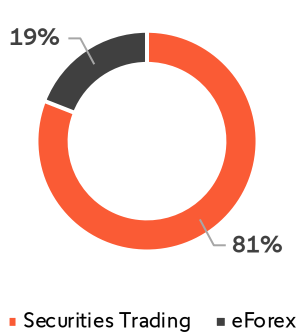
Throughout the years, the Group gained a critical mass in the leveraged forex segment (eForex) through both internal and external growth. In this segment, the Group offers to its clientele access to over-the-counter (OTC) foreign exchange markets through technology platforms. The Group primarily operates what is referred to as an agency model to execute client trades. In the leveraged forex segment, the regulations also affect how the Group is able to market and provide its services to customers. If the regulations are continually evolving, the regulatory environment is less restrictive in comparison to the securities trading segment. The Group revenues are mainly generated by adding a mark-up to the price provided by the market.

The Group manages financial risks and business activities on a group-wide portfolio basis and a large portion of costs are incurred centrally. These costs are not allocated to individual reportable segments for decision-making purposes and accordingly these costs are not allocated to reportable segments.

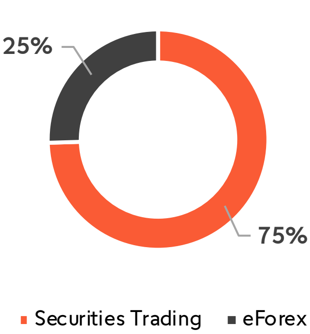
With due care to the above explanations, the Group has defined two operating segments:

- Securities trading;
- Leveraged forex (eForex).

OPERATING INCOME BY SEGMENT IN 2023



OPERATING INCOME BY SEGMENT IN 2022



Based thereon, the analysis of reportable segments for 2023 and 2022 is as follows:

in CHF	2023	2022
OPERATING INCOME BY GEOGRAPHY		
Securities trading		
Switzerland	369,601,213	277,102,996
Europe	32,875,418	18,677,603
Middle East	20,303,436	6,596,210
Asia Pacific	6,997,821	1,850,315
Subtotal securities trading	**429,777,888**	**304,227,124**
Leveraged forex		
Switzerland	83,295,411	84,650,945
Europe	704,662	1,865,247
Middle East	12,186,233	10,528,263
Asia Pacific	4,904,464	6,874,890
Subtotal leveraged forex	**101,090,770**	**103,919,345**
Total operating income	**530,868,658**	**408,146,469**
Total unallocated items	(275,431,295)	(221,759,316)
Operating profit	**255,437,363**	**186,387,153**

The geographical split reflects the location of the office that manages the client relationship.

in CHF	2023	2022
OPERATING INCOME BY PRODUCT		
Securities trading		
Cash and fixed income	227,810,769	77,795,219
Shares	57,485,343	58,007,140
Foreign exchange	51,147,810	54,449,131
Funds and similar vehicles	23,922,934	22,591,681
Structured products and derivatives	21,783,556	24,543,370
Crypto assets	18,866,986	27,695,135
Others	28,760,490	39,145,448
Subtotal securities trading	**429,777,888**	**304,227,124**
Leveraged forex		
Foreign exchange	57,087,496	60,433,810
Precious metals	22,638,808	19,786,295
Contracts-for-differences	21,364,466	23,699,240
Subtotal leveraged forex	**101,090,770**	**103,919,345**
Total operating income	**530,868,658**	**408,146,469**
Total unallocated items	(275,431,295)	(221,759,316)
Operating profit	**255,437,363**	**186,387,153**

Notes to the consolidated financial statements

Section III: Adoption of new and revised International Financial Reporting Standards

The consolidated financial statements for the year 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS).

Additional information required by national regulations is included where appropriate.

A Standards, amendments and interpretations effective on or after 1 January 2023

There are no IFRS or IFRIC interpretations, effective for the first time for the financial year beginning 1 January 2023, with a material impact on the Group.

B Standards and interpretations issued, but not yet effective

Certain new accounting standards and interpretations published are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

C Early adoption of standards

The Group did not early adopt new or amended standards in 2023.

In accordance with IAS 1, the material accounting policy information applied in the preparation of these consolidated financial statements is set out below:

A Basis of presentation

These consolidated financial statements are prepared in accordance with IFRS. The consolidated financial statements are prepared under the historical cost convention with the exception of financial assets and liabilities measured at fair value through profit or loss or through other comprehensive income, derivative financial instruments and share-based payments measured at revalued amounts or fair values as explained in the accounting policies as well as precious metals (Other assets) measured at fair value less cost to sell.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Section V.

B Consolidation

B1 Subsidiaries and investments in associates/joint ventures

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Interests in entities where the Group has significant influence over the financial and operating policies of the entity but does not have control are classified as investments in associates/joint ventures and accounted for under the equity method of accounting. Typically, the Group has significant influence when it holds or has the ability to hold between 20% and 50% of a company’s voting rights. Investments in associates/joint ventures are initially recognised at cost, and the carrying amount is increased or decreased after the date of acquisition to recognise the Group’s share of the investee’s profit or loss and any impairment losses. The net investment in an associate/joint venture is impaired if there is objective evidence of a loss event and the carrying amount of the investment in the associate/joint venture exceeds its recoverable amount. The Group’s share of the investee’s profit or loss is recognised in the Group’s income statement.

Intercompany transactions, balances and unrealised gains on transactions between subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the transferred assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

B2 Acquisition

The acquisition method is used to account for the business combinations by the Group. The cost of an acquisition is measured at the fair value of the given assets, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

B3 List of Group entities

Group entities	Office/country	Status	Interest as at 31 December 2023	2022
Swissquote Bank Ltd	Gland/Switzerland	Active	100%	100%
Swissquote Bank Europe SA	Luxembourg/Luxembourg	Active	100%	100%
Swissquote Financial Services (Malta) Ltd	St. Julian's/Malta	Active	100%	100%
Swissquote Ltd	London/UK	Active	100%	100%
Swissquote Capital Markets Ltd	Limassol/Cyprus	Active	100%	100%
Swissquote Tech Hub Bucharest S.R.L.	Bucharest/Romania	Active	100%	100%
Swissquote MEA Ltd	Dubai/UAE	Active	100%	100%
Swissquote Pte. Ltd	Singapore/Singapore	Active	100%	100%
Swissquote Asia Ltd	Hong Kong/China	Active	100%	100%
Swissquote Trade Ltd in liquidation	Gland/Switzerland	Dormant	100%	100%
Yuh Ltd	Gland/Switzerland	Active	50%	50%

Reference is made to Note 28.

C Foreign currency translation

C1 Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the Group entity operates ("functional currency"). The consolidated financial statements are presented in CHF, which is the functional and presentation currency of Swissquote Group Holding Ltd and Swissquote Bank Ltd. The functional and presentation currencies of foreign subsidiaries are EUR, GBP, HKD, RON, SGD and USD.

	2023		2022	
Foreign currency translation	Closing rates	Average rates	Closing rates	Average rates
AED	0.2291	0.2444	0.2517	0.2596
AUD	0.5732	0.5957	0.6303	0.6604
CAD	0.6352	0.6658	0.6824	0.7311
CNY	0.1181	0.1265	0.1336	0.1411
DKK	0.1246	0.1303	0.1331	0.1348
EUR	0.9288	0.9708	0.9898	1.0029
GBP	1.0714	1.1185	1.1183	1.1739
HKD	0.1078	0.1146	0.1185	0.1217
JPY	0.0060	0.0064	0.0070	0.0073
NOK	0.0827	0.0849	0.0945	0.0993
RON	0.1868	0.1961	0.2001	0.2033
SEK	0.0834	0.0846	0.0888	0.0941
SGD	0.6378	0.6687	0.6895	0.6918
TRY	0.0289	0.0385	0.0495	0.0578
USD	0.8415	0.8977	0.9245	0.9535

Average rates disclosed in the table above are the average of monthly closing rates and do not reflect the effective average rates of transactions.

C2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

C3 Group entities

The results and financial positions of all Group entities (none of which has a currency in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated as follows:

– Assets and liabilities for each balance sheet item presented are translated at the closing rate at the date of the balance sheet;
– Income and expenses of each income statement are translated at average exchange rates;
– All resulting foreign exchange differences are recognised in the statement of comprehensive income.

D Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

The Group discloses its operating segments by the nature of the business activities as managed internally and presented to the Executive Management and Board of Directors. The set-up of the Group's operations implies that the Group operates in two reported operating segments:

– Securities trading;
– Leveraged forex.

E Offsetting financial instruments

The Group presents separately recognised financial assets and recognised financial liabilities at their gross amounts. The Group does not offset assets and liabilities unless required to by IFRS.

F Financial assets

F1 Classification

The Group classifies its financial assets in the following three measurement categories:

– Amortised cost;
– Fair value through other comprehensive income (FVOCI);
– Fair value through profit or loss (FVTPL).

The classification depends on the business models of the Group for managing the financial assets and the cash flow characteristics of the financial assets. The business model reflects how the Group manages the financial assets in order to generate cash flows. The Group reclassifies financial assets when and only when its business model for managing those assets changes. Such changes are expected to be infrequent.

F2 Recognition, modification and derecognition

Regular way purchases and sales of financial assets are recognised on a trade date basis. Financial assets are derecognised when the contractual rights to receive cash flows have expired or when they are transferred. When modifications happen (change in contractual cash flows), the Group assesses whether the new terms are substantially different from the original terms.

F3 Measurement

At initial recognition, the Group measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of a financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the income statement.

Debt instruments

Subsequent measurement of debt instruments depends on the business model for managing the asset and the cash flow characteristics of the asset. These are three measurement categories, into which the Group classifies its debt instruments:

– Amortised cost: assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interests (SPPI test), are measured at amortised cost using the effective interest rate method. These assets are subject to impairment. Any gains or losses are recognised in the income statement when the asset is derecognised, modified or impaired.
– FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the cash flows represent solely payments of principal and interest (SPPI test), are measured at FVOCI. Interest income, foreign exchange revaluation and impairment losses/reversals are recognised in the income statement and computed in the same manner as for amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to income statement.
– FVTPL: assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Changes in fair value are recognised in the income statement.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective. The Group subsequently measures all equity instruments at fair value. Equity instruments are classified into two categories:

– FVOCI: where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as net interest income when the right to receive payments is established. Equity instruments designated at FVOCI are not subject to impairment assessments.
– FVTPL: financial assets held for trading and changes in the fair value are recognised in the income statement.

Finance lease receivables

Where the Group acts as leasing provider for customers under a finance lease, a receivable is recognised in Loans at an amount equal to the present value of the aggregate of the lease payments receivable from the customer and the guaranteed residual value that the Group expects to recover at the end of the lease term. Parts of lease payments received during the lease term are allocated as repayments of the outstanding receivable. The finance lease income is calculated using the effective interest method and is recognised in the income statement (Net interest income).

Other financial assets

All other financial assets are measured at FVTPL and consist of held-for-trading assets, assets mandatorily measured on a fair value basis and derivative financial instruments, except to the extent that they are designated in a hedging relationship (in which case the IAS 39 hedge accounting requirements continue to apply).

G Impairment of financial assets

The Group assesses the expected credit losses (ECL) associated with its assets carried at amortised cost and FVOCI.

The impairment methodology applied depends on whether there has been a significant change in credit risk since initial recognition and is summarised as follows:

- A financial asset that is not credit-impaired is classified as "stage 1" on initial recognition and has its credit risk continuously monitored by the Group.
- If a significant change in credit risk (SICR) since initial recognition is identified, the financial asset is moved to "stage 2".
- If the financial asset is credit-impaired, the financial asset is then moved to "stage 3".

Financial assets in stage 1 have their ECL measured at an amount equal to the portion of lifetime-expected credit losses that result from default events possible within the next 12 months. Therefore, 12-month ECL are recognised from initial recognition. For financial assets with a remaining maturity of less than 12 months, ECL are determined for this shorter period.

Financial instruments in stage 2 or stage 3 have their ECL measured based on expected credit losses on a lifetime basis.

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD). All changes in expected credit losses (positive or negative remeasurement) are recognised in the income statement (Credit loss (expense)/release).

Significant increase of credit risk (SICR)

To determine whether the recognition of a 12-month ECL (stage 1) continues to be appropriate, it is assessed whether a SICR has occurred since initial recognition.

Risk indicators establishing whether there has been a significant increase of credit risk vary depending on the type of balance sheet item (as the nature of the borrower or the product type may differ) but also on internal management methods and external data available. The Group considers quantitative and qualitative elements as well as backstop indicators when determining whether SICR has occurred. For example:

- Treasury bills and other eligible bills, Due from banks and Investment securities: exposures which have experienced a significant downgrade in external credit rating or significant widening of credit spreads undergo a significant increase of credit risk and hence become stage 2 are considered as a backstop by the Group. Additionally, based on individual counterparty-specific indicators, external market indicators of credit risk or general economic conditions, counterparties may be moved to a watch list, which is used as a secondary qualitative indicator for SICR and hence for transfer to stage 2.
- Loans: the loans provided to customers are mainly Lombard loans, which are collateralised by portfolios of securities. The value of the collateral is taken into account when calculating the ECL, which minimises the probability that a stage 1 exposure needs to be transferred to stage 2. Lombard loans in stage 2 are loans which, according to the policy, are above closed-out trigger, but have been decided to be maintained by taking a higher credit risk.

Default and credit impairment

The definition of default is based on quantitative and qualitative criteria. A counterparty is classified as defaulted when material payments of interests, principal or fees are overdue for more than 90 days. Counterparties are also classified as defaulted when bankruptcy, insolvency proceedings or enforced liquidation have commenced or there is other evidence that payment obligations will not be fully met without recourse to collateral.

Write-off and recovery

Financial assets are written off, in part or in full, where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

When the Group reaches settlement agreements with counterparties whose balances were previously considered as stage 3, it can recover these balances in part or in full. The recovered amount is credited to Credit loss (expense)/release, whereas the remaining amount is generally written off.

Simplified approach

For finance lease receivables, as an accounting policy the Group elected to use a simplified approach, which means recognition of lifetime-expected credit losses irrespective of if a significant increase in credit risk has taken place. The model will be periodically updated and developed based on experience.

H Derivative financial instruments and hedging activities

Derivative financial instruments include those held for trading purposes and those used for risk management purposes. Derivatives held for trading arise from proprietary trading activity and from customer-based activity. The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.
The Group may designate certain derivatives as either:

- Hedges of the fair value of recognised assets, liabilities or firm commitments (fair value hedge);
- Hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge).

Hedge accounting is used for derivatives designated in this way, provided certain criteria are met.

The Group documents, at the inception of the transaction, the relationship between the hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

a Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Effective changes in fair value of interest rate swaps and related hedged items are reflected in Net interest income. Effective changes in fair value of currency futures are reflected in Net trading income. Any ineffectiveness is recorded in Net trading income.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to income statement over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security, except for FVOCI equities where there is no recycling.

b Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement (Net trading income).

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects income statement. The gain or loss relating to the effective portion of foreign exchange swaps and currency options are recorded in line with the hedged item in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

I Intangible assets

Goodwill recognised in a business combination is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable and separately recognised. In that sense, goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in Intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

J Information technology systems

J1 Software third-party licences

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful life.

J2 Proprietary software

Costs associated with maintaining computer software programs are recognised as an expense when incurred. However, expenditure that enhances or extends the benefits of computer software programs beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software under the item “Proprietary software”. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives.

Computer software internally generated by the Group is recognised as an asset if the cost of development is reliably measurable and an analysis shows that future benefits from using the software application exceed the cost. Cost is defined as development costs incurred to make each computer software application ready for use. The cost of development consists primarily of direct remuneration and other directly attributable development costs. Expenses incurred in the planning phase are not capitalised, but expensed when incurred.

J3 Hardware & telecom systems

Hardware and telecom systems are recorded at cost. Depreciation is calculated on the straight-line method to write off the cost of these assets to their residual values over their estimated useful life.

Assets	Depreciation method	
Software third-party licences	Straight-line	3 to 10 years
Proprietary software	Straight-line	5 years
Hardware & telecom systems	Straight-line	Maximum 5 years

K Property, plant and equipment

K1 Land and buildings

Land and buildings are carried at historical cost less accumulated depreciation and provision for impairment where required. Land is not depreciated. Depreciation on buildings is calculated on a straight-line basis and based on the estimated useful life. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

K2 Right-of-use assets

Leases are recognised as a right-of-use asset and a corresponding liability at the date when the leased asset is available for use by the Group. The assets and liabilities from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement (Interest expense) over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability, any initial direct costs, any lease incentives received and restoration costs. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

K3 Leasehold improvements and equipment

Leasehold improvements and equipment are stated at cost less accumulated depreciation or any impairment losses. Expenditure incurred on maintenance and repairs is recognised in the income statement as incurred. Expenditure incurred on major improvements is capitalised and depreciated.

Assets	Depreciation method	
Land	Not depreciated	N.A.
Buildings	Straight-line	Maximum 30 years
Right-of-use assets	Straight-line	3 to 10 years[1]
Leasehold improvements	Straight-line	5 to 10 years
Equipment	Straight-line	5 to 10 years

[1] Or duration of the lease if shorter

The residual values and useful lives are reviewed, and adjusted as appropriate, at each balance sheet date. The carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

L Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of the allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Assets that have an indefinite useful life – for example, goodwill – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

M Due to customers

Due to customers only include items classified as liabilities at amortised cost.

N Financial liabilities

Financial liabilities are measured either at amortised cost or at fair value through profit or loss (FVTPL). All issued structured products are designated as Financial liabilities designated at fair value. The fair value option is applied to these issued products to reduce the accounting mismatch between the related investment securities at amortised cost or at fair value through profit or loss and related derivative financial instruments (total return swaps). Changes in the fair value of financial liabilities designated at fair value attributable to changes in the own credit risk, if any, is presented in other comprehensive income. The remaining amount of the gain or loss is included in the income statement.

O Deferred income taxes

Deferred income taxes are provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income taxes are determined using tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from the capitalisation of certain assets and related depreciation and amortisation as well as from remeasurement of the defined benefit obligation.

Deferred tax related to fair value remeasurement of FVOCI investments, which is charged or credited directly to other comprehensive income, is also credited or charged directly to other comprehensive income and is subsequently (in the case of sale) recognised in the income statement, or transferred to retained earnings, together with the deferred gain or loss.

Deferred tax assets relating to tax losses carried forward are, if any, recognised to the extent that taxable profits are expected to be generated in the future and will be offset by the tax losses carried forward.

P Pension obligations

As at 31 December 2023, the Group operates various post-employment schemes, including defined benefit and defined contribution pension plans (2022: same situation).

Switzerland (defined benefit plan)

With regard to operations located in Switzerland, the pension plan has been set up in accordance with Swiss law. Consequently, it does not fulfil all of the conditions of a defined contribution pension plan according to IAS 19 and is therefore accounted for as a defined benefit plan.

The Group insures its staff through a collective foundation, which provides benefits on retirement or in the event of death and disability. The benefits provided by the plan are above the legal minimum (which is set out in Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans). These additional benefits can be reduced prospectively for active employees. The level of contributions to be paid by the employees and the relevant Group companies is determined in the plan's rules. The pension benefits are based on the contributions paid by the insured persons and the Group (individual savings accounts). As the supreme body of the collective foundation, the Board of Trustees is responsible for the general administration, for the drawing up of the rules and the regulations, for asset management supervision and for the relation with authorities. The administrative, accounting and actuarial management is entrusted to third-party service providers. Swiss pension plans must ensure that they can meet their obligations at all times. Measures to eliminate any potential shortfall must be based on a regulatory principle.

For IFRS purposes, pension obligations and expenses are determined according to the projected unit credit method when qualifying as defined benefit plans. The corresponding calculations are made by third-party actuaries on a periodical basis. The potential liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan's assets, together with adjustments for unrecognised past-service costs. The present value of the defined benefit obligation is determined by discounting the estimated future outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Foreign locations (defined contribution plan)

The foreign entities of the Group operate defined contribution pension schemes. The assets of the scheme are held separately from those of the entities in an independently administered fund. The amount charged to the income statement represents the contributions that have been paid to the scheme in respect of the accounting period.

Q Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, if it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at balance sheet date. Where a provision is measured using cash flow estimates to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

R Share capital/transaction costs

Ordinary shares are classified as equity. Share premium includes any premium received on the issuing of new shares. Incremental costs directly attributable to the issue by Group entities of new shares or options (transaction costs) or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds. Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Group’s shareholders.

S Employee Share and Option Plan (ESOP)

The equity-based compensation plan is called Employee Share and Option Plan (ESOP). The purpose of the plan is to furnish incentives to eligible employees of the Group to increase shareholder value by improving operations and profitability. Eligible employee shall mean any permanent employee of the Group who is employed by the Group at the date of grant and for a minimum of one full year of employment within the Group.

The Share Plan is made available to all eligible employees (including members of the Management) and to the members of the Board of Directors, while the Option Plan is solely available to eligible employees (in particular members of the Management). For the Share Plan, the Group has decided not to include any vesting condition. The fair value of the attributed shares is fully recognised as an expense at the date of grant.

For the Option Plan, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period (i.e. the period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied). The total amount to be expensed is determined by reference to the fair value of the options granted (at grant date), excluding the impact of any non-market vesting conditions and the number of options anticipated to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. When shares are issued to employees exercising stock options, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. When treasury shares are delivered to employees exercising the stock options, the proceeds received are credited to treasury shares (acquisition cost) and share premium (difference between the strike price and the acquisition cost of the treasury shares).

T Treasury shares (equity)

When the Group purchases its own shares, the consideration paid is deducted from total equity as treasury shares. Where such shares are subsequently sold or reissued, any consideration received is included in equity.

U Net fee and commission income

The Group provides its customers with a large range of services. Net fee and commission income can be split into two categories: (1) services rendered over time (mainly custody and other account services fees) and (2) fees for services provided at a point in time (such as brokerage and related income), which constitute by far the largest portion.

Fee and commission income for services provided over time are generally recorded as a percentage of the average amount of relevant assets during the period when the service is rendered and is recognised in profit or loss as performance obligations being met.

Fee and commission income for services at a specific point in time are generally determined either as a fixed amount per transaction or as a percentage of the corresponding transaction volume. They are invoiced to the customer after the service has been rendered and recognised in profit or loss.

V Net interest income

Interest income and expense are recognised in the income statement for all instruments measured at amortised cost and debt instruments measured at FVOCI using the effective interest method. Net interest income is by nature recognised over time. Interest income includes coupons earned on fixed-income investment and trading securities and accrued discount and premium on treasury bills and other discounted instruments. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. A foreign exchange swap is the simultaneous purchase and sale of identical amounts of one currency for another with two different value dates (normally spot to forward). The difference between the forward rate and the spot rate represents the interest differential between the two currencies at inception. The net economic return (interest margin) over the investment period is recognised in net interest income, as well as any subsequent changes in fair value that may occur. Nevertheless, the Group is required to present separately in the income statement interest revenues calculated using the effective interest rate method from other interest revenues.

W Net trading income

Net trading income is recognised on online foreign exchange transactions performed by clients and also on foreign currency translation of monetary assets and liabilities denominated in other currencies than functional currency. Revenue rebates payable to introducing brokers that are not themselves trading counterparties are charged to the income statement when the associated revenue is recognised and are disclosed as a deduction from net trading income. Changes in fair value and gains and losses realised on the disposal of financial assets designated at fair value through profit or loss are recognised in Net trading income. Net trading income is by nature recognised at a point in time.

X Off-balance sheet activities (including holdings in crypto assets)

Fiduciary activity: the Group commonly acts in a variety of arrangements as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of clients (including securities lending). These arrangements are subject to regulation (when applicable) as well as industry custom and practice. These assets are not included in the statement of financial position because the contractual terms and economic substance do not meet the IFRS definition for the recognition of an asset and liability.

Holdings in crypto assets: the Group offers crypto assets trading and custody services to its clients. The Group holds all crypto assets credited to the client accounts solely as a nominee (fiduciary capacity) on behalf of its clients, who remain the legal and beneficial owners of such holdings. The Group itself has no claim to the crypto assets, as they are assets belonging to its clients. Segregation and compliance to segregation requirements are key elements in determining whether the holdings in crypto assets have to be recognised in the statement of financial position or not. Swiss laws provide (among other) clear rules for the segregation of crypto assets in the event of bankruptcy of the custodian.

Y Cash and cash equivalents

Cash and cash equivalents comprise balances with less than 90 days maturity including: cash and balances with central banks, amounts due from other banks and other short-term highly liquid investments (classified under Treasury bills and other eligible bills). Cash and balances with central banks comprise deposits with Swiss National Bank and Banque centrale du Luxembourg, which are available on demand. Reverse repurchase agreements with Swiss National Bank are also presented in Cash and balances with central banks.

Notes to the consolidated financial statements

Section V: Critical accounting judgements and key sources of estimation uncertainty

The consolidated financial statements are prepared in accordance with IFRS and the application of these accounting standards requires the use of judgements, based on estimates and assumptions that may involve significant uncertainty at the time they are made. Using different assumptions could cause the reported results to differ, and changes in the assumptions may have a significant impact on the financial statements in the period that such changes occur.

This section is included to assist the reader of the consolidated financial statements in understanding the uncertainty inherent in the estimates and assumptions used, but does not intend to suggest that other estimates and assumptions would be more appropriate.

As at 31 December 2023, the Group believes the assumptions that have been made are appropriate under the circumstances and that the consolidated financial statements are fairly presented in all material aspects.

In addition, the process of applying the Group's accounting policies may require the use of key assumptions concerning the future, and/or other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year. Key assumptions are discussed below.

A Impairment test in respect of goodwill

As at 31 December 2023, the carrying amount of goodwill amounted to CHF 54.7 million (2022: CHF 55.8 million).

Under IFRS, goodwill is not amortised, but is reviewed for potential impairment on an annual basis or when indicators of impairment exist. The Group tests annually whether goodwill has suffered any impairment.

The impairment test is performed for each segment for which goodwill is allocated and compares the recoverable amount (based on its value in use) to the carrying amount of the cash-generating unit. An impairment charge is recognised if the carrying amount exceeds the recoverable amount. The impairment test is based on assumptions (see Note 8).

The recoverable amounts are determined using a discounted cash flow (DCF) model or a dividend discount model (DDM), which incorporates assumptions (such as growth rate and the amount and timing of expected future cash flows for example) relevant to the banking business and its regulatory environment. The recoverable amount is the sum of the discounted earnings from the forecasted years and the terminal value. The terminal value, reflecting all periods beyond the forecasted years, is calculated on the basis of the last forecasted year earnings. Valuation parameters used for the impairment test model are linked to external market information, where applicable. The discount rate is determined by applying a capital-asset-pricing model-based approach, as well as considering quantitative and qualitative inputs. Key assumptions used to determine the recoverable amounts are tested for sensitivity by applying a reasonably possible change to those assumptions.

Goodwill is allocated to cash-generating units for purposes of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination, identified according to business segment.

Circumstances that could trigger an impairment test include (but are not limited to): a significant adverse change in business climate or legal factor, an increase of discount rate, an adverse action or assessment by a regulator, additional regulatory or legislative changes, unanticipated competition and loss of key personnel.

If the estimated earnings and other assumptions in future periods deviate from the current outlook, the value of the goodwill may become impaired in the future, giving rise to losses in the income statement. Recognition of any impairment of goodwill would reduce IFRS equity and net profit. It would not impact cash flows nor regulatory capital ratios, as goodwill is required to be deducted from eligible capital under the Basel III framework.

B Employee benefits

As at 31 December 2023, the defined benefit obligation amounted to CHF 97.2 million (2022: CHF 85.5 million) which resulted in a net liability of CHF 10.6 million (2022: CHF 9.1 million) after deduction of the fair value of the plan's assets.

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations (see Note 17).

The assumptions used in determining the net cost (or income) for pension include the discount rate. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality bonds maturities approximating the terms of the related pension obligations.

Other key assumptions include life expectancy, turnover, expected salary increases, pension rates and interest credits on retirement saving account balances. Life expectancy is determined by reference to mortality tables. The assumption for salary increases reflects the long-term expectations for salary growth and takes into account inflation, seniority and other relevant factors of the labour market.

C Measurement of the expected credit loss and impairment allowance

Judgement is always required by Management in the estimation of the amount and timing of future cash flows when determining an impairment loss for loans and advances. However, since the introduction of IFRS 9, the measurement of the expected credit loss allowance (ECL) is an area that requires even more judgement and to make estimates and assumptions that involve uncertainty at the time they are made.

Changes to these estimates and assumptions can result in significant changes in the timing and amount of ECL to be recognised as the impairment allowance recognised within a period is impacted by a variety of factors, including the ones described below:

- Transfers between stage 1 and stage 2 due to financial instruments experiencing significant increases (decreases) of credit risk or into (out of) stage 3 due to financial instruments becoming credit-impaired (becoming cured) and the consequent step-up (step-down) between 12-month and lifetime ECL.
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period.
- Impact on the measurement of expected credit losses due to changes in probabilities of defaults (PDs), exposures at defaults (EADs) and loss given defaults (LGDs) in the period arising from regular refreshing of inputs to models.

Defining the concept of significant change in credit risk is a critical element within the overall ECL estimate given the potential effect on provision of moving financial instruments from 12-month ECL to lifetime ECL.

The expected credit losses are a discounted product of the PDs, EADs and LGDs. PDs are based on historical data and quantitative estimates supplied by third parties. The EADs represent an estimate of the exposure to credit risk at time of potential default. The LGDs represent an estimate of the loss at the time of a potential default. In general, the Group leverages the models used in determining the parameters under Basel III framework. In certain cases, the Group may use a simplified approach (finance lease receivables).

A Introduction

The Group is exposed to a variety of financial risks that require the analysis, evaluation, acceptance and management of some degree of risks or combination of risks. Risks arise from all Group business activities and cannot be completely eliminated. Prudent risk-taking is in line with the strategic priorities and is fundamental to the Group's business as a provider of online financial services.

Risk management plays an important role in the Group business planning process and is highly supported by the Executive Management and the Board of Directors.

A1 Financial risk factors

The Group activities expose it to a range of financial risks:
- Credit risk;
- Liquidity risk;
- Market risks (including foreign exchange risk and interest rate risk);
- Operational risk.

A variety of methodologies and measures are applied to quantify the risks of the Group and risk concentrations.

A2 Risk governance and risk organisation

The Group risk management policies and systems are designed to identify and analyse these risks, to set appropriate risk limits and controls and to monitor risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in the markets, products, emerging best practices and legislative and regulatory developments.

As a general rule, risk limits are set by the Board of Directors. The Executive Management is responsible for supervising and directing the risk profile and recommending risk limits to the Board of Directors. The Chief Risk Officer is the executive accountable for enabling the governance of significant risks (risk management).

The objectives of risk management are to protect the Group's financial strength and reputation, while ensuring that capital is well deployed to support business activities. These business activities are constrained by the capital that is available to cover risk-weighted assets resulting inter alia from the risks underlying the activities and the size of the balance sheet assets. These constraints represent a link between the strategy, the risks generated by the activities and the balance sheet and capital resources that are available to absorb those risks. The Group's risk management organisation reflects the specific nature of the various risks in order to ensure that risks are managed within limits set in a transparent and timely manner. The Board of Directors is responsible for the strategic direction, supervision and control of the Group's activities as well as the definition of the overall tolerance for risk. The Audit & Risk Committee is responsible for assisting the Board of Directors in its responsibilities by monitoring the Group's approach with respect to financial reporting, internal controls, accounting, compliance and internal audit.

The Board of Directors provides written principles for the overall risk management, as well as written policies covering the following main risk areas:
- Asset and liability management and treasury policies (covering inter alia currency and maturity mismatching risks);
- Credit risk (including margining of collateral risks);
- Liquidity risk;
- Market risks (comprising the scope of assets considered for investment and provisions on market, interest rate and liquidity risks);
- Capital management policies;
- Operational risk.

Furthermore, once a year, the Board of Directors organises a conference dedicated to an in-depth review of risks and of the risk management process (the "Annual Conference on Risks"). Selected members of the senior management, the external auditors and the internal auditors provide the Board of Directors with their own risk assessments and their recommendations with respect to the risk management and internal control.

A3 Climate-related financial risks

Climate risks are becoming more important for companies. In this regard, a new climate reporting legislation was adopted in 2022 by the Swiss Federal Council under the name of Ordinance on Climate Disclosures and entered into force on 1 January 2024 for large Swiss companies.

In 2023, the Board of Directors adopted a new climate strategy that covers two main areas: i) managing climate-related financial risks and ii) contribute to the transition to a more sustainable economy. Moreover, the Group implemented a climate risk management framework to identify climate-related risk factors, monitor and manage risk, and enable disclosure of climate risk metrics. This climate risk management framework insists on the principle that climate-related risks are drivers of the existing risk categories (credit risk, market risk, operational risk and liquidity risk). As a result, the Controlling and Risk department, under the supervision of the Chief Risk Officer, ensures that climate-related risks are integrated into the

Group's existing risk framework. In particular, all risk types are reassessed annually to include potential impacts of climate-related risks. The Group also considered the potential impairment indicators on assets affected by climate change but did not identify any material elements.

The Ordinance on Climate Disclosures makes the implementation of the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") binding. Reference is made to the fully dedicated TCFD report in our separate Sustainability Report.

B Financial assets and liabilities categorisation

IFRS 7 requires all the financial assets and liabilities of the Group to be presented by category and class of instruments.

in CHF	Amortised cost	FVTPL	FVOCI	Total	Fair value
CLASSES OF FINANCIAL ASSETS					
Cash and balances with central banks	4,548,150,659	–	–	4,548,150,659	4,548,150,659
Treasury bills and other eligible bills	474,606,436	–	–	474,606,436	474,606,436
Due from banks	1,504,026,695	–	–	1,504,026,695	1,504,026,695
Derivative financial instruments	–	147,986,246	–	147,986,246	147,986,246
Trading assets	–	873,726	–	873,726	873,726
Loans	805,573,888	–	–	805,573,888	805,573,888
Investment securities	1,703,770,634	150,076,403	244,777,384	2,098,624,421	2,063,988,442
Other assets (financial assets)	56,939,689	–	–	56,939,689	56,939,689
Total financial assets	**9,093,068,001**	**298,936,375**	**244,777,384**	**9,636,781,760**	**9,602,145,781**
Investment in joint venture				8,979,084	
Deferred income tax assets				1,489,711	
Intangible assets				54,749,408	
Information technology systems				92,299,204	
Property, plant and equipment				73,760,573	
Other assets (non-financial assets)[1]				91,728,953	
Total non-financial assets				**323,006,933**	
Total assets as at 31 December 2023				**9,959,788,693**	

[1] mainly comprise precious metals

in CHF	Amortised cost	FVTPL	Total	Fair value
CLASSES OF FINANCIAL LIABILITIES				
Deposits from banks	307,486,046	–	307,486,046	307,486,046
Derivative financial instruments	–	78,439,731	78,439,731	78,439,731
Financial liabilities designated at fair value	–	215,908,273	215,908,273	215,908,273
Due to customers	8,307,692,780	–	8,307,692,780	8,307,692,780
Other liabilities	110,831,608	–	110,831,608	110,831,608
Total financial liabilities	**8,726,010,434**	**294,348,004**	**9,020,358,438**	**9,020,358,438**
Current income tax liabilities			31,642,163	
Deferred tax liabilities			2,345,870	
Provisions			6,887,228	
Total non-financial liabilities			**40,875,261**	
Total liabilities as at 31 December 2023			**9,061,233,699**	
Net balance as at 31 December 2023			**898,554,994**	

B Financial assets and liabilities categorisation (continued)

in CHF	Amortised cost	FVTPL	FVOCI	Total	Fair value
CLASSES OF FINANCIAL ASSETS					
Cash and balances with central banks	4,492,342,779	–	–	4,492,342,779	4,492,342,779
Treasury bills and other eligible bills	1,165,904,963	–	–	1,165,904,963	1,165,904,963
Due from banks	1,627,923,294	–	–	1,627,923,294	1,627,923,294
Derivative financial instruments	–	109,201,988	–	109,201,988	109,201,988
Trading assets	–	2,684,024	–	2,684,024	2,684,024
Loans	814,331,758	–	–	814,331,758	814,331,758
Investment securities	1,656,665,440	46,540,664	18,826,789	1,722,032,893	1,647,898,794
Other assets (financial assets)	44,015,047	–	–	44,015,047	44,015,047
Total financial assets	**9,801,183,281**	**158,426,676**	**18,826,789**	**9,978,436,746**	**9,904,302,647**
Investment in joint venture				4,460,572	
Deferred income tax assets				1,393,649	
Intangible assets				55,784,621	
Information technology systems				75,258,028	
Property, plant and equipment				72,506,590	
Other assets (non-financial assets)[1]				30,555,542	
Total non-financial assets				**239,959,002**	
Total assets as at 31 December 2022				**10,218,395,748**	

[1] mainly comprise precious metals

in CHF	Amortised cost	FVTPL	Total	Fair value
CLASSES OF FINANCIAL LIABILITIES				
Deposits from banks	366,399,780	–	366,399,780	366,399,780
Derivative financial instruments	–	57,835,148	57,835,148	57,835,148
Financial liabilities designated at fair value	–	71,313,623	71,313,623	71,313,623
Due to customers	8,860,519,759	–	8,860,519,759	8,860,519,759
Other liabilities	90,092,881	–	90,092,881	90,092,881
Total financial liabilities	**9,317,012,420**	**129,148,771**	**9,446,161,191**	**9,446,161,191**
Current income tax liabilities			23,048,468	
Deferred tax liabilities			1,582,439	
Provisions			6,475,556	
Total non-financial liabilities			**31,106,463**	
Total liabilities as at 31 December 2022			**9,477,267,654**	
Net balance as at 31 December 2022			**741,128,094**	

C Fair value of financial assets and liabilities

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debts. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of other assets and other liabilities is assumed to approximate their fair value.

Fair value hierarchy

The levels of the fair value hierarchy are defined as follows:

– Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed debt instruments, trading assets on stock and other exchanges, exchange-traded derivatives and precious metals. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

– Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). These inputs include: (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current or price quotations vary substantially either over time or among market makers, or in which little information is publicly available, inputs other than quoted prices that are observable for the asset or the liability or (3) inputs that are derived principally from or corroborated by observable market data by correlation or other means. This level includes the majority of the OTC derivative contracts, investment securities and issued structured products. For the latter, valuation models are primarily applied and use inputs and rates derived from observable market data, such as interest rates, quoted prices and foreign exchange rates. The Group sources of input parameters such as benchmark interest rate or counterparty credit risk are Bloomberg and Reuters.

– Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). These inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

The fair value of financial instruments traded in active markets is based on quoted prices at the balance sheet date. An active market is one in which quoted prices are readily and regularly available from a stock exchange, a dealer, a broker, an industry group, a pricing service or a regulatory agency, those prices represent actual and regularly occurring market transactions on an arm's-length basis and in which transactions take place with sufficient frequency and volume. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (i.e. over-the-counter derivatives and investment securities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to measure an instrument at fair value are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Classification within the fair value hierarchy

Investment securities are classified as level 1 or level 2. Although market data is readily available, there is often insufficient third-party transaction data to justify an active market and corresponding level 1 classification.

Derivative financial instruments include, inter alia, currency forwards which are valued using foreign exchange spot rates observed in the market. As the foreign exchange market is actively tradable, these currency forwards are generally classified as level 1 (when valued with market spot rates). Other derivative financial instruments, such as precious metals forwards, are typically classified as level 2.

Trading assets are predominantly exchange-traded structured products as well as equities with readily available quoted prices in liquid markets and therefore are classified as level 1. Precious metals (other assets) are classified as level 1.

C Fair value of financial assets and liabilities (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value:

in CHF	Level 1	Level 2	Level 3	Fair value	Carrying amount
AS AT 31 DECEMBER 2023					
Assets measured at fair value					
Derivative financial instruments	59,373,251	88,612,995	–	147,986,246	147,986,246
Trading assets	873,726	–	–	873,726	873,726
Investment securities	204,929,681	189,924,106	–	394,853,787	394,853,787
Other assets (measured at fair value) [1]	91,728,953	–	–	91,728,953	91,728,953
Total assets measured at fair value	**356,905,611**	**278,537,101**	**–**	**635,442,712**	**635,442,712**
Assets not measured at fair value					
Cash and balances with central banks					4,548,150,659
Treasury bills and other eligible bills					474,606,436
Due from banks					1,504,026,695
Loans					805,573,888
Investments securities	892,345,723	776,788,932	–	1,669,134,655	1,703,770,634
Investment in joint venture					8,979,084
Deferred income tax assets					1,489,711
Intangible assets					54,749,408
Information technology systems					92,299,204
Property, plant and equipment					73,760,573
Other assets (not measured at fair value)					56,939,689
Total assets not measured at fair value	**892,345,723**	**776,788,932**	**–**	**1,669,134,655**	**9,324,345,981**
Total assets	**1,249,251,334**	**1,055,326,033**	**–**	**2,304,577,367**	**9,959,788,693**
Liabilities measured at fair value					
Derivative financial instruments	7,682,230	70,757,501	–	78,439,731	78,439,731
Financial liabilities designated at fair value	–	215,908,273	–	215,908,273	215,908,273
Total liabilities measured at fair value	**7,682,230**	**286,665,774**	**–**	**294,348,004**	**294,348,004**
Liabilities not measured at fair value					
Deposits from banks					307,486,046
Due to customers					8,307,692,780
Other liabilities					110,831,608
Current income tax liabilities					31,642,163
Deferred tax liabilities					2,345,870
Provisions					6,887,228
Total liabilities not measured at fair value	**–**	**–**	**–**	**–**	**8,766,885,695**
Total liabilities	**7,682,230**	**286,665,774**	**–**	**294,348,004**	**9,061,233,699**

[1] mainly comprise precious metals

C Fair value of financial assets and liabilities (continued)

Assets measured at fair value

Investment securities measured at fair value comprise financial assets at fair value through profit or loss (31 December 2023: CHF 150.1 million of which CHF 70.9 million is classified as level 2) and financial assets at fair value through other comprehensive income (31 December 2023: CHF 244.8 million of which CHF 119.0 million is classified as level 2).

Assets and liabilities not measured at fair value

Investment securities not measured at fair value comprise investment securities classified as amortised cost. For all other assets and liabilities not measured at fair value, the carrying amount is assessed to be a reasonable approximation of fair value.

C Fair value of financial assets and liabilities (continued)

in CHF	Level 1	Level 2	Level 3	Fair value	Carrying amount
AS AT 31 DECEMBER 2022					
Assets measured at fair value					
Derivative financial instruments	48,336,674	60,865,314	–	109,201,988	109,201,988
Trading assets	2,684,024	–	–	2,684,024	2,684,024
Investment securities	34,664,971	30,702,482	–	65,367,453	65,367,453
Other assets (measured at fair value)[1]	30,555,542	–	–	30,555,542	30,555,542
Total assets measured at fair value	**116,241,211**	**91,567,796**	**–**	**207,809,007**	**207,809,007**
Assets not measured at fair value					
Cash and balances with central banks					4,492,342,779
Treasury bills and other eligible bills					1,165,904,963
Due from banks					1,627,923,294
Loans					814,331,758
Investments securities	563,240,550	1,093,424,890	–	1,582,531,341	1,656,665,440
Investment in joint venture					4,460,572
Deferred income tax assets					1,393,649
Intangible assets					55,784,621
Information technology systems					75,258,028
Property, plant and equipment					72,506,590
Other assets (not measured at fair value)					44,015,047
Total assets not measured at fair value	**563,240,550**	**1,093,424,890**	**–**	**1,582,531,341**	**10,010,586,741**
Total assets	**679,481,761**	**1,184,992,686**	**–**	**1,790,340,348**	**10,218,395,748**
Liabilities measured at fair value					
Derivative financial instruments	6,880,174	50,954,974	–	57,835,148	57,835,148
Financial liabilities designated at fair value	–	71,313,623	–	71,313,623	71,313,623
Total liabilities measured at fair value	**6,880,174**	**122,268,597**	**–**	**129,148,771**	**129,148,771**
Liabilities not measured at fair value					
Deposits from banks					366,399,780
Due to customers					8,860,519,759
Other liabilities					90,092,881
Current income tax liabilities					23,048,468
Deferred tax liabilities					1,582,439
Provisions					6,475,556
Total liabilities not measured at fair value	**–**	**–**	**–**	**–**	**9,348,118,883**
Total liabilities	**6,880,174**	**122,268,597**	**–**	**129,148,771**	**9,477,267,654**

[1] mainly comprise precious metals

C Fair value of financial assets and liabilities (continued)

Financial assets measured at fair value

Investment securities measured at fair value comprise financial assets at fair value through profit or loss (31 December 2022: CHF 46.6 million of which CHF 24.5 million is classified as level 2) and financial assets at fair value through other comprehensive income equities (31 December 2022: CHF 18.8 million of which CHF 6.2 million is classified as level 2).

Financial assets and liabilities not measured at fair value

Investment securities not measured at fair value comprise investment securities classified as amortised cost. For all other assets and liabilities not measured at fair value, the carrying amount is assessed to be a reasonable approximation of fair value.

D Capital management (including disclosures required by Swiss capital regulation)

D1 Capital management framework (unaudited)

The Group's objectives when managing capital, which is a broader concept than “equity” on the face of the statement of financial position, are:

- Comply with regulatory capital requirements defined in the Swiss Federal Law on Banks and Savings Banks, the Implementing Ordinance on Banks and Savings Banks, the Swiss Capital Adequacy Ordinance (CAO) and the FINMA circulars that it refers to;
- Safeguard the Group's ability to continue as a going concern so that it can continue to deploy its strategy, to provide returns to the shareholders and to demonstrate its financial strength and creditworthiness to its business partners and clients;
- Maintain a capital basis and capital ratios deemed adequate to support the growth of its business activities and to absorb the equity stress that the Group simulates using stress test scenarios for credit, market and operational risks;
- Anticipate future business growth and regulatory developments.

The Group and Swissquote Bank Ltd are both subject to FINMA regulation.

The capital levels of the Group are subject to quantitative and qualitative judgements by FINMA about the components of capital, risk weightings and other factors.

Within the FINMA framework, Swiss banks are classified in five supervisory categories according to their size and risk impact. The higher the category to which the bank belongs, the greater are its additional capital requirements and its required disclosures.

As at 31 December 2023, Swissquote Group is classified in the supervisory category 4 (category 1 being the one with the highest requirements). Banks included in supervisory category 4 are obliged to hold 8.0% of total capital ratio and an additional 3.2%, known as “capital conservation buffer” (total: 11.2%). Banks included in category 4 are not required, under conditions, to publish the exhaustive range of disclosures set in FINMA circulars (partial disclosure).

To enter into the next supervisory category (category 3), the Group would have to meet or exceed a total balance sheet amount of CHF 17 billion and total capital requirements of CHF 250 million. Category 3 banks must also hold 8.0% of total capital ratio, but the “capital conservation buffer” is set at 4.0%, totalling 12.0%.

Under the Basel III framework, a number of different approaches exist to calculate the capital adequacy requirements. The Swissquote Group and Swissquote Bank Ltd apply the following approaches:

	31 December 2023 and 2022
Credit risk	International Standard Approach – AS-BRI
Market risk	Standardised Approach
Operational risk	Basic Indicator Approach

Other foreign subsidiaries of the Group are also subject to locally applicable capital requirement regulations.

D2 Risk-weighted assets (unaudited)

The balance sheet positions, off-balance sheet exposures and the size of business activities are translated into risk-weighted assets (RWA) that are categorised as market, credit, operational and non-counterparty risk.

Market risk reflects the capital requirements relating to potential changes in the fair values of financial instruments in response to market movements inherent in both the balance sheet and the off-balance sheet items.

Credit risk reflects the capital requirements for the possibility of a loss incurred as the result of a counterparty failing to meet its obligations. The figures take account of add-ons for potential credit exposures.

Operational risk reflects the capital requirements for the risk of loss resulting from inadequate internal processes, people and systems or from external events. Under the basic indicator approach, operational risk requirement is calculated as the average over the previous three years of 15% of positive annual gross income.

Non-counterparty risk reflects the capital requirements relating to premises and equipment.

Together, all these constraints create a link between the Group's strategy, the risks that the business activities generate, the balance sheet and capital resources that are available.

in CHF	Risk-weighted assets		Required capital	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Credit risk:				
Sovereign	43,440,000	17,351,000	3,475,200	1,388,080
Banks	717,310,000	747,511,000	57,384,800	59,800,880
Corporates	384,738,000	365,590,000	30,779,040	29,247,200
Other institutions	106,492,000	72,563,000	8,519,360	5,805,040
Retail	216,989,000	218,443,000	17,359,120	17,475,440
Others	203,113,000	126,379,000	16,249,040	10,110,320
Non-counterparty risk	166,059,777	147,764,618	13,284,782	11,821,169
Market risk	361,983,000	157,662,500	28,958,640	12,613,000
Operational risk	881,761,041	763,303,938	70,540,883	61,064,315
Total	**3,081,885,818**	**2,616,568,056**	**246,550,865**	**209,325,444**

The increase in risk-weighted assets linked to market risk is mainly due to the exposure related to open trading positions of customers at date of closing. Regarding operational risk, the increase is explained by the growth of the operating income in the last three years.

D3 Eligible capital and capital ratios (unaudited)

To determine the total eligible capital under Basel III, additional deductions are made for future expected dividend and in the form of general adjustments from the total equity calculated in accordance with IFRS. These items are deducted in full and in particular comprise intangible assets (goodwill).

in CHF	31 December 2023	31 December 2022
ELIGIBLE CAPITAL		
Ordinary shares	3,065,634	3,065,634
Share premium	57,575,297	57,833,801
Share option reserve	7,054,044	5,338,134
Other reserve	(14,569,176)	(9,828,340)
Treasury shares	(66,939,521)	(40,106,180)
Retained earnings	912,368,716	724,825,045
Subtotal	**898,554,994**	**741,128,094**
Adjustments		
Future expected dividend	(65,911,131)	(33,721,974)
Intangible assets	(54,749,408)	(55,784,621)
Others	(5,170,642)	(2,304,859)
Total common equity tier 1 capital (CET1 capital)	**772,723,813**	**649,316,640**
Total tier 2 capital (T2)	1,740,547	420,170
Total eligible capital	**774,464,360**	**649,736,810**

	Capital ratios		Minimum requirements		
	31 December 2023	31 December 2022	Basel III minimum requirement	Capital conservation buffer	Total minimum requirement
Common equity tier 1 ratio (CET1)	25.1%	24.8%	4.5%	2.9%	7.4%
+ Additional tier 1 capital ratio (AT1)	–	–	1.5%	0.1%	1.6%
+ Tier 2 capital ratio (T2)	–	–	2.0%	0.2%	2.2%
Capital ratio (%)	**25.1%**	**24.8%**	**8.0%**	**3.2%**	**11.2%**
CET1 available after meeting Basel III minimum requirement (8.0%)	17.1%	16.8%			
CET1 available after meeting total minimum requirement (11.2%)	13.9%	13.6%			

D4 Leverage ratio (unaudited)

The FINMA Circular 2015/3 "Leverage ratio" clarifies the calculation of the leverage ratio as per guidelines set forth in the Basel III minimum standards. Total leverage ratio exposure corresponds to total assets adjusted by tier 1 capital deductions and off-balance sheet items.

in CHF thousand, except where indicated	31 December 2023	31 December 2022
Total common equity tier 1 capital (CET1 capital)	772,724	649,317
Total leverage ratio exposure	10,094,794	10,363,511
Leverage ratio (%)	**7.7%**	**6.3%**
Minimum requirement (%)	3.0%	3.0%

Swissquote Bank Ltd and Swissquote Bank Europe SA are also subject to applicable leverage requirement regulations.

D5 Liquidity coverage ratio (unaudited)

The Liquidity Ordinance (LiqO) and the FINMA Circular 2015/2 "Liquidity Risks – banks" outline the qualitative and quantitative liquidity requirements for banks. The qualitative part includes the definition of liquidity risk tolerance and strategy, the measurement of liquidity risks, stress testing and contingency funding planning. The requirements apply to all banks, but are tiered according to the scope of operations, complexity and general risk profile of its business activities.

Liquidity Coverage Ratio (LCR) is designed to ensure that banks hold a sufficient reserve of high-quality liquid assets to allow them to survive a period of significant liquidity stress lasting 30 days. LCR comprises two components: (1) the value of specifically defined high-quality liquid assets in stressed conditions and (2) the total net cash outflows calculated according to parameters.

The Group's main liquidity figures are presented hereafter.

in CHF thousand, except where indicated	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q4 2022
Total high-quality liquid assets (HQLA)	5,291,352	5,679,964	5,481,473	5,204,499	5,542,174
Cash outflows	1,882,446	1,966,500	1,922,396	1,662,444	2,019,692
Cash inflows	(585,638)	(591,271)	(524,369)	(542,747)	(739,278)
Net cash outflows	1,296,808	1,375,229	1,398,027	1,119,697	1,280,414
Liquidity Coverage Ratio (LCR in %)	**408%**	**413%**	**392%**	**465%**	**433%**
Minimum requirement (%)	100%	100%	100%	100%	100%

During 2023, the LCR was influenced by two factors: the amount of high-quality liquid assets (HQLA) and the mix of weightings to be applied to customer cash balances (due to customers and deposits from banks) when determining the cash outflows.

D6 Net stable funding ratio (unaudited)

Swissquote Bank Ltd is required to disclose its Net Stable Funding Ratio (NSFR), as per FINMA Circular 2016/1 "Disclosure – banks". The reporting requirement does not apply on a consolidated basis. The NSFR ratio presents the proportion of long-term assets that are funded by stable source of funding. The NSFR of Swissquote Bank Ltd is presented in the table below.

in CHF thousand, except where indicated	31 December 2023	31 December 2022
Available stable funding	6,920,117	7,070,778
Required stable funding	2,496,351	2,637,844
Net stable funding ratio (NSFR in %)	**277%**	**268%**
Minimum requirement (%)	100%	100%

Complementing the short-term liquidity (LCR) and structural liquidity (NSFR) ratios, observation ratios form part of the liquidity regulations set out in Basel III. Observation ratios are used as liquidity monitoring tools and contrary to the LCR and NSFR ratios, no minimum requirements apply to the various observation ratios.

Swissquote Bank Ltd and Swissquote Bank Europe SA are also subject to liquidity requirement regulations.

E Compliance with depositor protection rules

E1 Switzerland

The Swiss Federal Law on Banks and Savings Banks states that in the event of a bank collapsing, deposits up to CHF 100,000 per depositor will be treated as "preferential debt", thus taking priority over the claims of other creditors. This preferential status means that these "privileged deposits" will be paid out of the insolvent bank's assets and will therefore take priority over claims by other (non-preferential) creditors. In order to secure these privileged deposits, banks are required to hold 125% of total privileged deposits in adequate eligible assets. Swissquote Bank Ltd met those requirements as at 31 December 2023, with a coverage of 144% (31 December 2022: 184%). Moreover, in order to further strengthen the depositor protection, a new rule entered into force in 2023. Banks and securities dealers are required to secure 50% of their payment obligation with the depositor protection scheme.

E2 Luxembourg

The Luxembourgish law related to the resolution, reorganisation and winding-up measures of credit institutions and certain investment firms and on deposit guarantee and investor compensation schemes states that the deposit guarantee scheme ("Fonds de garantie des dépôts Luxembourg" (FGDL)) and the investor compensation system must cover eligible deposits of each depositor up to an amount of EUR 100,000 and investments up to an amount of EUR 20,000.

Credit institutions contribute on an annual basis to the FGDL. The initial target level of funding of the FGDL was set at 0.8% of covered deposits. Then, the Luxembourgish credit institutions are to continue to contribute for eight additional years in order to constitute an additional safety buffer of 0.8% of covered deposits (total buffer: 1.6%).

F Credit risk

Credit risk is defined as the possibility of a loss being incurred as the result of a borrower or counterparty failing to meet its financial obligations. In the event of a default, the Group could incur a loss equal to the amount owed by the debtor, less any recoveries resulting from foreclosure, liquidation of collateral or the restructuring of the debtor company.

Credit exposures arise principally from margin-lending activities that lead to exposures as loans or derivative financial instruments, and from investing activities that bring exposure as investment securities, treasury bills and due from banks.

Credit risk management is a structured process to assess, monitor and manage risk on a constant basis. This requires careful consideration of new and extensions of credit requests, the setting of specific limits, monitoring during the life of the exposure and a standardised approach to recognising credit impairments.

F1 Credit risk measurement

(I) Loans

Loans are principally in the form of:

– Lombard loans and other types of margin loans;
– Finance lease receivables (leasing credits);
– Other loan receivables (mainly public authorities).

Lombard loans and other types of margin loans: these credit limits are principally used by clients for leveraging their securities portfolio or trading certain asset classes with leverage. For that purpose, the Group operates real-time mark-to-market trading platforms and close-out monitoring tools. Credit risk arises when clients' assets deposited with the Group are not sufficient to cover trading losses incurred.

For Lombard loans, the maximum amount of margin (and hence of credit to a client) is based on the aggregate margin determined on each item of the customer's portfolio. The margin rate for securities is based on the type of security (mainly listed shares and bonds) and various other features such as liquidity, volatility and external rating. The amount of maximum margin is remeasured at each customer transaction, and in case of inactivity of the client several times per business day. Lombard loans are monitored using a real-time system comparing the fair value of the collateral with the actual credit granted to each customer.

Other types of margin loans may be granted by the Group in the field of options and futures. Margin requirements are calculated for each customer throughout the trading day. Customers are alerted in their account when approaching margin breaches and if a customer's equity falls below the required level, positions are liquidated to bring the account into margin compliance. By permitting customers to exercise leverage with option and future positions, the Group is subject to risks inherent in extending credit, especially during periods of volatility spikes or rapidly declining markets in which the value of the collateral held could fall below the amount of a customer's indebtedness.

F1 Credit risk measurement (continued)

(I) Loans (continued)

Finance lease receivables (leasing credits): the Group offers leasing credits for new electric cars to private individuals and corporates in Switzerland. In that context, the Group has to comply with the Swiss Consumer Credit Act that requires a full set of mandatory checks to protect customers against over-indebtedness. These checks are based on the information provided by the customer as well as information obtained from the Swiss central credit information bureau (ZEK). Leasing credit decisions are made primarily on the basis of the credit check. These credit checks may use rating or scoring systems, which provide an objective basis for reaching a decision on the lease. A set of procedure instructions outlines the requirements for granting a lease credit.

Other loan receivables (mainly public authorities): in the absence of debt security, investing activities could be performed in the form of a loan receivable, in particular to Swiss public authorities. The credit risk associated is limited through internal regulations and the prescribed limits. Limits apply at a counterparty level. Compliance with the prescribed limits is monitored at a counterparty level. Compliance with prescribed limits is monitored on an ongoing basis and also verified before the conclusion of each transaction.

(II) Due from banks

Due from banks comprises:

- Money market deposits;
- Interbank deposits;
- Collateral deposits;
- Receivables from banks.

Money market deposits and Interbank deposits: these deposits are made in order to gain an interest margin in the form of term deposits, current accounts or reverse repurchase transactions. Reverse repurchase exposures are mitigated by securities pledged by the third-party bank in favour of the Group.

Collateral deposits: these exposures result from amounts that are pledged in favour of third-party financial institutions (such as stock exchanges or clearing members of stock exchanges) in order to secure the settlement of the transactions carried out by the Group's clients.

Receivables from banks: the Group also faces a credit risk from third-party banks which benefit from the trading venues of the Group (such as white-label partners). These exposures may be mitigated by collateral agreements (deposits recognised as deposits from banks or securities) as well as other means. However, not all credit exposures can always be totally eliminated on an intraday basis.

The limit for each counterparty – whose absolute maximum is defined inter alia by reference to Group eligible capital (equity) in accordance with Swiss banking regulations (Capital Adequacy Ordinance in particular) – is based on a set of cumulative factors that include the external rating of the counterparty, the domicile of the counterparty and the duration of the financial instrument.

(III) Investment securities and treasury bills and other eligible bills

Investment securities comprise debt securities. Treasury bills and other eligible bills comprise commercial papers and short-term debt instruments with a maturity of less than 12 months. Internal regulations define the procedures for the approval, management and review of the Group's exposure.

(IV) Derivative financial instruments

Derivative contracts are entered into in the normal course of business (clientele activity), as well as for asset and liability activities and for own risk management need, including mitigation of interest rate, foreign exchange and credit risk. Derivatives are either privately negotiated OTC contracts or standard contracts transacted through regulated exchanges. The replacement values correspond to the fair values. Positive replacement values constitute an asset, while negative replacement values a liability.

The Group operates a real-time mark-to-market leveraged forex trading facility where clients are required to deposit cash collateral (margin deposit) against open positions. Open positions of clients are authorised to a maximum leverage of their margin deposit. The margin deposit is adjusted by unrealised gains and losses (derivative financial instruments). Maximum leverage could be restricted in certain jurisdictions according to the nature of the customer. As with any leveraged product offering, there is the potential for a client to lose more than the margin deposit. As a result, the Group has set up a system for the automatic close-out of open positions (mandatory for retail customers). The automatic margin close-out system shall apply (in normal market conditions) as soon as the used margin of the open positions reaches the margin deposit by a specific percentage. Automatic margin close-out provides a degree of protection as it reduces, but does not eliminate, the risk that the client loses all or more than the initial margin (particularly during market/instruments gaps or volatility spikes). Following a margin close-out, any deficit would be presented as part of Loans.

F2 Risk limit control and mitigation policies

The Group carefully manages its exposure to credit risk. The levels of credit risk are structured by setting limits on the amount of risk accepted in relation to a borrower, or groups of borrowers, with respect to their credit rating (when applicable), as well as the level of security margin required which depends on the types of securities, portfolio profiles and market conditions.

Counterparty credit risks are monitored on a revolving basis and are subject to a monthly or more frequent review.

The exposure to any borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures. Actual exposures against limits are monitored daily. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

The exposure to customers with leveraged offering is monitored through regular scenario-based stress tests to analyse the impact of potential stress and market/instrument gap events and to take (when appropriate) action to reduce the risk exposures of clients.

To avoid credit risk concentrations, the Group establishes limits and controls that constrain risk concentrations with regard to sector and country exposure.

F3 Expected credit loss measurement (impairment)

The measurement of expected credit losses (ECL) under IFRS 9 uses the information and approaches that the Group uses to manage risk, through certain adjustments made in order to comply with the requirements of IFRS 9.

IFRS 9 outlines a 3-stage model for impairment based on changes in credit quality since initial recognition (credit risk is continuously monitored by the Group).

IFRS 9 3-stage model

Stage 1	All financial instruments at initial recognition (except if already credit-impaired at acquisition).
Stage 2	A financial instrument is moved to stage 2 if there is a significant increase in credit risk since initial recognition. Reference is made to Section IV G for how the Group defines SICR.
Stage 3	Any financial instrument that is credit-impaired. Reference is made to Section IV G for how the Group defines credit-impaired/default.

Financial instruments in stage 1 have their ECL measured at an amount equal to the portion of lifetime-expected credit losses that result from default events possible within the next 12 months. Instruments in stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

The key judgements and assumptions adopted by the Group in addressing the requirements of IFRS 9 are discussed in Section V.

F4 Maximum exposure to credit risk (financial instruments subject to impairment)

The following table contains an analysis of the credit exposure of financial assets for which an ECL allowance is recognised and is designed to meet the disclosure requirements of IFRS.

in CHF	IFRS 9 staging				
	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
CREDIT RISK EXPOSURE RELATING TO FINANCIAL ASSETS SUBJECT TO IMPAIRMENT:					
Cash and balances with central banks	4,548,150,659	–	–	4,548,150,659	4,492,342,779
Treasury bills and other eligible bills	474,658,725	–	–	474,658,725	1,165,937,641
Due from banks	1,504,568,454	–	361,209	1,504,929,663	1,629,501,047
Loans	805,775,441	–	48,157,690	853,933,131	863,462,804
Investment securities	2,098,072,226	1,092,693	–	2,099,164,919	1,723,024,229
Gross carrying amount (A)	**9,431,225,505**	**1,092,693**	**48,518,899**	**9,480,837,097**	**9,874,268,500**
ECL allowance	(1,301,839)	(34,260)	(48,518,899)	(49,854,998)	(51,732,813)
Carrying amount	**9,429,923,666**	**1,058,433**	**–**	**9,430,982,099**	**9,822,535,687**
CREDIT RISK EXPOSURE RELATING TO FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT:					
Derivative financial instruments	147,986,246	–	–	147,986,246	109,201,988
Others (trading assets and other assets)	57,813,415	–	–	57,813,415	46,699,071
Carrying amount (B)	**205,799,661**	**–**	**–**	**205,799,661**	**155,901,059**
Total financial assets as at 31 December	**9,635,723,327**	**1,058,433**	**–**	**9,636,781,760**	**9,978,436,746**
CREDIT RISK EXPOSURE RELATING TO OFF-BALANCE SHEET ASSETS ARE AS FOLLOWS:					
Capital expenditure commitments				101,816,254	107,976,618
Loan commitments (depositor protection contribution – Art. 37H BA)				62,336,144	40,268,000
Funding commitments				–	9,500,000
Total credit exposure off-balance sheet (C)				**164,152,398**	**157,744,618**
Total credit exposure (A) + (B) + (C) as at 31 December	**9,637,025,166**	**1,092,693**	**48,518,899**	**9,850,789,156**	**10,187,914,177**

As at 31 December 2023, 46.2% of total credit exposure is related to Swiss National Bank and Banque centrale du Luxembourg (2022: 44.6%), for which no ECL allowance was required.

During 2023, the Group did not purchase any credit-impaired financial assets.

As at 31 December 2023, there is no impairment allowance impact related to off-balance sheet exposures.

F5 Collateral

The Group employs a range of policies and practices to mitigate risk. The most common of these is accepting collateral for funds advanced (e.g. Lombard loans). Lombard loans are not granted to customers based on their financial capacity of reimbursement but rather on the quality of the underlying collaterals.

The Group provides credit Lombard loans to clients enabling them to purchase securities with leverage at prevailing debit interest rates against equity collateral held on their account and in custody with the Group.

in CHF	2023	2022
Collateral at fair value to support loans	2,045,943,055	1,841,539,561
Collateral at fair value to support reverse repurchase transactions	2,357,501,533	2,100,157,451
Cash deposits to support derivative financial instruments	492,909,345	459,847,036
Total as at 31 December	**4,896,353,933**	**4,401,544,048**

F6 Due from banks and loans

in CHF	31 December 2023		31 December 2022	
	Due from banks	Loans	Due from banks	Loans
Neither past due nor impaired	1,504,568,454	805,414,900	1,629,104,211	814,236,430
Past due but not impaired	–	360,541	–	463,618
Impaired	361,209	48,157,690	396,836	48,762,756
Gross balance	**1,504,929,663**	**853,933,131**	**1,629,501,047**	**863,462,804**
Impairment allowance	(902,968)	(48,359,243)	(1,577,753)	(49,131,046)
Net balance	**1,504,026,695**	**805,573,888**	**1,627,923,294**	**814,331,758**

Due from banks are spread over 60 distinct counterparties (2022: 68). Loans are spread over 49,143 distinct customers (2022: 34,484), 83.5% of whom are domiciled in Switzerland (2022: 81.2%).

F6 Due from banks and loans (continued)

Due from banks are further analysed as follows (based on contractual maturity):

in CHF	External rating	Sight/less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Gross amount
INVESTMENT GRADE	From AAA to AA–	637,012,332	139,763,382	4,999,325	–	781,775,039
	From A+ to A–	367,206,975	108,851,153	9,999,937	–	486,058,065
	From BBB+ to BBB–	129,871,263	23,220,621	–	–	153,091,884
SPECULATIVE GRADE	From BB+ to BB–	177,587	–	–	–	177,587
	From B+ to B–	1,571,549	–	–	–	1,571,549
	From CCC+ to CCC–	–	–	–	–	–
	From CC+ to C–	–	–	–	–	–
UNRATED	Not applicable	81,352,571	–	–	–	81,352,571
Total as at 31 December 2023		**1,217,192,277**	**271,835,156**	**14,999,262**	**–**	**1,504,026,695**

As at 31 December 2023, the balance of CHF 1.7 million identified as speculative grade mainly consists of balances with European banks. No credit limits were exceeded during 2023 and 2022.

At year-end, up to CHF 304.5 million (2022: CHF 267.1 million) of the exposure is explained by amounts pledged in favour of third-party banks mainly in order to secure the settlement of client transactions (collateral deposits).

in CHF	External rating	Sight/less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Gross amount
INVESTMENT GRADE	From AAA to AA–	250,806,764	194,617,432	–	–	445,424,196
	From A+ to A–	243,265,858	270,696,697	–	–	513,962,555
	From BBB+ to BBB–	135,372,042	43,126,192	24,712,297	–	203,210,531
SPECULATIVE GRADE	From BB+ to BB–	–	–	–	–	–
	From B+ to B–	2,089,226	–	–	–	2,089,226
	From CCC+ to CCC–	–	–	–	–	–
	From CC+ to C–	–	–	–	–	–
UNRATED	Not applicable	289,270,514	173,966,272	–	–	463,236,786
Total as at 31 December 2022		**920,804,404**	**682,406,593**	**24,712,297**	**–**	**1,627,923,294**

F7 Investment securities, treasury bills and other eligible bills

Investment securities (CHF 2,098.6 million), treasury bills and other eligible bills (CHF 474.6 million) are analysed as follows:

in CHF	External rating	Less than 1 year	1 to 2 years	2 to 5 years	Above 5 years	Gross amount
INVESTMENT GRADE	From AAA to AA–	444,342,862	335,190,077	561,919,935	85,898,173	1,427,351,047
	From A+ to A–	320,900,523	198,247,884	164,628,800	12,440,798	696,218,005
	From BBB+ to BBB–	142,489,319	100,321,166	58,020,770	4,705,629	305,536,884
SPECULATIVE GRADE	From BB+ to BB–	–	1,478,740	–	–	1,478,740
	From B+ to B–	–	–	–	–	–
	From CCC+ to CCC–	–	–	–	–	–
	From CC+ to C–	–	–	–	–	–
UNRATED	Not applicable	113,000,844	17,891,815	9,997,685	1,755,837	142,646,181
Total as at 31 December 2023		**1,020,733,548**	**653,129,682**	**794,567,190**	**104,800,437**	**2,573,230,857**

Cash and balances with central banks	4,548,150,659
Other assets than cash and balances with central banks, investment securities and treasury bills and other eligible bills	2,838,407,177
Total assets as at 31 December 2023	**9,959,788,693**

The balance identified as unrated mainly consists of loans to Swiss municipalities and cantons for CHF 105.9 million (2022: CHF 91.5 million).

None of the above investment securities and treasury bills and other eligible bills are past due or impaired.

As at 31 December 2023, investment securities, treasury bills and other eligible bills for an amount of CHF 413.8 million (2022: CHF 538.6 million) are pledged up in favour of third parties (collateral deposits).

in CHF	External rating	Less than 1 year	1 to 2 years	2 to 5 years	Above 5 years	Gross amount
INVESTMENT GRADE	From AAA to AA–	295,131,072	356,765,325	378,488,575	145,871,129	1,176,256,101
	From A+ to A–	162,820,063	196,618,891	140,194,781	27,403,326	527,037,061
	From BBB+ to BBB–	67,555,170	133,927,360	22,383,704	4,697,490	228,563,724
SPECULATIVE GRADE	From BB+ to BB–	–	2,052,802	–	–	2,052,802
	From B+ to B–	309,712	–	–	–	309,712
	From CCC+ to CCC–	–	–	–	–	–
	From CC+ to C–	–	–	–	–	–
UNRATED	Not applicable	918,401,650	26,895,376	7,502,234	919,196	953,718,456
Total as at 31 December 2022		**1,444,217,667**	**716,259,754**	**548,569,294**	**178,891,141**	**2,887,937,856**

Cash and balances with central banks	4,492,342,779
Other assets than cash and balances with central banks, investment securities and treasury bills and other eligible bills	2,838,115,113
Total assets as at 31 December 2022	**10,218,395,748**

F8 Geographical concentration of financial assets

The Group has credit exposures outside Switzerland:

- Through its deposits with financial institutions domiciled outside Switzerland (Due from banks);
- Through debt instruments issued by foreign corporations, financial institutions and governments (Investment securities, Treasury bills and other eligible bills and Other assets);
- As many clients are domiciled outside of Switzerland, the Group may have granted margin-lending facilities such as Lombard loans (Loans as well as Derivative financial instruments);
- Through its international operations (foreign subsidiaries).

The geographical distribution based on the domicile of the counterparties is analysed below:

in CHF	Switzerland	Europe	Rest of the world	Total
Cash and balances with central banks	4,364,516,364	183,631,416	2,879	4,548,150,659
Treasury bills and other eligible bills	195,814,764	245,239,822	33,551,850	474,606,436
Due from banks	949,578,660	466,006,502	88,441,533	1,504,026,695
Derivative financial instruments	40,720,940	37,026,964	70,238,342	147,986,246
Trading assets	873,726	–	–	873,726
Loans	546,070,263	112,713,727	146,789,898	805,573,888
Investment securities	681,823,453	713,588,174	703,212,794	2,098,624,421
Other assets	51,929,584	4,686,242	323,863	56,939,689
Total financial assets as at 31 December 2023	**6,831,327,754**	**1,762,892,847**	**1,042,561,159**	**9,636,781,760**

in CHF	Switzerland	Europe	Rest of the world	Total
Cash and balances with central banks	4,383,784,080	108,558,201	498	4,492,342,779
Treasury bills and other eligible bills	945,966,268	164,527,377	55,411,318	1,165,904,963
Due from banks	894,723,664	642,966,252	90,233,378	1,627,923,294
Derivative financial instruments	34,255,535	22,031,450	52,915,003	109,201,988
Trading assets	2,684,024	–	–	2,684,024
Loans	547,043,154	115,831,034	151,457,570	814,331,758
Investment securities	505,397,564	565,869,086	650,766,243	1,722,032,893
Other assets	37,547,169	6,167,851	300,027	44,015,047
Total financial assets as at 31 December 2022	**7,351,401,458**	**1,625,951,251**	**1,001,084,037**	**9,978,436,746**

F9 Industry sector concentration of assets

The industry sector concentration is analysed below and reflects industry sector categories used for nostro credit risk management as at balance sheet date.

in CHF	Cash and treasury bills	Derivative financial instruments	Due from banks and loans	Investment securities	Total as at 31 December 2023	Total as at 31 December 2022
Financials	210,538,397	58,171,447	1,514,141,985	657,323,174	2,440,175,003	2,381,595,022
Central banks	4,627,978,007	–	–	4,683,389	4,632,661,396	5,291,889,392
Sovereign and municipalities	184,240,691	–	25,500,000	827,944,320	1,037,685,011	871,140,215
Subtotal	**5,022,757,095**	**58,171,447**	**1,539,641,985**	**1,489,950,883**	**8,110,521,410**	**8,544,624,629**
Communications	–	–	–	54,315,772	54,315,772	36,100,471
Consumer Discretionary	–	–	62,773,055	83,645,385	146,418,440	117,452,765
Consumer Staples	–	–	–	135,963,337	135,963,337	124,408,619
Energy	–	–	–	7,701,798	7,701,798	11,469,244
Healthcare	–	–	–	103,376,256	103,376,256	98,931,208
Individuals	–	89,814,799	707,185,543	–	797,000,342	809,588,175
Industrials	–	–	–	58,415,929	58,415,929	63,345,753
Materials	–	–	–	56,607,230	56,607,230	41,592,971
Real Estate	–	–	–	5,518,936	5,518,936	2,117,918
Supranational	–	–	–	24,014,637	24,014,637	25,559,820
Technology	–	–	–	39,992,511	39,992,511	32,293,192
Utilities	–	–	–	39,121,747	39,121,747	24,252,910
Subtotal	**–**	**89,814,799**	**769,958,598**	**608,673,538**	**1,468,446,935**	**1,387,113,046**
Other assets with no industry sector concentration					380,820,348	286,658,073
Total assets					**9,959,788,693**	**10,218,395,748**

F10 Offsetting

Offsetting and related rights to set off are risk management tools that the Group uses among others to reduce counterparty credit risk. The following table presents the recognised financial instruments that are subject to enforceable netting agreements or other similar agreements but not offset.

in CHF	Gross amounts of recognised financial assets	Presented in statement of financial position	Related amounts not set off/collateral (Due to customers)	Net credit exposure
DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)				
Currency forwards, precious-metals forwards and CFD derivatives	134,786,268	134,786,268	492,909,345	6,997,145
Foreign exchange swaps	11,738,146	11,738,146	6,195,521	5,542,625
Total return swaps	1,223,970	1,223,970	–	1,223,970
Currency options	237,862	237,862	–	237,862
Credit default swaps	–	–	–	–
Balance as at 31 December 2023	**147,986,246**	**147,986,246**	**499,104,866**	**14,001,602**
Currency forwards, precious-metals forwards and CFD derivatives	93,169,327	93,169,327	459,847,036	5,720,577
Foreign exchange swaps	15,440,032	15,440,032	2,628,808	12,811,224
Total return swaps	211,041	211,041	–	211,041
Currency options	381,588	381,588	–	381,588
Credit default swaps	–	–	–	–
Balance as at 31 December 2022	**109,201,988**	**109,201,988**	**462,475,844**	**19,124,430**

in CHF	Gross amounts of recognised financial liabilities	Presented in statement of financial position
DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)		
Currency forwards, precious-metals forwards and CFD derivatives	34,441,580	34,441,580
Foreign exchange swaps	36,618,899	36,618,899
Total return swaps	7,118,231	7,118,231
Currency options	233,894	233,894
Credit default swaps	27,127	27,127
Balance as at 31 December 2023	**78,439,731**	**78,439,731**
Currency forwards, precious-metals forwards and CFD derivatives	31,919,164	31,919,164
Foreign exchange swaps	21,791,078	21,791,078
Total return swaps	3,694,726	3,694,726
Currency options	397,270	397,270
Credit default swaps	32,910	32,910
Balance as at 31 December 2022	**57,835,148**	**57,835,148**

Currency forwards, precious-metals forwards and CFD derivatives recognised as derivative financial instruments mainly correspond to open positions from leveraged forex (eForex) clients that are authorised to trade with a maximum leverage of their equity. Corresponding collateral margin deposits are recognised in Due to customers for the amount of CHF 492.9 million (2022: CHF 459.8 million).

F11 Impairment loss allowance (IFRS 9)

The loss allowance concept is impacted by a variety of factors, as described below:

Effect is an additional allowance	Effect could be mixed	Effect is a release of allowance
Significant increase in credit risk resulting in transfers from stage 1 to stage 2/3 or from stage 2 to stage 3	Changes in assumptions (PD, EAD and LGD)	Significant decrease of credit risk resulting in transfers from stage 3 to stage 2/1 or stage 2 to stage 1
New financial assets recognised during the period	Foreign exchange translation	Derecognition of financial assets during the period

The following tables explain the changes in the impairment loss allowance during the period:

in CHF	Stage 1	Stage 2	Stage 3	Total	2023	2022
MOVEMENTS, GROSS OF TAX, THAT DO REDUCE THE CARRYING AMOUNT OF FINANCIAL ASSETS:						
Impairment allowance under IFRS 9 as at 1 January 2023	**2,495,443**	**77,778**	**49,159,592**	**51,732,813**	**–**	**–**
Transfers from stage 1 to stage 3	–	–	–	–	–	(1,604,088)
Transfers from stage 1 to stage 2	–	–	–	–	–	(15,202)
Transfers from stage 2 to stage 1	1,671	(13,493)	–	(11,822)	11,822	–
Derecognitions and new purchases	(442,354)	(8,218)	–	(450,572)	450,572	(1,170,702)
Changes in assumptions (PD, EAD and LGD)	(713,816)	(21,807)	–	(735,623)	735,623	408,169
Write-offs	–	–	(1,214,833)	(1,214,833)	–	–
Other movements	(39,105)	–	574,140	535,035	(508,130)	2,278,245
Impairment allowance under IFRS 9 as at 31 December 2023	**1,301,839**	**34,260**	**48,518,899**	**49,854,998**	**–**	**–**
MOVEMENTS, GROSS OF TAX, THAT DO NOT REDUCE THE CARRYING AMOUNT OF FINANCIAL ASSETS:						
Impairment allowance under IFRS as at 1 January 2023	**–**	**–**	**–**	**–**	**–**	**–**
Derecognitions and new purchases	203,316	–	–	203,316	(203,316)	–
Changes in assumptions (PD, EAD and LGD)	–	–	–	–	–	–
Total as at 31 December 2023	**1,505,155**	**34,260**	**48,518,899**	**50,058,314**	**–**	**–**
Total as at 1 January 2023	2,495,443	77,778	49,159,592	51,732,813	–	–
Credit loss release / (expense)					**486,571**	**(103,578)**

When customers trade any leveraged product offering, there is the potential and inherent risk for a client to lose more than the collateral lodged.

Client credit risk only arises when the markets and instruments gap and the movement in the value of a customer leveraged portfolio exceeds the value of the collateral that the customer has held at the Group, leaving the customer's account in the negative. Stage 3 captures the risk associated with a client defaulting on its obligations due to the Group.

G Liquidity risk

Liquidity is the ability of the Group to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses. The fundamental role of banks in the maturity transformation of short-term deposits into medium- and long-term loans makes banks inherently vulnerable to liquidity risk.

G1 Liquidity risk management process

The liquidity and funding policy is designed to ensure that funding is available to meet all obligations in times of stress, whether caused by market events or issues specific to the Group. The objective of the Group's liquidity risk management is achieved through a conservative asset and liability management strategy, which comprises:

– The maturity analysis of current investments in order to ensure the regular stream of expiries;
– The measurement of known and unknown cash flows;
– Measures ensuring the ability to borrow funds through various instruments.

G2 Non-derivative cash flows

The table below presents the balances payable by the Group under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows except where the carrying amounts are assessed to be reasonable approximations of these cash flows.

in CHF	On demand/ less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
AS AT 31 DECEMBER 2023						
Non-derivative financial liabilities						
Deposits from banks	307,486,046	–	–	–	–	307,486,046
Financial liabilities designated at fair value	12,811,664	14,277,629	136,743,050	52,075,930	–	215,908,273
Due to customers	8,258,384,156	49,308,624	–	–	–	8,307,692,780
Other liabilities	87,756,037	–	219,035	8,712,000	14,144,536	110,831,608
Total non-derivative financial liabilities (contractual maturity dates) – (A)	**8,666,437,903**	**63,586,253**	**136,962,085**	**60,787,930**	**14,144,536**	**8,941,918,707**
Derivative financial instruments						78,439,731
Non-financial liabilities						40,875,261
Total liabilities						**9,061,233,699**
Commitments (B)	94,489,778	–	–	69,662,620	–	164,152,398
Total maturity grouping (A) + (B)	**8,760,927,681**	**63,586,253**	**136,962,085**	**130,450,550**	**14,144,536**	**9,106,071,105**
Total non-derivative financial assets (expected maturity dates)	(6,531,865,526)	(369,316,334)	(994,617,083)	(1,488,196,134)	(104,800,437)	(9,488,795,514)
Net balance	**2,229,062,155**	**(305,730,081)**	**(857,654,998)**	**(1,357,745,584)**	**(90,655,901)**	**(382,724,409)**

G2 Non-derivative cash flows (continued)

in CHF	On demand/ less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
AS AT 31 DECEMBER 2022						
Non-derivative financial liabilities						
Deposits from banks	366,399,780	–	–	–	–	366,399,780
Financial liabilities designated at fair value	652,339	1,508,926	44,368,199	24,784,159	–	71,313,623
Due to customers	8,860,519,759	–	–	–	–	8,860,519,759
Other liabilities	76,603,085	–	791,336	8,192,349	4,506,111	90,092,881
Total non-derivative financial liabilities (contractual maturity dates) – (A)	**9,304,174,963**	**1,508,926**	**45,159,535**	**32,976,508**	**4,506,111**	**9,388,326,043**
Derivative financial instruments						57,835,148
Non-financial liabilities						31,106,463
Total liabilities						**9,477,267,654**
Commitments (B)	55,041,622	–	–	93,497,754	9,205,242	157,744,618
Total maturity grouping (A) + (B)	**9,359,216,585**	**1,508,926**	**45,159,535**	**126,474,262**	**13,711,353**	**9,546,070,661**
Total non-derivative financial assets (expected maturity dates)	(6,800,133,678)	(536,596,079)	(1,057,072,515)	(1,296,541,345)	(178,891,141)	(9,869,234,758)
Net balance	**2,559,082,907**	**(535,087,153)**	**(1,011,912,980)**	**(1,170,067,083)**	**(165,179,788)**	**(323,164,097)**

G3 Derivative cash flows

Derivatives held are settled on a net basis and are disclosed on a fair value basis.

in CHF	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
AS AT 31 DECEMBER 2023						
Assets						
Derivatives held for trading						
Currency forwards	65,153,898	3,627,924	2,565,938	–	–	71,347,760
CFD derivatives	37,611,977	–	–	–	–	37,611,977
Precious-metals forwards	25,826,531	–	–	–	–	25,826,531
Foreign exchange swaps	7,647,937	1,181,900	2,908,309	–	–	11,738,146
Total return swaps	20,738	89,672	799,201	165,129	149,230	1,223,970
Currency options	43,389	34,761	159,712	–	–	237,862
Credit default swaps	–	–	–	–	–	–
Total	**136,304,470**	**4,934,257**	**6,433,160**	**165,129**	**149,230**	**147,986,246**
Liabilities						
Derivatives held for trading						
Currency forwards	13,520,264	3,360,143	2,464,229	–	–	19,344,636
CFD derivatives	1,751,820	–	–	–	–	1,751,820
Precious-metals forwards	13,306,738	–	38,386	–	–	13,345,124
Foreign exchange swaps	31,600,244	2,287,464	2,731,191	–	–	36,618,899
Total return swaps	1,565,983	1,017,142	3,892,015	600,150	42,941	7,118,231
Currency options	41,452	31,383	161,059	–	–	233,894
Credit default swaps	–	–	12,343	14,784	–	27,127
Total	**61,786,501**	**6,696,132**	**9,299,223**	**614,934**	**42,941**	**78,439,731**

Currency forwards, precious-metals forwards and CFD derivatives (indices, stocks, bonds and commodities) are mainly related to open transactions of leveraged forex clientele as at 31 December 2023. These transactions have to be classified in the category “Less than 1 month”.

G3 Derivative cash flows (continued)

Derivatives held are settled on a net basis and are disclosed on a fair value basis.

in CHF	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
AS AT 31 DECEMBER 2022						
Assets						
Derivatives held for trading						
Currency forwards	49,981,513	3,665,086	12,033,829	–	–	65,680,428
CFD derivatives	11,866,980	–	–	–	–	11,866,980
Precious-metals forwards	15,621,919	–	–	–	–	15,621,919
Foreign exchange swaps	10,882,205	2,412,994	2,144,833	–	–	15,440,032
Total return swaps	3,636	5,917	186,549	14,939	–	211,041
Currency options	11,030	14,155	356,403	–	–	381,588
Credit default swaps	–	–	–	–	–	–
Total	**88,367,283**	**6,098,152**	**14,721,614**	**14,939**	**–**	**109,201,988**
Liabilities						
Derivatives held for trading						
Currency forwards	9,306,660	3,963,563	11,797,604	–	–	25,067,827
CFD derivatives	1,682,407	–	–	–	–	1,682,407
Precious-metals forwards	5,168,930	–	–	–	–	5,168,930
Foreign exchange swaps	16,484,564	3,785,991	1,520,523	–	–	21,791,078
Total return swaps	271,192	548,023	2,294,966	580,545	–	3,694,726
Currency options	17,797	23,844	355,629	–	–	397,270
Credit default swaps	–	–	21,299	11,611	–	32,910
Total	**32,931,550**	**8,321,421**	**15,990,021**	**592,156**	**–**	**57,835,148**

G4 Off-balance sheet cash flows

The table below summarises the future cash outflow commitments as at 31 December:

in CHF	No later than 1 year	1 to 5 years	Above 5 years	Total
AS AT 31 DECEMBER 2023				
Capital expenditure commitments	32,153,634	69,662,620	–	101,816,254
Loan commitments	62,336,144	–	–	62,336,144
Funding commitments	–	–	–	–
Total	**94,489,778**	**69,662,620**	**–**	**164,152,398**
AS AT 31 DECEMBER 2022				
Capital expenditures commitments	5,273,622	93,497,754	9,205,242	107,976,618
Loan commitments	40,268,000	–	–	40,268,000
Funding commitments	9,500,000	–	–	9,500,000
Total	**55,041,622**	**93,497,754**	**9,205,242**	**157,744,618**

Capital expenditure commitments

These commitments comprise payments relating to the extension of the Group's headquarters in Gland, Switzerland. For further information, reference is made to Note 25.

Loan commitments

Swiss banking law and the deposit insurance scheme require Swiss banks and securities dealers to jointly guarantee an amount equivalent to 1.6% of all protected deposits in Switzerland, but at least CHF 6 billion for privileged deposits in the event a Swiss bank or a securities dealer becomes insolvent. As per FINMA guidelines, the payment obligation of the Group has to be recognised as an irrevocable commitment under the off-balance sheet transactions and was communicated in writing to the Group.

H Market risk

Market risk is the risk that fair values or future cash flows of financial instruments will fluctuate because of changes in market conditions. The Group does not enter into proprietary trading positions based on expectations of future market improvements.

In the context of its activities, market risks arise essentially from open positions in interest rates, currency and equity-related products, all of which are exposed to general and specific market movements as well as changes in the level of volatility of market rates or prices such as:

- Foreign exchange risk;
- Interest rate risk;
- Equity market risk;
- Issuer credit risk;
- Market liquidity risk.

Single transactions may also be exposed to a number of different market risks.

The Group devotes significant resources to ensure that market risks are comprehensively captured, accurately modelled and reported and effectively managed. Trading and non-trading portfolios are managed at various organisational levels. The Group uses market risk measurement and management methods designed to meet or exceed industry standards. Moreover, stress tests are performed at least on a quarterly basis to assess market risk and monitor that they stay within the limits and risk appetite set by the Group.

H1 Foreign exchange risk

The Group is exposed to two main sources of foreign exchange risk.

Transactional foreign exchange risk

Foreign exchange risk represents exposures to changes in the value of current holdings and future cash flows denominated in other currencies. The types of instruments exposed to this risk include, for example, foreign investments, foreign currency denominated loans and future cash flows in foreign currencies. The Board sets limits on the level of exposure by currency and in aggregate which are monitored daily.

Leveraged forex business

Foreign exchange risk arises from leveraged forex activities and clients trading foreign currencies and foreign designated securities.

The Group predominantly operates an agency model to execute client trades as it is considered fundamental in the core business model philosophy. However, all client exposures are not immediately hedged and the Group may have a residual net position in any of the foreign currency pairs in which the Group offers leveraged forex. The Group has set up foreign exchange limits with the aim to optimise the efficiency of the operations and does not take its own positions outside this scope. These limits are defined with reference to the expected volatility and liquidity of the corresponding foreign currency pairs. The real-time systems aim to maximise the level of internal hedging arising from the client base (internalisation of the transaction flow) and monitor the foreign exchange exposure against the defined limits. If exposure exceeds these limits, hedging is undertaken to adjust the exposure within the limit.

H1 Foreign exchange risk (continued)

The table below summarises the Group's exposure to foreign currency risk as at 31 December 2023. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency.

in CHF	CHF	USD	EUR	Others	Total
AS AT 31 DECEMBER 2023					
Assets					
Cash and balances with central banks	4,364,468,153	13,182	183,650,029	19,295	4,548,150,659
Treasury bills and other eligible bills	195,814,764	147,648,605	131,143,067	–	474,606,436
Due from banks	696,470,032	427,519,184	241,467,364	138,570,115	1,504,026,695
Derivative financial instruments	29,904,912	91,091,691	4,986,432	22,003,211	147,986,246
Trading assets	321,052	–	515,254	37,420	873,726
Loans	474,316,769	141,837,596	148,370,656	41,048,867	805,573,888
Investment securities	914,658,517	589,799,116	564,539,855	29,626,933	2,098,624,421
Other assets	35,846,254	7,805,226	11,301,020	1,987,189	56,939,689
Total financial assets	**6,711,800,453**	**1,405,714,600**	**1,285,973,677**	**233,293,030**	**9,636,781,760**
Liabilities					
Deposits from banks	22,314,899	125,507,497	40,750,712	118,912,938	307,486,046
Derivative financial instruments	6,772,551	55,930,467	8,602,762	7,133,951	78,439,731
Financial liabilities designated at fair value	168,529,874	32,110,699	14,588,139	679,561	215,908,273
Due to customers	4,366,057,238	2,010,246,873	1,545,903,180	385,485,489	8,307,692,780
Other liabilities	88,588,660	6,704,136	10,932,808	4,606,004	110,831,608
Total financial liabilities	**4,652,263,222**	**2,230,499,672**	**1,620,777,601**	**516,817,943**	**9,020,358,438**
Net	**2,059,537,231**	**(824,785,072)**	**(334,803,924)**	**(283,524,913)**	**616,423,322**
Off-balance sheet notional position and credit commitments	(1,278,533,882)	813,655,705	340,674,519	288,356,056	164,152,398
Net exposure	**781,003,349**	**(11,129,367)**	**5,870,595**	**4,831,143**	**780,575,720**

H1 Foreign exchange risk (continued)

The table below summarises the Group's exposure to foreign currency risk as at 31 December 2022. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency.

in CHF	CHF	USD	EUR	Others	Total
AS AT 31 DECEMBER 2022					
Assets					
Cash and balances with central banks	4,383,729,476	16,794	108,588,619	7,890	4,492,342,779
Treasury bills and other eligible bills	945,966,268	111,962,066	107,976,629	–	1,165,904,963
Due from banks	554,063,960	547,678,763	381,285,405	144,895,166	1,627,923,294
Derivative financial instruments	36,907,807	51,680,309	5,668,321	14,945,551	109,201,988
Trading assets	2,903,294	247,326	(483,096)	16,500	2,684,024
Loans	388,358,167	201,971,525	177,585,691	46,416,375	814,331,758
Investment securities	597,905,522	521,443,089	561,042,160	41,642,122	1,722,032,893
Other assets	26,894,315	9,627,408	4,010,331	3,482,993	44,015,047
Total financial assets	**6,936,728,809**	**1,444,627,280**	**1,345,674,060**	**251,406,597**	**9,978,436,746**
Liabilities					
Deposits from banks	30,270,686	200,152,472	78,215,899	57,760,723	366,399,780
Derivative financial instruments	36,018,420	15,988,787	702,281	5,125,660	57,835,148
Financial liabilities designated at fair value	62,778,075	6,011,595	2,523,953	–	71,313,623
Due to customers	4,206,341,239	2,269,936,214	1,860,021,019	524,221,287	8,860,519,759
Other liabilities	72,670,447	3,946,385	8,782,394	4,693,655	90,092,881
Total financial liabilities	**4,408,078,867**	**2,496,035,453**	**1,950,245,546**	**591,801,325**	**9,446,161,191**
Net	**2,528,649,942**	**(1,051,408,173)**	**(604,571,486)**	**(340,394,728)**	**532,275,555**
Off-balance sheet notional position and credit commitments	(1,836,086,855)	1,050,772,243	604,243,570	338,815,660	157,744,618
Net exposure	**692,563,087**	**(635,930)**	**(327,916)**	**(1,579,068)**	**690,020,173**

H2 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fluctuations of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise.

The table below summarises the Group's exposure to interest rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by their contractual repricing or maturity dates, whichever is earlier.

in CHF	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
AS AT 31 DECEMBER 2023					
Assets					
Cash and balances with central banks	4,548,150,659	–	–	–	4,548,150,659
Treasury bills and other eligible bills	274,320,756	200,285,680	–	–	474,606,436
Due from banks	1,217,192,277	271,835,156	14,999,262	–	1,504,026,695
Derivative financial instruments	141,238,727	6,433,160	165,129	149,230	147,986,246
Trading assets	873,726	–	–	–	873,726
Loans	780,073,888	–	25,500,000	–	805,573,888
Investment securities	162,211,677	470,543,260	1,361,069,047	104,800,437	2,098,624,421
Other assets	56,939,689	–	–	–	56,939,689
Total financial assets	**7,181,001,399**	**949,097,256**	**1,401,733,438**	**104,949,667**	**9,636,781,760**
Liabilities					
Deposits from banks	307,486,046	–	–	–	307,486,046
Derivative financial instruments	68,482,633	9,299,223	614,934	42,941	78,439,731
Financial liabilities designated at fair value	27,089,293	136,743,050	52,075,930	–	215,908,273
Due to customers	8,258,384,156	49,308,624	–	–	8,307,692,780
Other liabilities	87,756,037	219,035	8,712,000	14,144,536	110,831,608
Total financial liabilities	**8,749,198,165**	**195,569,932**	**61,402,864**	**14,187,477**	**9,020,358,438**
Net	**(1,568,196,766)**	**753,527,324**	**1,340,330,574**	**90,762,190**	**616,423,322**
Off-balance sheet notional position and credit commitments	–	–	–	–	–
Net exposure	**(1,568,196,766)**	**753,527,324**	**1,340,330,574**	**90,762,190**	**616,423,322**

H2 Interest rate risk (continued)

The table below summarises the Group's exposure to interest rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by their contractual repricing or maturity dates, whichever is earlier.

in CHF	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
AS AT 31 DECEMBER 2022					
Assets					
Cash and balances with central banks	4,492,342,779	–	–	–	4,492,342,779
Treasury bills and other eligible bills	1,000,801,340	165,103,623	–	–	1,165,904,963
Due from banks	920,804,404	682,406,593	24,712,297	–	1,627,923,294
Derivative financial instruments	94,465,435	14,721,614	14,939	–	109,201,988
Trading assets	2,684,024	–	–	–	2,684,024
Loans	807,331,758	–	7,000,000	–	814,331,758
Investment securities	108,494,180	209,562,299	1,225,085,273	178,891,141	1,722,032,893
Other assets	44,015,047	–	–	–	44,015,047
Total financial assets	**7,470,938,967**	**1,071,794,129**	**1,256,812,509**	**178,891,141**	**9,978,436,746**
Liabilities					
Deposits from banks	366,399,780	–	–	–	366,399,780
Derivative financial instruments	41,252,971	15,990,021	592,156	–	57,835,148
Financial liabilities designated at fair value	2,161,265	44,368,199	24,784,159	–	71,313,623
Due to customers	8,860,519,759	–	–	–	8,860,519,759
Other liabilities	76,603,085	791,336	8,192,349	4,506,111	90,092,881
Total financial liabilities	**9,346,936,860**	**61,149,556**	**33,568,664**	**4,506,111**	**9,446,161,191**
Net	**(1,875,997,893)**	**1,010,644,573**	**1,223,243,845**	**174,385,030**	**532,275,555**
Off-balance sheet notional position and credit commitments	–	–	–	–	–
Net exposure	**(1,875,997,893)**	**1,010,644,573**	**1,223,243,845**	**174,385,030**	**532,275,555**

H3 Sensitivity analysis on foreign exchange rate risk and interest rate risk

a Analysis of sensitivity to foreign exchange risk (unaudited)

A sensitivity analysis has been performed on the basis of a 5.0% variation in CHF currency against USD, EUR and all other currencies as this is considered as reasonably possible.

in CHF thousand	Sensitivity analysis		
AS AT 31 DECEMBER 2023			
+ 5% variation	USD	EUR	Others
Net impact before income tax expense	**(556)**	**294**	**242**
– 5% variation			
Net impact before income tax expense	**556**	**(294)**	**(242)**

in CHF thousand	Sensitivity analysis		
AS AT 31 DECEMBER 2022			
+ 5% variation	USD	EUR	Others
Net impact before income tax expense	**(32)**	**(16)**	**(79)**
– 5% variation			
Net impact before income tax expense	**32**	**16**	**79**

The sensitivity analysis assumes normal market conditions, in particular with regard to liquidity and volatility and factors for which the automatic close-out system used by the Group for leveraged product offering provides a sufficient degree of protection to eliminate the risk that client losses will exceed margin deposits. The sensitivity analysis did not result materially in other changes in equity (2022: unchanged).

H3 Sensitivity analysis on foreign exchange rate risk and interest rate risk (continued)

b Analysis of sensitivity to interest rate risk (unaudited)

The Group has implemented the FINMA-mandated scenarios on the interest rate risk in the banking book. These stress scenarios include the impacts of variation in income statement (profitability effect) as well as the fluctuations in the equity (net present value effect) arising from changes in interest rates.

	Sensitivity analysis			
in CHF thousand	Parallel shift up		Parallel shift down	
AS AT 31 DECEMBER 2023	Income statement (profitability effect)	Equity (net present value effect)	Income statement (profitability effect)	Equity (net present value effect)
CHF	55,629	21,875	(55,629)	(19,367)
EUR	8,578	13,845	(12,619)	(12,639)
USD	12,714	12,355	(9,527)	(10,300)
Others	2,851	(1,730)	(2,856)	1,698
Total impact before income tax expense	**79,772**	**46,345**	**(80,631)**	**(40,608)**
As at 31 December 2022	103,589	46,793	(64,314)	(40,492)

Parallel shift up/down scenarios are performed on the basis of a variation in interest rates of ± 150 basis points on CHF and ±200 basis points on EUR and USD.

The results of the sensitivity analysis may be dependent on the evolution of interest rate environment and related decisions made by the Group with regard to interests served on client accounts.

The Group does not have a regulatory requirement to hold capital against interest rate risk. The economic impacts of adverse shifts in interest rates from the above scenarios are significantly below the 15% threshold required by FINMA.

Regarding required disclosures on qualitative and quantitative information about interest rate risk in the banking book (IRRBB disclosure) as per FINMA Circular 2016/1 “Disclosure – banks”, reference is made to the “Supplementary regulatory disclosures - interest rate risk in the banking book” section of the report.

H4 Equity market risk

Equity market risk arises from trading assets, investment securities (FVTPL) and certain contracts-for-differences (derivative financial instruments) offered to clients.

Trading assets mainly comprise tracker certificates mainly invested in stocks included in major stock indices and a portfolio of equities listed on the SIX Swiss Exchange.

Contracts-for-differences (derivative financial instruments) are based on underlying stock indices on world stock markets. As not all of these products can be processed via agency model trades, the Group uses future contracts to hedge CFD positions on a net basis.

H5 Issuer credit risk

Issuer credit risk represents exposure to changes in the creditworthiness of individual issuers or groups of issuers. The Group investment securities portfolio is exposed to issuer credit risk where the value of an asset may be adversely impacted by changes in the levels of credit spreads.

H6 Market liquidity risk

Market liquidity risk represents the risk that the level of expected market activity changes dramatically and, in certain cases, may even cease to exist. This situation results in the inability of a market participant to liquidate a position in a timely manner at a reasonable price. The effects of market liquidity risk can result in a price impact on trading activity (bid-ask spreads) and/or a postponed trading execution. This exposes the Group to the risk that it will not be able to transact business and execute trades in an orderly manner which may impact the results and/or client account balances. This impact could be exacerbated if expected hedging, pricing correlations or risk management systems are compromised by the disproportionate demand or lack of demand for certain instruments.

I Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. Operational risk is an inevitable consequence of being in business and materialises in a wide variety of risks, including technology risk and data confidentiality. It also comprises all legal and compliance risks insofar as these could represent a direct financial loss. Technology risk stems from the dependencies on information technology, third-party suppliers and the IT infrastructure as well as from the interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses. At the same time, cybersecurity risk has significantly increased in recent years.

Managing operational risk is a core element of the Group activities, implemented through a conceptual framework and an effective controlling and risk function.

The risk management framework comprises people, policies, systems, processes and controls designed to ensure that risks are appropriately identified, assessed, measured, monitored and reported, as well as mitigated on an ongoing basis.

The identification, assessment and controlling of operational risks is an ongoing process that is organised with two lines of defence. On the one hand, each head of department is primarily responsible that operational risks related to the activities deployed by their units are identified, assessed, mitigated and controlled. Any risk event has to be escalated to the Controlling & Risk department, the Chief Risk Officer, the Executive Management and/or the Board of Directors depending on its nature and magnitude. On the other hand, the Controlling & Risk department maintains a transversal risk analysis, where each risk is categorised and prioritised. The Controlling & Risk department assesses the transition from the inherent risk to the net risk based on the quality of the controls that depends on the relevance, effectiveness and efficiency and experience. External events related to operational risks are also considered in the transversal risk analysis.

The Chief Risk Officer is the executive accountable for operational risk management. The Controlling & Risk department makes sure that the rules and limits in terms of internal control system as set by the Board of Directors are applied, and maintains a system that allows identifying, assessing, analysing and controlling all the operational risks incurred by the Group. The technology risks are managed under the supervision of the Chief Operating Officer and with the support of dedicated security team units. The management of cybersecurity and data protection risks is aligned with international standards and applicable regulations.

The Chief Risk Officer quarterly reports to the Audit & Risk Committee on the changes in the assessment of the operational risk and on significant internal and relevant external operational risk events. In addition to the ongoing update of both perspectives of risk/control analysis of the processes, the adequacy and effectiveness of the internal control system are formally assessed once a year by the Board of Directors. In that context, the Chief Risk Officer produces an annual report for the Board of Directors, the Audit & Risk Committee and the Executive Management on the assessment of the internal control system of the Group, which includes among others the areas of technology, information security and Business Continuity Management.

I1 Fiduciary activities

The Group provides fiduciary capacities that result in the holding or placing of assets on behalf of clients. These services are mainly rendered through its web portal and therefore the Group is exposed to the operational risks associated with the use of this technology. At the balance sheet date, the Group clients' financial assets under custody, excluding cash portion as well as assets from other banks, amount to CHF 41.9 billion (2022: CHF 35.3 billion) while fiduciary placements with third-party institutions amount to CHF 1.1 billion (2022: CHF 4.0 billion) and amounts arising from securities lending and borrowing transactions amount to CHF 45.3 million (2022: CHF 0.4 million).

I2 Cryptocurrencies/crypto exchange trading, custody and staking services

The Group operates a crypto exchange that provides liquidity by aggregating and matching buy and sell orders combined with custody services. Cryptocurrencies are natively digital, real-time and operate globally on a 24/7/365 basis. Transactions on cryptocurrencies are settled through processes that are dependent on a peer-to-peer network protocol. These protocols could be subject to modifications and upgrades if a majority of users consent to it (e.g. forks). A cryptocurrency, or some fraction of it, is a chain of digital signatures stored in a public ledger called the blockchain. Possession and control over a particular cryptocurrency holding is synonymous with having knowledge of a private key and public key pair associated with a network address (commonly referred as wallet). To transfer cryptocurrencies held, the transaction must be signed and this consists of the private key of the wallet from where the cryptocurrencies are transferred and the public key of the wallet of destination.

These particular characteristics make cryptocurrencies a target for cyber attacks because the stolen data has instant value and transactions are not reversible. These vulnerabilities are managed by the Group for the cryptocurrencies it holds in direct custody through effective security encompassing not only cybersecurity but also the establishment of recognised security standards for offline (cold) cryptocurrencies storage and multi-signature wallets. Cold storage involves placing the private keys in offline media, such as disconnected computer memory. Multi-signature wallets involve assigning cryptocurrencies to public addresses that are linked to multiple private keys, each separately stored, a subset of which are needed to effectuate any transfer. In addition to its own direct custody, the Group selected Bitstamp and Coinbase as liquidity providers and sub-custodians. When selecting an intermediary in the field of cryptocurrencies, the Group reviews in particular its creditworthiness, its reputation and the reputation of the country of domicile. Bitstamp and Coinbase are regulated in their respective jurisdictions and are audited by reputable audit firms. Both intermediaries use qualified custodian purpose-built infrastructure to store cryptocurrencies held in trust for the benefit of customers. Certain cryptocurrencies enable holders to earn rewards by participating in the governance protocol of their blockchain network, such as through staking activities. In this context, the Group may delegate to third-party service providers the staking services. These third-party service providers operate staking nodes on blockchain networks utilising cryptocurrencies and pass through rewards received to our customers.

Notes to the consolidated financial statements

Section VII: Other notes to the consolidated financial statements

1 Cash and cash equivalents

in CHF	2023	2022
Cash and balances with central banks	4,548,150,659	4,492,342,779
Treasury bills and other eligible bills	474,606,436	1,165,904,963
Due from banks	1,504,026,695	1,627,923,294
Deposits from banks	(307,486,046)	(366,399,780)
Total net	**6,219,297,744**	**6,919,771,256**
Less: treasury bills and other eligible bills (above 3 months)	(200,285,680)	(165,103,623)
Less: due from banks (above 3 months)	(286,834,418)	(707,118,890)
Plus: impairment allowance	138,830	464,697
Cash and cash equivalents as at 31 December	**5,732,316,476**	**6,048,013,440**

Cash and balances with central banks comprise CHF 2.2 billion deposits with Swiss National Bank (2022: CHF 2.3 billion), CHF 2.1 billion reverse repurchase agreements transacted with Swiss National Bank (2022: CHF 2.1 billion) and CHF 183.6 million with Banque centrale du Luxembourg (2022: CHF 108.6 million). The reverse repurchase agreements show maturities usually of one day to one week and ensure an interest rate that is close to the central bank policy rate.

Treasury bills and other eligible bills comprise among others CHF 210.5 million of commercial papers issued by European investment-grade banks (2022: CHF 149.7 million), CHF 116.0 million of short-term receivables (below 12 months) from Swiss municipalities and cantons (2022: CHF 91.5 million) and CHF 79.8 million of Swiss National Bank bills (designated as "SNB bills") (2022: CHF 799.6 million). These SNB bills are money market debt register claims issued by the Swiss National Bank.

The Group has relationships with a number of banking counterparties that provide banking services (such as prime brokerage, custodian services, etc.). In that context, Due from banks comprise CHF 304.5 million (2022: CHF 267.1 million) of cash collateral deposits in favour of third-party banks that are used to provide access to certain exchanges and markets. Further reference is made to Note 4 relating to Due from banks.

Deposits from banks are mainly related to cash deposits made by third-party banks which are customers of the Group and in that respect which benefit from trading venues of the Group.

2 Derivative financial instruments

in CHF	Fair value		Contract notional amount
	Assets	Liabilities	
Derivatives held for trading			
Currency forwards	71,347,760	19,344,636	4,039,442,426
CFD derivatives	37,611,977	1,751,820	1,184,687,953
Precious-metals forwards	25,826,531	13,345,124	1,204,941,319
Foreign exchange swaps	11,738,146	36,618,899	3,514,385,403
Total return swaps	1,223,970	7,118,231	192,782,777
Currency options	237,862	233,894	71,695,679
Credit default swaps	–	27,127	136,745,375
Total as at 31 December 2023	**147,986,246**	**78,439,731**	**10,344,680,932**

Currency forwards, precious-metals forwards, currency options and CFD derivatives (indices, stocks, bonds and commodities) are mainly related to clients' transactions.

Foreign exchange swaps, credit default swaps and total return swaps are mainly related to the Group's own transactions. Foreign exchange swaps are derivative contracts in which the Group simultaneously borrows CHF currency and lends USD/EUR/other currencies to a second party. The amount of repayment is fixed at the FX forward rates as of the starting date of the contract. From a treasury perspective, foreign exchange swaps can be viewed as FX-risk-free collateralised lending.

in CHF	Fair value		Contract notional amount
	Assets	Liabilities	
Derivatives held for trading			
Currency forwards	65,680,428	25,067,827	2,746,715,570
CFD derivatives	11,866,980	1,682,407	440,122,097
Precious-metals forwards	15,621,919	5,168,930	669,945,320
Foreign exchange swaps	15,440,032	21,791,078	3,039,187,463
Total return swaps	211,041	3,694,726	74,726,843
Currency options	381,588	397,270	3,411,793
Credit default swaps	–	32,910	115,563,750
Total as at 31 December 2022	**109,201,988**	**57,835,148**	**7,089,672,836**

3 Trading assets

in CHF	2023	2022
Investment funds	94,401	1,882,326
Equities	224,601	302,412
Structured products and other trading assets	554,724	499,286
Total trading assets as at 31 December	**873,726**	**2,684,024**

4 Due from banks

in CHF	2023	2022
Money market deposits	772,205,083	1,165,012,031
Interbank deposits	358,075,039	158,295,546
Collateral deposits	304,517,074	267,107,825
Receivables from banks	70,132,467	39,085,645
Impairment allowance	(902,968)	(1,577,753)
Total due from banks as at 31 December	**1,504,026,695**	**1,627,923,294**

5 Loans

a. Loans

in CHF	2023	2022
Lombard loans and similar loans	624,800,523	653,386,663
Finance lease receivables	114,158,645	99,846,850
Others (including loans to public authorities)	114,973,963	110,229,291
Impairment allowance	(48,359,243)	(49,131,046)
Total loans as at 31 December	**805,573,888**	**814,331,758**

Lombard loans and similar loans mainly consist of advances covered by the pledging of the customers portfolio consisting of cash, securities and crypto assets.

b. Finance lease receivables

The Group acts as a lessor for electric car leases. The following table represents a maturity analysis of the finance lease receivables as required by IFRS 16.

in CHF	Total minimum lease payments[1]	Unearned finance income	Present value
2024	22,132,956	2,767,141	19,365,815
2025-2028	99,156,554	4,363,724	94,792,830
Total as at 31 December 2023	**121,289,510**	**7,130,865**	114,158,645
Total as at 31 December 2022	107,578,786	7,731,936	99,846,850

[1] Total minimum lease payments comprise payments to be received related to the finance lease activity including guaranteed residual values.

6 Investment securities

in CHF	31 December 2023	
	Carrying value	Fair value
Amortised cost bonds	1,703,770,634	1,669,134,655
FVOCI bonds	228,196,023	228,196,023
FVTPL bonds	150,076,403	150,076,403
FVOCI equities	16,581,361	16,581,361
Total as at 31 December	**2,098,624,421**	**2,063,988,442**

in CHF	31 December 2022	
	Carrying value	Fair value
Amortised cost bonds	1,656,665,440	1,582,531,341
FVTPL bonds	46,540,664	46,540,664
FVOCI equities	18,826,789	18,826,789
Total as at 31 December	**1,722,032,893**	**1,647,898,794**

The increase in investment securities was mainly driven by purchases of investment grade bonds in the FVOCI portfolio as well as some additional purchases of high-quality liquid assets in our amortised cost portfolio, bringing the average duration of the investment securities portfolio to approximately 2.6 years. The difference between the carrying value and the fair value is mainly explained by the impact of the changes in interest rate environment.

7 Investment in joint venture

As at 31 December 2023, the Group holds 50% interest in a Swiss-based company designated as Yuh Ltd (2022: 50%). The investment in the joint venture is considered not material in regards to the Group's consolidated financial figures. The carrying amount of the investment in the consolidated financial statements is presented below:

in CHF	2023	2022
Carrying amount as at 1 January	4,460,572	11,159,753
Additions	9,500,000	–
Net result from investment in joint venture	(4,981,488)	(6,699,181)
Carrying amount as at 31 December	**8,979,084**	**4,460,572**

8 Intangible assets

in CHF	Goodwill
GROSS VALUE	
As at 1 January 2022	44,527,773
Addition	11,940,800
Currency translation differences	(683,952)
Other changes	–
As at 31 December 2022	**55,784,621**
Addition	–
Currency translation differences	(1,035,213)
Other changes	–
As at 31 December 2023	**54,749,408**

8 Intangible assets (continued)

The Group performed impairment tests of goodwill at the end of the 2022 and 2023 financial years. For the purpose of impairment testing, goodwill has been allocated to the relevant cash-generating unit which is expected to benefit from the synergies of the corresponding business combination.

The impairment tests are based on calculations of value in use. Cash flow projections are based on actual operating results and financial budgets. Cash beyond the considered period is extrapolated using estimated long-term growth rates (if applicable). Future cash flows are discounted based on the weighted average cost of capital (WACC) or cost of equity respectively, taking into account risks that are specific to the cash-generating unit tested for impairment and historical industry average. As at 31 December 2023, the discount rates used were based on relevant observable market long-term government bonds plus a risk premium.

Key elements used for value in use calculations of intangible assets are:

Type	**Goodwill**	**Goodwill**
Date of acquisition	**2010, 2013**	**2019, 2022**
Reportable segment	Leveraged forex (eForex)	Securities trading
Business acquired	ACM Advanced Currency Markets Ltd MIG Bank Ltd	Swissquote Bank Europe SA [1] and Keytrade Bank Luxembourg SA
Carrying amount	CHF 38,989,066 (2022: same)	CHF 15,760,342 (2022: CHF 16,795,555)
Depreciation method	Indefinite useful life	Indefinite useful life
Cash-generating units (CGUs)	Leveraged forex (eForex)	Swissquote Bank Europe SA
Basis for recoverable amount	Value in use	Value in use
Cash flow projections	5 years + terminal value	5 years + terminal value
Long-term growth rate of free cash flows	1.50%	2.50%
Discount rate	7.47% (2022: 9.01%)	9.79% (2022: 9.97%)
Other important assumptions	Transaction volume Revenue margin (CHF per million of volume) Net revenues Operating costs	Number of trades Commission per trade Net interest income Operating costs

[1] Formerly named Internaxx Bank S.A.

The Group has determined the values assigned to each of the above key elements based on past performance and expectation of market development and industry trends. The Group recognised that the speed of technological change, the implementation of new regulations and the possibility of new entrants can have an impact on growth rate assumptions.

As at 31 December 2023, the estimated recoverable amount exceeds the carrying amount (2022: same).

Sensitivity analysis

The Group performed a sensitivity analysis by considering and assessing reasonably possible changes for key assumptions. Reasonably possible changes in the cash flow projections or discount rate used for value in use calculations would not have resulted in the carrying amount exceeding the recoverable amount. Moreover, the recoverable amount remained higher than the carrying amount with long-term growth rate reduced to zero.

9 Information technology systems

in CHF	Software third-party licences	Proprietary software	Hardware & telecom systems	Total
GROSS VALUE				
As at 1 January 2022	5,672,802	97,554,496	8,302,590	111,529,888
Additions	2,209,610	37,751,859	3,845,789	43,807,258
Other changes	(1,134,376)	(16,797,777)	(1,985,582)	(19,917,735)
As at 31 December 2022	**6,748,036**	**118,508,578**	**10,162,797**	**135,419,411**
Additions	1,288,167	42,794,879	3,054,333	47,137,379
Other changes	(1,087,266)	(21,824,535)	(3,488,138)	(26,399,939)
As at 31 December 2023	**6,948,937**	**139,478,922**	**9,728,992**	**156,156,851**
ACCUMULATED DEPRECIATION				
As at 1 January 2022	(1,664,197)	(49,133,384)	(3,967,377)	(54,764,958)
Depreciation/amortisation	(1,311,376)	(20,920,537)	(3,082,247)	(25,314,160)
Other changes	1,134,376	16,797,777	1,985,582	19,917,735
As at 31 December 2022	**(1,841,197)**	**(53,256,144)**	**(5,064,042)**	**(60,161,383)**
Depreciation/amortisation	(1,528,272)	(25,359,755)	(3,208,176)	(30,096,203)
Other changes	1,087,266	21,824,535	3,488,138	26,399,939
As at 31 December 2023	**(2,282,203)**	**(56,791,364)**	**(4,784,080)**	**(63,857,647)**
Net book value as at 31 December 2023	**4,666,734**	**82,687,558**	**4,944,912**	**92,299,204**
Net book value as at 31 December 2022	4,906,839	65,252,434	5,098,755	75,258,028

Proprietary software comprises software development costs and purchased software in connection with the design and improvements of the products, services and systems of the Group. As at 31 December 2023, additions to information technology systems include an amount of CHF 28.3 million (2022: CHF 25.0 million) representing own costs capitalised according to IAS 38.

Other changes of CHF 26.4 million (2022: CHF 19.9 million) are related to fully depreciated items which are derecognised because no future economic benefits are expected from their use.

10 Property, plant and equipment

in CHF	Land and buildings	Right-of-use assets	Leasehold improvements	Equipment	Total
GROSS VALUE					
As at 1 January 2022	73,304,148	20,881,161	4,209,711	3,345,887	101,740,907
Additions	3,523,782	2,070,199	3,064,555	1,334,965	9,993,501
Other changes	–	(376,950)	(96,028)	(91,721)	(564,699)
As at 31 December 2022	**76,827,930**	**22,574,410**	**7,178,238**	**4,589,131**	**111,169,709**
Additions	3,085,977	3,299,022	1,355,853	1,510,996	9,251,848
Other changes	–	(3,385,736)	(525,057)	(118,312)	(4,029,105)
As at 31 December 2023	**79,913,907**	**22,487,696**	**8,009,034**	**5,981,815**	**116,392,452**
ACCUMULATED DEPRECIATION					
As at 1 January 2022	(23,451,686)	(5,808,705)	(1,305,074)	(1,209,149)	(31,774,614)
Depreciation/amortisation	(2,100,697)	(3,814,470)	(906,256)	(631,781)	(7,453,204)
Other changes	–	376,950	96,028	91,721	564,699
As at 31 December 2022	**(25,552,383)**	**(9,246,225)**	**(2,115,302)**	**(1,749,209)**	**(38,663,119)**
Depreciation/amortisation	(1,816,220)	(3,848,599)	(1,305,065)	(922,898)	(7,892,782)
Other changes	–	3,280,653	525,057	118,312	3,924,022
As at 31 December 2023	**(27,368,603)**	**(9,814,171)**	**(2,895,310)**	**(2,553,795)**	**(42,631,879)**
Net book value as at 31 December 2023	**52,545,304**	**12,673,525**	**5,113,724**	**3,428,020**	**73,760,573**
Net book value as at 31 December 2022	51,275,547	13,328,185	5,062,936	2,839,922	72,506,590

As at 31 December 2023, right-of-use assets mainly comprise of CHF 12.6 million (2022: CHF 13.2 million) relating to leased office space.

Other changes of CHF 4.0 million (2022: CHF 0.6 million) are related to fully depreciated items which are derecognised because no future economic benefits are expected from their use. In the specific case of right-of-use assets, other changes relate to leases that have matured or been terminated during the period.

On 1 November 2022, Swissquote Bank Ltd entered into a contract with a construction company, the purpose of which is the realisation of the extension of the Group's headquarters in Gland, Switzerland. As at 31 December 2023, the net book amount of the building under construction is CHF 6.6 million (31 December 2022: CHF 3.5 million).

The building construction will start in 2024 and should last three years. The depreciation is expected to start once the construction is delivered. Reference is made to Note 25.

11 Other assets

in CHF	2023	2022
Accrued income	31,167,313	13,522,394
Accounts receivable	9,958,037	21,063,121
Prepaid expenses	9,110,590	5,655,993
Recoverable withholding tax	6,703,749	3,773,539
Precious metals and others	91,728,953	30,555,542
Total as at 31 December	**148,668,642**	**74,570,589**

Precious metals are held in the form of physical metal holdings and serve to secure obligations arising from precious metal accounts of customers (included in Due to customers).

12 Financial liabilities designated at fair value

in CHF	2023	2022
Self-issued structured products - listed	122,538,804	43,621,624
Self-issued structured products - unlisted	93,369,469	27,691,999
Total as at 31 December	**215,908,273**	**71,313,623**

The Group acts as a structured products issuer mostly for barrier reverse convertibles (BRC). As the redemption amount on the structured products is linked to changes in the underlying instruments, the Group cannot determine the difference between the carrying amount and the amount the Group would be contractually required to pay at maturity to the holder of the structured products.

13 Due to customers

in CHF	2023	2022
Securities trading accounts	7,814,783,435	8,400,672,723
Leveraged forex accounts	492,909,345	459,847,036
Total as at 31 December	**8,307,692,780**	**8,860,519,759**

14 Other liabilities

in CHF	2023	2022
Accrued expenses	46,427,967	33,690,435
Social security, pension plan and other social charges	17,590,695	15,447,104
Accounts payable	16,284,129	13,838,858
Withholding tax to be paid and other taxes	14,983,701	10,840,596
Lease liabilities	13,045,076	13,489,798
Deferred revenues	2,500,040	2,786,090
Total as at 31 December	**110,831,608**	**90,092,881**

15 Taxation

a Deferred income tax assets

in CHF	Sources of deferred taxes: Pension-plan-related provision	Sources of deferred taxes: Other temporary differences	Total
BALANCE AS AT 1 JANUARY 2022	3,748,808	91,159	3,839,967
In connection with remeasurement of defined benefit obligation	(2,607,264)	–	(2,607,264)
In connection with remeasurement of impairment allowance and other accounting policies	–	101,125	101,125
In connection with change in tax rate	57,674	2,147	59,821
Balance as at 31 December 2022	**1,199,218**	**194,431**	**1,393,649**
In connection with remeasurement of defined benefit obligation	186,320	–	186,320
In connection with remeasurement of impairment allowance and other accounting policies	–	(145,524)	(145,524)
In connection with change in tax rate	45,425	9,841	55,266
Balance as at 31 December 2023	**1,430,963**	**58,748**	**1,489,711**

in CHF	2023	2022
Difference in connection with remeasurement of pension plan	1,430,963	1,199,218
Difference in connection with remeasurement of impairment allowance and other accounting policies	58,748	194,431
Total	**1,489,711**	**1,393,649**

b Deferred tax liabilities

in CHF	Sources of deferred taxes: Temporary differences	Total
BALANCE AS AT 1 JANUARY 2022	1,670,869	1,670,869
Depreciation of fair-valued assets at date of acquisition of subsidiaries	10,393	10,393
Differences in the capitalisation, depreciation and other accounting policies	(98,823)	(98,823)
Balance as at 31 December 2022	**1,582,439**	**1,582,439**
		–
Difference in applicable tax rate	11,025	11,025
Differences in the capitalisation, depreciation and other accounting policies	752,406	752,406
Balance as at 31 December 2023	**2,345,870**	**2,345,870**

in CHF	2023	2022
Fair-valued assets of acquisition of subsidiaries (business combination)	407,947	436,947
Differences in the capitalisation, depreciation and other accounting policies [1]	1,937,923	1,145,492
Total as at 31 December	**2,345,870**	**1,582,439**

[1] Differences in the capitalisation, depreciation and other accounting policies come from the differences between IFRS and applicable statutory accounting standards.

15 Taxation (continued)

c Current income tax liabilities

in CHF	2023	2022
Related to parent company	2,433,433	3,012,053
Related to Swissquote Bank Ltd	22,853,041	16,308,600
Related to other subsidiaries	6,355,689	3,727,815
Total as at 31 December	**31,642,163**	**23,048,468**

As at 31 December 2023, unrecognised tax loss carryforwards represented an equivalent amount of CHF 2.5 million and had an expiry period of at least 5 years (2022: CHF 4.4 million). The level of recognised tax assets depends on assumptions regarding available future taxable profits that are eligible for offsetting in the same jurisdictions and the ability of the consolidated subsidiary to take advantage of the underlying tax losses. The amount of unrecognised tax loss carryforwards is subject to foreign exchange differences.

d Income tax expense

in CHF	2023	2022
Current-year income tax expense	37,025,876	28,844,310
Change in deferred income tax assets	19,342	(62,398)
Change in deferred tax liabilities	761,893	211,484
Total	**37,807,111**	**28,993,396**

Changes in deferred income tax assets and deferred tax liabilities may impact the income statement or statement of comprehensive income.

in CHF, except where indicated	2023	2022
RECONCILIATION OF TAXES		
Operating profit	255,437,363	186,387,153
Average tax rate in Switzerland [%]	13.7%	13.2%
Income tax expense computed at average tax rate in Switzerland	34,994,919	24,603,104
Increase/(decrease) in income taxes resulting from:		
Higher/(lower) taxed income	176,914	140,415
Non-Swiss tax rates differing from Swiss tax rate	1,492,699	1,651,837
Tax effect of losses not recognised in foreign locations	71,343	118,508
Non-deductible tax expenses	1,131,651	1,219,901
Additional taxable income	–	197,565
Tax provision adjustment	–	1,100,000
Non-taxable income	(37,483)	–
Remeasurement of deferred tax – change in tax rate	(22,932)	(37,934)
Total	**37,807,111**	**28,993,396**

In 2023, the average tax rate was 13.7% (2022: 13.2%). The average tax rate may vary depending on the profit mix across the various jurisdictions. The effect of non-Swiss tax rates differing from Swiss tax rate is predominantly explained by the Luxembourg-based entity.

Following the acceptance by Swiss voters of the “Pillar Two” project of the Organisation for Economic Co-operation and Development (OECD), the Swiss Federal Council enacted a new legislation as per 1 January 2024 introducing a qualifying domestic minimum top-up tax (QDMTT) of 15%. Swissquote is not yet in scope of these new rules, but the Group is following the developments.

16 Provisions

in CHF	2023	2022
BALANCE AS AT 1 JANUARY	**6,475,556**	11,008,579
Increase	1,170,000	897,597
Used/reversed	(758,328)	(5,332,977)
Exchange differences	–	(97,643)
Balance as at 31 December	**6,887,228**	**6,475,556**

Provisions relate to provisions for litigation, legal, regulatory and similar matters. The risk of loss associated with these matters is the result of the increasingly complex legal and regulatory environment in which the Group operates. The outcome of many of these matters, the timing of resolutions, and the potential effects of resolutions on financial results are extremely difficult to predict.

17 Pension

a Pension plan

The Group operates a defined benefit plan in Switzerland and defined contribution plans in foreign locations. All plan assets are held in trusts that are governed by local regulations and practice in each country. As at 31 December 2023, the level of benefits provided to staff located in foreign locations is not relevant for the financial reporting purposes of the Group and no further disclosures are provided.

In Switzerland, the Group manages a tailored pension scheme through a collective foundation, which is organised under Swiss law. The main features are the following:

- This pension plan is accounted as a defined benefit plan under IAS 19;
- The fund assets are held independently of the Group assets in separated trustee funds;
- Decisions with respect to the funds (levels of the benefits and of the contributions, as well as investment strategy) are made by a Board of Trustees in which the employees and the Group are each represented at parity;
- The pension's benefits are determined based on the contributions paid by the employees and the Group. However, in accordance with Swiss law, the part of the employees' saving accounts corresponding to the minimum required by law shall be remunerated at a minimal interest rate set by the Swiss government. In 2023, this rate was 1.00% per annum (2022: similar).

The main actuarial assumptions used for the calculation of the Swiss pension cost and the projected benefit obligations are as follows:

	2023	2022
Discount rate	1.50%	2.20%
Rate of future increase in compensations	1.75%	1.75%
Interest rate credited on savings accounts	1.50%	2.20%
Pension indexation	0.00%	0.00%
Inflation rate	1.50%	1.50%
Mortality tables	BVG 2020GT	BVG 2020GT
Retirement age	65 (male)/64 (female)	65 (male)/64 (female)
Turnover	14.0% on average	10.5% on average

Demographic assumptions (e.g. probability of death, disability or termination) are based on the technical principles set out in the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) 2020 (cohort life tables), which draw on observations of large insurance portfolios in Switzerland over a period of several years, and are adapted to reflect conditions specific to the Group or empirical values where necessary.

Pension obligations and costs are presented as negative amounts.

17 Pension (continued)

b Defined benefit pension plans

in CHF thousand	Defined benefit obligation	Fair value of plan assets	Total
TOTAL AS AT 1 JANUARY 2023	(85,460)	76,375	(9,085)
Service cost	(7,105)	–	(7,105)
Interest income on plan assets/(interest cost on defined benefit obligation)	(1,832)	1,751	(81)
Administrative expense	–	(216)	(216)
Pension cost recognised in income statement	**(8,937)**	**1,535**	**(7,402)**
Actuarial gain/(loss) from changes in financial assumptions	(8,182)	–	(8,182)
Actuarial gain/(loss) from changes in demographic assumptions	5,045	–	5,045
Actuarial gain/(loss) from other changes	684	–	684
Return on plan assets (excluding interest income)	–	1,893	1,893
Pension cost recognised in other comprehensive income	**(2,453)**	**1,893**	**(560)**
Employees' contributions	(5,131)	5,131	–
Employer's contributions	–	6,447	6,447
Benefit payments	4,792	(4,792)	–
Total as at 31 December 2023	**(97,189)**	**86,589**	**(10,600)**
Of which active employees	(87,361)		
Of which pensioners	(9,828)		

in CHF thousand	Defined benefit obligation	Fair value of plan assets	Total
TOTAL AS AT 1 JANUARY 2022	(101,166)	72,329	(28,837)
Service cost	(8,999)	–	(8,999)
Interest income on plan assets/(interest cost on defined benefit obligation)	(294)	227	(67)
Administrative expense	–	(197)	(197)
Plan amendments	5,188	–	5,188
Pension cost recognised in income statement	**(4,105)**	**30**	**(4,075)**
Actuarial gain/(loss) from changes in financial assumptions	27,773	–	27,773
Actuarial gain/(loss) from changes in demographic assumptions	–	–	–
Actuarial gain/(loss) from other changes	(1,973)	–	(1,973)
Return on plan assets (excluding interest income)	–	(7,740)	(7,740)
Pension cost recognised in other comprehensive income	**25,800**	**(7,740)**	**18,060**
Employees' contributions	(4,570)	4,570	–
Employer's contributions	–	5,767	5,767
Benefit payments	(1,419)	1,419	–
Total as at 31 December 2022	**(85,460)**	**76,375**	**(9,085)**
Of which active employees	(77,088)		
Of which pensioners	(8,372)		

17 Pension (continued)

b Defined benefit pension plans (continued)

Actuarial gains and losses arise from changes in demographic and financial assumptions as well as from experience. Benefit payments include vested benefits paid, respectively deposited in the event of employees exiting or entering the plans.

c Categories of plan assets (fair value)

in CHF thousand	2023	2022
Debt instruments (listed)	50,204	43,706
Equity instruments (listed)	22,255	18,363
Real estate (listed)	7,124	5,212
Cash	4,471	6,510
Commodities (listed)	1,322	1,356
Qualified insurance policies	1,213	1,228
Total as at 31 December	**86,589**	**76,375**

Debt instruments may include instruments such as convertible bonds and perpetual callable bonds.

d Other disclosures (risks, sensitivity analysis, duration and estimate of contributions)

Through its defined benefit plan, the Group is exposed to a number of risks. As an example, the defined benefit obligation is calculated using a discount rate set with reference to market yields. A decrease in market yield will increase plan liabilities, although this will partially be offset by an increase in the fair value of the plan's assets. As at 31 December 2023, the discount rate is based on an average duration of 16.9 years, which corresponds to the modified duration calculated based on the future expected benefit payments.

Further, the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any change in these assumptions will impact the carrying amount of the defined benefit obligation.

The principal actuarial assumptions used for accounting purposes are presented in Table 17a. As at 31 December 2023, the actuarial analysis established that the only significant actuarial assumption is the discount rate. An increase or a decrease of 0.25% in discount rate would lead to a maximum change of CHF 3.3 million (2022: CHF 3.4 million) in the defined benefit obligation. Other assumptions of changes do not impact the defined benefit obligation to the same extent. As an example (among others), an increase or decrease of 0.25% in interest rate credited on savings accounts would lead to an increase or a decrease of CHF 1.0 million (2022: CHF 0.9 million). The above sensitivities are calculated assuming other assumptions are held constant. The calculation is performed on the same basis as in the prior year.

The estimates of Employer's contributions and Employees' contributions for 2024 are expected to be close to the contributions identified in 2023 with the assumption of a stable Swiss headcount scenario.

18 Equity
18.1 Share capital
a Number of shares in 2023

	1 January	Increase/ (Decrease)	Utilisation	31 December
ISSUED SHARES				
Ordinary share capital				
Number of shares	15,328,170	–	–	15,328,170
Nominal value per share (CHF)	0.20	–	–	0.20
Total nominal value (CHF)	**3,065,634**	**–**	**–**	**3,065,634**
UNISSUED SHARES				
Conditional capital				
Number of conditional shares	960,000	–	–	960,000
Nominal value per share (CHF)	0.20	–	–	0.20
Total nominal value (CHF)	**192,000**	**–**	**–**	**192,000**
Capital band [1]				
Number of registered shares	1,500,000	–	–	1,500,000
Nominal value per share (CHF)	0.20	–	–	0.20
Total nominal value (CHF)	**300,000**	**–**	**–**	**300,000**

[1] Swissquote has a capital band of 1,500,000 fully paid-in registered shares with a par value of CHF 0.20 each, ranging from CHF 3,065,634 (lower limit) to CHF 3,365,634 (upper limit). The Board of Directors shall be authorised within the capital band to increase the share capital once or several times and in any amounts, until 10 May 2025, unless the capital band lapses at an earlier date.

b Number of shares in 2022

	1 January	Increase/ (Decrease)	Utilisation	31 December
ISSUED SHARES				
Ordinary share capital				
Number of shares	15,328,170	–	–	15,328,170
Nominal value per share (CHF)	0.20	–	–	0.20
Total nominal value (CHF)	**3,065,634**	**–**	**–**	**3,065,634**
UNISSUED SHARES				
Conditional capital				
Number of conditional shares	960,000	–	–	960,000
Nominal value per share (CHF)	0.20	–	–	0.20
Total nominal value (CHF)	**192,000**	**–**	**–**	**192,000**
Authorised capital				
Number of authorised shares	1,500,000	–	–	1,500,000
Nominal value per share (CHF)	0.20	–	–	0.20
Amount authorised (CHF)	**300,000**	**–**	**–**	**300,000**

18 Equity (continued)
18.2 Share option reserve (employee stock options plan)
a Components of share option reserve

in CHF	Share option reserve components: Value of services to be reclassified to retained earnings when lapsed, forfeited or exercised	Value of services to be amortised through income statement over the vesting period	2023	2022
BALANCE AS AT 1 JANUARY	10,746,424	(5,408,290)	5,338,134	3,154,374
Stock options lapsed, forfeited or exercised	(1,856,111)	–	(1,856,111)	(819,099)
Fair value of current-year allocation	5,821,522	(5,821,522)	–	–
Amortisation of services	–	3,572,021	3,572,021	3,002,859
Balance as at 31 December	**14,711,835**	**(7,657,791)**	**7,054,044**	**5,338,134**

The fair value of stock options granted during 2023 was CHF 5,821,522 when the Group recognised a share option expense of CHF 3,572,021.

in CHF Allocation	Tranche	Value of services to be reclassified to retained earnings when lapsed, forfeited or exercised	Value of services to be amortised through income statement over the vesting period	2023	2022
20	3/3	–	–	–	157,050
21	2/3	–	–	–	131,060
21	3/3	174,055	–	174,055	324,636
22	1/3	–	–	–	351,156
22	2/3	335,060	–	335,060	576,696
22	3/3	472,379	–	472,379	491,675
23	1/3	908,072	–	908,072	998,380
23	2/3	1,273,721	–	1,273,721	964,534
23	3/3	1,532,044	(313,118)	1,218,926	772,728
24	n/a	4,219,872	(2,283,197)	1,936,675	570,219
25	n/a	5,796,632	(5,061,476)	735,156	–
As at 31 December		**14,711,835**	**(7,657,791)**	**7,054,044**	**5,338,134**

18 Equity (continued)

18.2 Share option reserve (employee stock options plan) (continued)

b Employee stock option plan – historical allocations

The Group operates a stock option plan under which it makes options in common stock available to the Group's employees at the discretion of the Board. Since the creation of the plan in 1999, a total of 25 allocation schemes (out of which five are still unexpired) have been offered. Optionees whose work contract is terminated lose their rights to options outstanding unless the Board resolves otherwise.

Before 2022, the options were subject to a three-year vesting schedule with 1/3 of the options becoming exercisable on the first, second and third anniversaries of grant. Since 2022, the three-year vesting schedule remains but all of the options become exercisable on the third anniversary of the grant. Also, the exercise period is two years.

The terms and maturities of the non-lapsed allocations as at 31 December 2023 are summarised below.

				Exercise period		Analysis of status		
Allocation	Tranche	Strike price (CHF)	Outstanding stock options	Start	End	In the money	In exercise period	In the money & exercise period
21	3/3	49.89	30,919	August 22	August 24	30,919	30,919	30,919
22	2/3	95.00	27,741	August 22	August 24	27,741	27,741	27,741
	3/3	95.00	41,067	August 23	August 25	41,067	41,067	41,067
23	1/3	185.00	49,412	August 22	August 24	49,412	49,412	49,412
	2/3	185.00	49,994	August 23	August 25	49,994	49,994	49,994
	3/3	185.00	49,983	August 24	August 26	49,983	–	–
24	n/a	145.00	172,310	August 25	August 27	172,310	–	–
25	n/a	210.00	149,052	August 26	August 28	–	–	–
Total			**570,478**			**421,426**	**199,133**	**199,133**

18 Equity (continued)

18.2 Share option reserve (employee stock options plan) (continued)

c Twenty-fifth allocation

The fair value of the options is determined based on the Black-Scholes valuation model. The table below summarises the most significant inputs into the model that are the spot price at grant, the strike price, the expected life of the options and the volatility. The volatility is measured over a period of 3 years. Other inputs into the model are the risk-free interest rate and the dividend yield (1.0% for the 2023 allocation). One option grants the right to acquire one share.

Date of grant	14 August 2023
Strike price (CHF)	210.00
Start of exercise period (years from date of grant)	3
Max. duration of exercise period (years)	2

Data on options granted and option price:	
Total number of options initially granted	149,692
Of which granted to Executive Management	14,000
Of which granted to other employees	135,692
Spot price at grant (CHF)	187.70
Volatility	37.60%
Fair value per option (CHF)	38.89

Options are conditional on the employee completing at least three years of service after the grant date (vesting period).

18 Equity (continued)
18.2 Share option reserve (employee stock options plan) (continued)
d Movement in stock options granted

The movements in options granted, exercised, forfeited and lapsed are reported below:

	Allocation								
	19th	20th	21st	22nd	23rd	24th	25th	Total	Conditional shares available for exercise
Strike price (CHF)	**34.02**	**68.81**	**49.89**	**95.00**	**185.00**	**145.00**	**210.00**		
Share price as at 31 December 2023 (CHF)	**204.60**	**204.60**	**204.60**	**204.60**	**204.60**	**204.60**	**204.60**		
BALANCE AS AT 1 JANUARY 2022	10,701	32,474	135,345	146,312	166,359	–	–	491,191	960,000
Grants	–	–	–	–	–	184,920	–	184,920	–
Exercises covered by:									
The issue of new shares	–	–	–	–	–	–	–	–	–
Treasury shares	(10,113)	(16,689)	(54,369)	(14,081)	–	–	–	(95,252)	–
Lapsed/forfeited	(588)	(135)	(746)	(2,347)	(3,025)	–	–	(6,841)	–
Balance as at 31 December 2022	**–**	**15,650**	**80,230**	**129,884**	**163,334**	**184,920**	**–**	**574,018**	**960,000**
BALANCE AS AT 1 JANUARY 2023	–	15,650	80,230	129,884	163,334	184,920	–	574,018	960,000
Grants	–	–	–	–	–	–	149,692	149,692	–
Exercises covered by:									
The issue of new shares	–	–	–	–	–	–	–	–	–
Treasury shares	–	(15,650)	(47,694)	(62,060)	(2,800)	–	–	(128,204)	–
Lapsed/forfeited	–	–	–	(633)	(11,145)	(12,610)	(640)	(25,028)	–
Balance as at 31 December 2023	**–**	**–**	**32,536**	**67,191**	**149,389**	**172,310**	**149,052**	**570,478**	**960,000**
Number of treasury shares available as at 31 December 2023									471,104
Less: outstanding stock options									(570,478)
Intermediary balance									**(99,374)**
Conditional shares available for exercise									960,000
Balance of shares available for future grants									**860,626**

As at 31 December 2023, the 570,478 outstanding options are related to employee stock option plan (out of which 199,133 are in the money and exercise period). This plan is mainly covered by treasury shares.

18 Equity (continued)

18.2 Share option reserve (employee stock options plan) (continued)

e Movement (fair value) in stock options

in CHF	Allocation							
	19th	20th	21st	22nd	23rd	24th	25th	Total
BALANCE AS AT 1 JANUARY 2022	56,243	326,619	774,247	1,746,973	4,132,750	–	–	7,036,832
Grants	–	–	–	–	–	4,528,691	–	4,528,691
Exercises: new shares	–	–	–	–	–	–	–	–
Exercises: treasury shares	(53,153)	(168,206)	(314,289)	(172,307)	–	–	–	(707,955)
Lapsed/forfeited	(3,090)	(1,363)	(4,262)	(27,270)	(75,159)	–	–	(111,144)
Balance as at 31 December 2022	**–**	**157,050**	**455,696**	**1,547,396**	**4,057,591**	**4,528,691**	**–**	**10,746,424**
BALANCE AS AT 1 JANUARY 2023	–	157,050	455,696	1,547,396	4,057,591	4,528,691	–	10,746,424
Grants	–	–	–	–	–	–	5,821,522	5,821,522
Exercises: new shares	–	–	–	–	–	–	–	–
Exercises: treasury shares	–	(157,050)	(281,641)	(732,530)	(57,449)	–	–	(1,228,670)
Lapsed/forfeited	–	–	–	(7,427)	(286,305)	(308,819)	(24,890)	(627,441)
Balance as at 31 December 2023	**–**	**–**	**174,055**	**807,439**	**3,713,837**	**4,219,872**	**5,796,632**	**14,711,835**

f Strike value of stock options outstanding and movements

in CHF	Allocation							
	19th	20th	21st	22nd	23rd	24th	25th	Total
BALANCE AS AT 1 JANUARY 2022	364,047	2,234,537	6,752,362	13,899,640	30,776,415	–	–	54,027,001
Grants	–	–	–	–	–	26,813,400	–	26,813,400
Exercises: new shares	–	–	–	–	–	–	–	–
Exercises: treasury shares	(344,044)	(1,148,371)	(2,712,469)	(1,337,695)	–	–	–	(5,542,579)
Lapsed/forfeited	(20,003)	(9,290)	(37,218)	(222,965)	(559,625)	–	–	(849,101)
Balance as at 31 December 2022	**–**	**1,076,876**	**4,002,675**	**12,338,980**	**30,216,790**	**26,813,400**	**–**	**74,448,721**
BALANCE AS AT 1 JANUARY 2023	–	1,076,876	4,002,675	12,338,980	30,216,790	26,813,400	–	74,448,721
Grants	–	–	–	–	–	–	31,435,320	31,435,320
Exercises: new shares	–	–	–	–	–	–	–	–
Exercises: treasury shares	–	(1,076,876)	(2,460,126)	(5,742,085)	(518,000)	–	–	(9,797,087)
Lapsed/forfeited	–	–	–	(60,135)	(2,061,825)	(1,828,450)	(134,400)	(4,084,810)
Balance as at 31 December 2023	**–**	**–**	**1,542,549**	**6,536,760**	**27,636,965**	**24,984,950**	**31,300,920**	**92,002,144**

18 Equity (continued)
18.3 Other reserve

in CHF	FVOCI	Defined benefit obligation	Currency translation differences	Total
BALANCE AS AT 1 JANUARY 2022	2,865,780	(17,348,539)	(4,355,169)	(18,837,928)
Revaluation of FVOCI – gross	(2,272,079)	–	–	(2,272,079)
Revaluation of FVOCI – tax effect	299,914	–	–	299,914
IFRS 9 ECL impairment loss recognised in equity	–	–	–	–
IFRS 9 ECL impairment loss income tax effect	–	–	–	–
Remeasurement of defined benefit obligation – gross	–	18,060,000	–	18,060,000
Remeasurement of defined benefit obligation – tax effect	–	(2,383,920)	–	(2,383,920)
Currency translation differences	–	–	(4,694,327)	(4,694,327)
Balance as at 31 December 2022	**893,615**	**(1,672,459)**	**(9,049,496)**	**(9,828,340)**
BALANCE AS AT 1 JANUARY 2023	893,615	(1,672,459)	(9,049,496)	(9,828,340)
Revaluation of FVOCI – gross	3,006,095	–	–	3,006,095
Revaluation of FVOCI – tax effect	(411,835)	–	–	(411,835)
IFRS 9 ECL impairment loss recognised in equity	203,316	–	–	203,316
IFRS 9 ECL impairment loss income tax effect	(27,854)	–	–	(27,854)
Remeasurement of defined benefit obligation – gross	–	(560,000)	–	(560,000)
Remeasurement of defined benefit obligation – tax effect	–	76,720	–	76,720
Currency translation differences	–	–	(7,027,278)	(7,027,278)
Balance as at 31 December 2023	**3,663,337**	**(2,155,739)**	**(16,076,774)**	**(14,569,176)**

18 Equity (continued)

18.4 Treasury shares

	2023	2022
Beginning of the year (shares)	**386,763**	**343,227**
Purchase	**218,826**	**144,734**
Unit price ranging from CHF	145.50 to 192.00	90.75 to 183.20
Sale	–	–
Unit price ranging from CHF		
Remittance to optionees/grant of shares	**(134,485)**	**(101,198)**
Unit price ranging from CHF	49.89 to 187.70	34.02 to 200.50
End of the year (shares)	**471,104**	**386,763**
Total as at 31 December (CHF)	**66,939,521**	**40,106,180**
% of the issued shares	3.07%	2.52%

The balance of 471,104 treasury shares is primarily held for the purpose of covering employees' share and option plans (outstanding options: 570,478). During 2023, the Group granted and allocated for free a total of 6,281 shares (2022: 5,946) to employees (blocked for a 5-year period) and Board members (blocked for a 3-year period).

18.5 Retained earnings (payout)

Under Swiss law, dividends can only be paid out of the distributable reserves that are determined on a non-consolidated basis. Final dividends are not accounted for until they have been ratified at the Annual General Meeting.

in CHF	2023	2022	2021	2020	2019
Payout per share	4.30[1]	2.20	2.20	1.50	1.00

[1] Proposal of the Board of Directors

19 Net fee and commission income

in CHF	2023	2022
Brokerage and related income	108,590,018	129,125,560
Custody and other account services fees	37,816,106	28,835,980
Platform, technology and support services fees	18,340,936	18,800,709
Management fees, referral fees and fiduciary commissions	11,824,038	13,137,335
Other commission income	6,105,871	7,751,023
Total fee and commission income	**182,676,969**	**197,650,607**
Fee and commission expenses	(20,935,680)	(21,067,568)
Total net fee and commission income	**161,741,289**	**176,583,039**

Fiduciary commissions are now included in Management fees, referral fees and fiduciary commissions. The comparative figures for 2022 were changed accordingly.

Brokerage and related income represents revenues that are based on number of transactions or volume of transactions and recognised at a point in time.

Custody and other account services fees, Management fees, referral fees and fiduciary commissions, as well as Platform, technology and support services fees mainly consist of non-transaction-based income (typically a percentage of assets deposited or a fixed amount) and are provided over time.

Other commission income is a mix of transaction-based and non-transaction-based revenues and includes amongst others payment fees recognised at a point in time.

Disaggregation of revenues: the total balance of net fee and commission income is allocated to the reportable segment designated as “Securities trading”.

20 Net interest income

in CHF	Activities excluding FX swaps	FX swaps	2023	2022
Interest income				
Cash and balances with central banks	41,052,980	–	41,052,980	3,118,272
Treasury bills and other eligible bills	15,075,543	–	15,075,543	1,386,032
Due from banks	73,626,998	–	73,626,998	19,134,308
Loans and due to customers	35,196,763	–	35,196,763	25,997,372
Investment securities	34,402,982	–	34,402,982	14,993,040
Total interest income	**199,355,266**	**–**	**199,355,266**	**64,629,024**
Interest expense				
Cash and balances with central banks, treasury bills and loans	–	–	–	(16,851,608)
Due to banks and due from banks	(3,897,170)	–	(3,897,170)	(3,601,531)
Investment securities	(548,127)	–	(548,127)	(1,202,137)
Due to customers and others	(24,677,875)	–	(24,677,875)	(824,275)
Total interest expense	**(29,123,172)**	**–**	**(29,123,172)**	**(22,479,551)**
Other interest income				
Derivative financial instruments	–	49,478,936	49,478,936	35,170,312
Loans	1,465,902	–	1,465,902	240,070
Total other interest income	**1,465,902**	**49,478,936**	**50,944,838**	**35,410,382**
Other interest expense				
Derivative financial instruments	(4,920,352)	(3,195,989)	(8,116,341)	(4,089,863)
Total other interest expense	**(4,920,352)**	**(3,195,989)**	**(8,116,341)**	**(4,089,863)**
Total net interest income	**166,777,644**	**46,282,947**	**213,060,591**	**73,469,992**

Net interest income benefitted from rises in market interest rates. In this context, negative interest impact is not material anymore and therefore not presented separately.

Disaggregation of revenues: the total balance of net interest income is allocated to the reportable segment designated as "Securities trading".

21 Net trading income

in CHF	2023	2022
Foreign exchange revenues:		
From leveraged forex	101,090,770	103,919,345
From other foreign exchange income	51,147,810	54,449,131
Net gains/(losses):		
From trading assets, investment securities and others	3,828,198	(275,038)
Net trading income	**156,066,778**	**158,093,438**

Foreign exchange revenues from leveraged forex represent mainly spreads paid by customers in respect of the opening and closing of positions in contracts-for-differences and in over-the-counter foreign exchange. Out of CHF 101.1 million (2022: CHF 103.9 million), CHF 19.9 million (2022: CHF 17.8 million) are related to the funding charges paid by clients when holding contracts and represent non-transaction based income.

Other foreign exchange income is generated by spreads applied on foreign exchange transactions performed by clients and also on foreign currency translation of monetary assets and liabilities denominated in other currencies than functional currency.

Disaggregation of revenues: of the total balance of net trading income of CHF 156.1 million, CHF 101.1 million was allocated to the reportable segment designated as “Leveraged forex“ (remaining balance: Securities trading).

22 Operating expenses

in CHF	2023	2022
Payroll and related expenses	136,665,209	103,128,004
Other operating expenses	64,650,895	55,126,547
Depreciation and amortisation	37,988,985	32,767,364
Marketing expenses	29,353,162	27,015,196
Provisions	2,278,127	(3,080,554)
Total	**270,936,378**	**214,956,557**

Payroll and related expenses consist of:

in CHF	2023	2022
Wages and salaries	144,694,662	111,964,893
Social security costs	12,375,842	11,754,284
Pension costs (defined benefit and defined contribution)	7,904,620	4,430,176
Subtotal	**164,975,124**	**128,149,353**
Less: capitalised costs	(28,309,915)	(25,021,349)
Total	**136,665,209**	**103,128,004**
Headcount (FTE) - year-end average	1,095	1,004

With the development of international activities of the Group, wages and salaries comprise a balance of CHF 16.3 million, which is not subject to Swiss social security (2022: CHF 14.4 million). Payroll and related expenses comprise an accrued amount of CHF 17.4 million related to variable remuneration (2022: CHF 10.1 million).

The capitalised costs relate to internally generated computer software capitalised according to IAS 38 (Note 9).

23 Earnings per share

Basic

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding the weighted average number of ordinary shares purchased and held as treasury shares.

	2023	2022
Net profit (CHF)	217,630,252	157,393,757
Weighted average number of ordinary shares in issue	14,880,929	14,973,139
Earnings per share (CHF)	**14.62**	**10.51**

Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Share options are the only type of dilutive potential ordinary shares and they have a dilutive effect only when the average market price of ordinary shares during the year exceeds the exercise price of the options (i.e. they are 'in the money'): a calculation is performed to determine the number of shares that could have been acquired at fair value (determined at the average annual market share price of the Group's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference between the two represents the number of dilutive potential shares to be added to the weighted average number of ordinary shares.

	2023	2022
Net profit (CHF)	217,630,252	157,393,757
Weighted average number of ordinary shares	14,880,929	14,973,139
Adjustments for share options	75,880	93,198
Weighted average number of ordinary shares for diluted earnings per share	14,956,809	15,066,337
Diluted earnings per share (CHF)	**14.55**	**10.45**

24 Related-party transactions

Related-party transactions are defined as transactions and balances with members of the Board of Directors and of the Executive Management and their close family members (as defined by IAS 24), transactions with shareholders with a significant influence, and with joint ventures in which the Group is a venturer.

Transactions with key management personnel

in CHF	2023	2022
KEY MANAGEMENT COMPENSATION		
Short-term employee benefits	6,402,306	5,425,871
Post-employment benefits	760,447	688,630
Total	**7,162,753**	**6,114,501**
Of which:		
Share-based payment (market value)	**833,764**	**675,150**
Loans	5,704,923	6,158,858
Due to customers	8,914,243	11,081,655
Interest income	3,010	213,607
Interest expense	57,197	301

Transactions are made on an arm's-length basis. Interest rate on Lombard loans and similar loans is based on a reference interest rate plus a mark-up.

Transactions with joint ventures

in CHF	2023	2022
Contributions	9,500,000	–
Accounts receivable	–	11,346,330
Accounts payable	530,660	–
Due to customers	20,101	11,220
Revenues	19,576,220	14,696,972
Funding commitments	–	9,500,000

Transactions with the joint venture Yuh Ltd are made on an arm's-length basis and relate mainly to contractual IT and banking services provided by Swissquote Bank Ltd.

Transaction with other related parties

Transactions are made on an arm's-length basis. The services provided to related parties are made on terms equivalent to those that prevail in arm's length transactions.

25 Off-balance sheet commitments

in CHF	2023	2022
Capital expenditure commitments	101,816,254	107,976,618
Loan commitments	62,336,144	40,268,000
Funding commitments	–	9,500,000
Total	**164,152,398**	**157,744,618**

Capital expenditure commitments

On 1 November 2022, Swissquote Bank Ltd entered into a contract with a construction company, the purpose of which is the realisation of the extension of the Group's headquarters in Gland, Switzerland.

The value of the contract is CHF 113 million, including applicable VAT. Swissquote has the right to withdraw from the contract at any time, subject to the payment by Swissquote for an amount of the work already performed up to the date of withdrawal.

The building construction will start in 2024 and should last three years. Reference is made to Note G4.

Loan commitments

Swiss banking law and the deposit insurance scheme require Swiss banks and securities dealers to jointly guarantee an amount equivalent to 1.6% of all protected deposits in Switzerland, but at least CHF 6 billion for privileged deposits in the event a Swiss bank or a securities dealer becomes insolvent. As per FINMA guidelines, the payment obligation of the Group has to be recognised as an irrevocable commitment under the off-balance sheet transactions and was communicated in writing to the Group.

Client assets

Reference is made to Note 26.

26 Client assets

Assets under management (FINMA definition)

Assets under management are calculated and reported in accordance with the guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA) concerning accounting standards for banks. According to FINMA, assets under management comprise assets for which the strict condition of having either a discretionary management mandate or an investment advisory agreement signed by the client with the Group itself is fulfilled.

in CHF	2023	2022
Assets with management/investment advisory mandate	326,896,517	330,203,082
Assets in self-managed collective investments instruments	35,626,358	39,168,209
Total as at 31 December	**362,522,875**	**369,371,291**
Of which double counts	–	–

in CHF	2023	2022
Change attributable to net new money	(14,866,416)	(3,541,581)
Change attributable to market value	8,018,000	(97,468,232)
Total change in assets under management	**(6,848,416)**	**(101,009,813)**

Client assets

Client assets is a broader term than assets under management under the FINMA definition and comprises all stable bankable assets that are managed or deposited with the Group, including assets that are not held for custody, but for which the technology of the Group gives clients access to asset classes and stock markets and/or for which other services are provided. As a result, Client assets may deviate from the reported assets under management or reported assets under custody (some assets could be included or excluded from the definition).

in CHF	2023	2022
Trading assets [1]	56,899,581,753	51,094,264,905
Robo-Advisory / Saving assets	611,419,057	634,857,808
eForex assets	492,909,345	459,847,036
Total client assets as at 31 December	**58,003,910,155**	**52,188,969,749**
- Client assets that are not deposited with the Group	(945,988,038)	(1,210,801,681)
+ Assets that do not meet the Group's definition of client assets	1,053,208,879	–
Total assets under custody as at 31 December	**58,111,130,996**	**50,978,168,068**

[1] Of which crypto assets: CHF 2.6 billion (2022: CHF 1.0 billion)

27 Disclosure of shareholdings of the Board of Directors and Executive Management

In compliance with Art. 734d of Swiss Code of Obligations, the following table summarises all shareholdings held by each member of the Board of Directors, the Executive Management and closely related persons:

			Number of stock options by year of expiry				
	Number of shares 2023	Number of shares 2022	2024	2025	2026	2027	2028
SHAREHOLDINGS							
Markus Dennler, Chairman of the Board	32,829	32,549	–	–	–	–	–
Monica Dell'Anna, member of the Board	2,750	2,592	–	–	–	–	–
Demetra Kalogerou, member of the Board	390	232	–	–	–	–	–
Beat Oberlin, member of the Board	4,211	4,036	–	–	–	–	–
Jean-Christophe Pernollet, member of the Board	4,797	4,610	–	–	–	–	–
Michael Ploog, member of the Board	45,656	45,498	2,666	1,000	–	–	–
Paolo Buzzi, member of the Board	1,595,535	1,595,377	3,832	2,167	917	–	–
Esther Finidori, member of the Board	140	–	–	–	–	–	–
Marc Bürki, CEO	1,772,000	1,771,511	3,832	2,167	917	2,500	2,000
Yvan Cardenas, CFO	345	320	916	2,167	917	2,500	2,000
Gilles Chantrier, CRO	340	340	3,632	2,167	917	2,500	2,000
Alexandru Craciun, CTO	1,716	1,716	916	917	917	2,500	2,000
Jan De Schepper, CSO	2,593	2,093	2,832	2,167	917	2,500	2,000
Lino Finini, COO	1,400	1,820	2,166	2,167	917	2,500	2,000
Morgan Lavanchy, CLO	1,000	840	916	2,167	917	2,500	2,000
Closely related persons[1]	36,779	39,373	716	452	294	800	320
Total	**3,502,481**	**3,502,907**	**22,424**	**17,538**	**7,630**	**18,300**	**14,320**

[1] The data reported in the table above is based on the Group's best knowledge of the number of shares and options owned by close relatives of the members of the Board and members of the Executive Management. Close relatives consist of spouse or partner, parents, children, siblings, fathers-in-law, mothers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law and any person (other than domestic employees and irrespective of any family bond) who shares the individual's home. As at 31 December 2023 and 31 December 2022, close relatives are mainly related to Marc Bürki (CEO) and Paolo Buzzi (member of the Board).

28 Subsequent event

On 1 March 2024, the Group acquired all the outstanding shares of Optimatrade Investment Partners (Pty) Ltd (Optimatrade). Optimatrade is based in Cape Town (South Africa) and is regulated locally as a financial services provider. The sale and purchase agreement was signed on 7 February 2024.

Since 2013, Optimatrade has been acting as an introducer for Swissquote Bank Ltd. The transaction will enable natural synergies, in particular when rebranding Optimatrade, and will strengthen the local presence.

The purchase price allocation will be determined based on value of the net identified assets of the Company which mainly comprises of due from banks and trade receivables. The corresponding goodwill is expected at an amount between CHF 4 and 5 million.

Report of the statutory auditor to the General Meeting of Swissquote Group Holding Ltd Gland

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Swissquote Group Holding Ltd and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 20 to 118) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

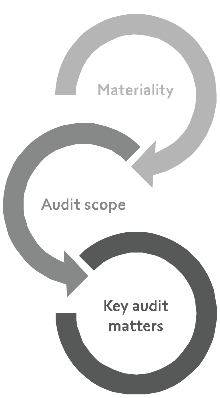
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (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.

Our audit approach

Overview



Overall Group materiality: CHF 12'771'800

We conducted full scope audit work at Swissquote Group Holding Ltd and Swissquote Bank Ltd both in Gland.

As key audit matter the following area of focus has been identified:

- **Goodwill impairment assessment**

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	CHF 12'771'800
Benchmark applied	Profit before tax (operating profit)
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit & Risk Committee that we would report to them misstatements above CHF 1'277'180 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

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

Goodwill impairment assessment

Key audit matter	How our audit addressed the key audit matter
The goodwill impairment assessment is considered a key audit matter due to the size of the goodwill balance (CHF 54.8 million) as well as considerable judgement with respect to the assumptions used in calculation of the value in use, including the future results of the business and the discount rate applied to future cash flow forecasts.	We performed the following procedures: • We evaluated the cash flow forecasts included in the models (used to determine the value in use of the cash generating units) and the process by which they were developed (including verifying the mathematical accuracy of the underlying calculations). We also compared the forecasts to the latest budget approved by the Board of Directors. We found that the forecasts used in the value in use calculations were consistent with the Board of Directors approved budget, and that the key assumptions were subject to oversight by the members of the Board of Directors; • We compared the current year actual results (2023) with the figures included in the prior year's forecast (2022) to consider whether they included assumptions that, with hindsight, may have been optimistic. We found that the forecast was in line with the current year results. • With the assistance of specialists in the area of valuation, we challenged the reasonableness of Management's assumptions on the revenue and expense projections as well as on discount rate by comparing the cost income ratio and the discount rate with comparable institutions active in similar businesses. We found the assumptions on the revenue and expense projections to be consistent and in line with our expectations. Similarly, we found the discount rate used by Management consistent with market data and comparable businesses. • We reperformed sensitivity analyses around the key assumptions (revenue growth and expense projections as well as discount rate) to ascertain the extent of change in those assumptions that either individually or collectively would be required for the goodwill to be impaired. We found that headroom remained between the stress-tested value-in-use calculations and the carrying value in the consolidated financial statements. As a result of our procedures, we determined that the conclusions reached by Management with regard to the carrying value of goodwill were reasonable and supportable.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the parent company financial statements, the remuneration report and our auditor’s report 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 of the consolidated financial statements, our responsibility is to read the other information and, in doing so, 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, based on the 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.

Board of Directors’ responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with the IFRS Accounting Standards and the provisions of Swiss 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 Swiss law, ISA and SA-CH 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse’s website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence an internal control system, that has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers Ltd

Christophe Kratzer	Jonathan Derungs
Licensed audit expert Auditor in charge	Licensed audit expert

Lausanne, 13 March 2024

Statutory financial statements

Statutory balance sheet

in CHF	Notes	31 December 2023	31 December 2022
ASSETS			
Cash and banks		237,210	242,017
Receivable from subsidiaries	1	87,673,889	44,912,065
Total current assets		**87,911,099**	**45,154,082**
Investment in subsidiaries	2	212,301,576	212,513,556
Total non-current assets		**212,301,576**	**212,513,556**
Total assets		**300,212,675**	**257,667,638**
LIABILITIES AND EQUITY			
Tax payable		2,454,652	3,032,957
Total short-term liabilities		**2,454,652**	**3,032,957**
Total liabilities		**2,454,652**	**3,032,957**
Equity			
Share capital	3	3,065,634	3,065,634
Legal capital reserves			
Reserves from capital contributions		349,776	349,776
Other capital reserves		6,109,093	6,109,093
Retained earnings	4	252,227,902	242,619,302
Net profit		102,945,139	42,597,056
Treasury shares	5	(66,939,521)	(40,106,180)
Total equity		**297,758,023**	**254,634,681**
Total liabilities and equity		**300,212,675**	**257,667,638**

The notes on pages 126 to 130 are an integral part of these financial statements.

Statutory income statement

in CHF	Notes	2023	2022
Royalties		24,329,954	19,040,625
Dividend received from subsidiaries		84,000,000	28,000,000
Other revenues		5,820,884	4,528,691
Operating expenses		(2,005,212)	(1,734,891)
Marketing expenses		(4,381,409)	(4,282,541)
Depreciation		(1,650,000)	–
Operating profit		**106,114,217**	**45,551,884**
Income tax expense		(3,169,078)	(2,954,828)
Net profit		**102,945,139**	**42,597,056**

Notes to the statutory financial statements

General information

Swissquote Group Holding Ltd (the "Company") was formed on 12 August 1999 and is registered in the Canton of Vaud, Switzerland, with headquarters in Gland. Swissquote Group Holding Ltd is the parent company of a financial group that is active in online financial services, the main subsidiaries being Swissquote Bank Ltd in Switzerland and Swissquote Bank Europe SA in Luxembourg. As at 31 December 2023, the Company did not employ more than 10 full-time equivalents (2022: no changes).

The shares of Swissquote Group Holding Ltd have been listed on the Swiss Stock Exchange since 29 May 2000. The ticker is SQN, the security number is 1067586 and the ISIN Number is CH0010675863.

The main shareholders (pursuant to Swiss Financial Market Infrastructure Act FMIA) are (including stock options):

	2023			2022		
	Shares	Options	Total	Shares	Options	Total
Marc Bürki	11.56%	0.07%	**11.63%**	11.56%	0.09%	**11.65%**
Paolo Buzzi	10.41%	0.05%	**10.46%**	10.41%	0.05%	**10.46%**
PostFinance AG	5.00%	–	**5.00%**	5.00%	–	**5.00%**
Treasury shares:						
Swissquote Group Holding Ltd			**3.07%**			**2.52%**

The statutory financial statements were approved for issue by the Board of Directors of the Company on 13 March 2024.

The information relative to remuneration in companies whose shares are listed on a stock exchange is comprised in the dedicated Remuneration Report as per Art. 734ss of the Swiss Code of Obligations.

Notes to the statutory financial statements

Summary of significant accounting policies

These statutory financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations ("CO") (Art. 957 to 963b CO). According to Art. 962 Para. 3 CO, the Company does not present additional statutory financial statements in accordance with a recognised financial reporting standard.

Foregoing a cash flow statement and additional disclosures in the notes

Because consolidated financial statements are prepared in accordance with IFRS, the Company has decided, pursuant to Art. 961d CO, to forego presenting additional information on audit fees in the notes as well as a cash flow statement in accordance with Swiss law.

Where not described below, accounting and valuation principles are provided by law.

A Investments in subsidiaries

Investments in subsidiaries are valued at cost less economically necessary impairment charges.

B Treasury shares

Treasury shares are valued at the acquisition price and are deducted from equity in accordance with Art. 959a Para. 2 CO. Gains and losses on disposal of treasury shares are recognised in equity (but remain accountable for the determination of the taxable profit).

1 Receivables from subsidiaries

The current balance of CHF 87,673,889 (2022: CHF 44,912,065) is related to cash deposited into a bank account opened with Swissquote Bank Ltd.

2 Investments in subsidiaries

in CHF	Office/country	2023		2022	
Swissquote Bank Ltd	Gland/Switzerland	100.0%	137,560,002	100.0%	137,560,002
Swissquote Bank Europe SA	Luxembourg/Luxembourg	100.0%	70,907,430	100.0%	70,907,430
Swissquote Financial Services (Malta) Ltd	St. Julian's/Malta	>99.9%	1,877,004	>99.9%	1,877,004
Swissquote Capital Markets Ltd	Limassol/Cyprus	100.0%	1,718,190	100.0%	1,930,170
Swissquote Trade Ltd in liquidation	Gland/Switzerland	100.0%	238,950	100.0%	238,950
Total as at 31 December			**212,301,576**		**212,513,556**

During the year, the company increased the capital of Swissquote Capital Markets Ltd for EUR 1.5 million (CHF 1.4 million), with a subsequent depreciation of CHF 1.6 million.

3 Share capital

in CHF	2023	2022
ORDINARY ISSUED SHARE CAPITAL		
Number of shares in issue	15,328,170	15,328,170
Nominal value of each share (registered shares)	0.20	0.20
Ordinary share capital (CHF)	**3,065,634**	**3,065,634**
UNISSUED SHARE CAPITAL (CHF)		
Conditional share capital (nominal value)	192,000	192,000
Capital band (2023) / Authorised share capital (2022) (nominal value)	300,000	300,000

Capital band and conditional share capital
With the new company law entered in force on 1 January 2023, the old concept of authorised capital was replaced with the new concept of capital band. The provision ruling the utilisation of the capital band provides details on the capital increase process and exercise of preferential subscription rights and stipulates that the Board of Directors is allowed to increase the share capital of the Company within the capital band of 1,500,000 new registered shares with a nominal value of CHF 0.20 each, from CHF 3,065,634 (lower limit) to CHF 3,365,634 (upper limit). The Board of Directors is allowed to use the capital band in one or several tranches of variable amounts until 10 May 2025.

The provision ruling the utilisation of the conditional share capital provides that the Board of Directors is authorised to increase the share capital of the Company by a maximum of CHF 192,000 by issuing no more than 960,000 shares. The capital increase may be carried out through the exercise of options granted to employees.

Shares for members of the Board of Directors
Board members were granted free shares of the Company which are subject to a blocking period. The grants performed on behalf of 2023 and 2022 were as follows:

	Shares					
	2023			2022		
	Number	Market value	Tax value	Number	Market value	Tax value
Members of the Board	**1,414**	**289,304**	**242,905**	**1,847**	**246,575**	**207,030**

4 Retained earnings

in CHF	2023	2022
Retained earnings	242,619,302	206,650,824
Net profit (previous year)	42,597,056	67,580,206
1 January	**285,216,358**	**274,231,030**
Dividend paid on behalf of previous year	(32,729,952)	(33,022,905)
Realised (loss)/gain on treasury shares	(258,504)	1,411,177
31 December	**252,227,902**	**242,619,302**

5 Treasury shares

in CHF	2023	2022
Beginning of the year (shares)	**386,763**	**343,227**
Purchase	**218,826**	**144,734**
Unit price ranging from CHF	145.50 to 192.00	90.75 to 183.20
Sale	–	–
Unit price ranging from CHF		
Remittance to optionees/grant of shares	**(134,485)**	**(101,198)**
Unit price ranging from CHF	49.89 to 187.70	34.02 to 200.50
End of the year (shares)	**471,104**	**386,763**
Total as at 31 December (CHF)	**66,939,521**	**40,106,180**
% of the issued shares	3.07%	2.52%

Proposed appropriation of retained earnings

Proposal of the Board of Directors for appropriation of retained earnings as at 31 December 2023

The Board of Directors proposes to the Annual General Meeting to utilise retained earnings available for appropriation as follows:

in CHF	2023
Net profit for the year	102,945,139
Retained earnings carried forward	252,227,902
Retained earnings available for appropriation	**355,173,041**

ALLOCATION OF AVAILABLE RETAINED EARNINGS	
Available retained earnings as at 31 December 2023	355,173,041
Proposed dividend (CHF 4.30 per share)	(65,911,131)
Retained earnings to be carried forward	**289,261,910**

Amount of proposed dividend is based on the number of shares issued as at 31 December 2023. However, no distribution is allocated to the treasury shares.

Report of the statutory auditor to the General Meeting of Swissquote Group Holding Ltd Gland

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Swissquote Group Holding Ltd (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 124 to 131) comply with Swiss law and the Company's articles of association.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). 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 Swiss law and the requirements of the Swiss audit profession, 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.

Our audit approach

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 5'305'700
Benchmark applied	Profit before tax (operating profit)
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit & Risk Committee that we would report to them misstatements above CHF 530'570 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

PricewaterhouseCoopers SA, avenue C.-F. Ramuz 45, case postale, CH-1001 Lausanne, Switzerland
Téléphone: +41 58 792 81 00, Téléfax: +41 58 792 81 10, www.pwc.ch

Audit scope
We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters
We have determined that there are no key audit matters to communicate in our report.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration 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 of the financial statements, our responsibility is to read the other information and, in doing so, 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, based on the 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.

Board of Directors' responsibilities for the financial statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of association, 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 Swiss law and SA-CH 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence an internal control system that has been designed pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of retained earnings complies with Swiss law and the Company's articles of association. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers Ltd

Christophe Kratzer	Jonathan Derungs
Licensed audit expert Auditor in charge	Licensed audit expert

Lausanne, 13 March 2024

CORPO-RATE GOVERN-ANCE REPORT

Corporate Governance Report

Introduction

Swissquote Group Holding Ltd (the "Company") and its consolidated subsidiaries (together, the "Group") form an international financial services group that applies a wide range of standards relating to corporate governance, including the SIX Swiss Exchange's Directive on Information relating to Corporate Governance and FINMA Circular 2017/1 "Corporate governance – banks". This Corporate Governance Report informs shareholders, prospective investors as well as the larger public on the Group's policies in matters of corporate governance.

Key elements of 2023

In 2023, the Company continued its intense dialogue with shareholders, especially in relation to corporate governance matters. The Board of Directors (the "Board") reviewed and evaluated all the points raised and, in particular, decided to improve disclosure on the Board's qualifications, which are now presented in a detailed table in line with best practice (see Section 3.5). The Board plans to maintain the stimulating and constructive exchange with the shareholders, whose time and active participation are highly appreciated.

Concerning the composition of the Board, Esther Finidori was elected at the annual general meeting (the "AGM") of 10 May 2023. Esther Finidori has a strong expertise in sustainability in general and in environmental aspects and digital transformation specifically. Thanks to the election of Esther Finidori, the representation of the underrepresented gender reached 37.5%, hence exceeding the Board's target set at 30%.

Whilst the composition of the Audit & Risk Committee stayed the same, Paolo Buzzi replaced Demetra Kalogerou in the Nomination & Remuneration Committee. He is bringing to the committee his broad experience of human resources in a digital environment.

At the level of the Executive Management, Lino Finini, the Company's former COO, retired as of the end of 2023 after more than two decades working in the Swissquote Group. The Company welcomed Nestor Verrier, former General Manager of Swissquote Bank Europe SA, to the position of COO as from 1 January 2024.

In 2023, Swissquote achieved the best results of its history, with an operating income amounting to CHF 530.9 million and an operating profit of CHF 255.4 million. The roll-out of the Group's strategy, the dedication of its employees and a favourable interest environment contributed to this record year, despite challenging market conditions (including low volatility) and geopolitical uncertainties due to the conflicts in Eastern Europe and the Middle East.

Outlook for the 2024 AGM

The 2024 AGM will take place on 8 May 2024 in Zurich in a traditional format. It will be the first time that the Sustainability Report, which serves as the report on non-financial matters newly required by the Swiss Code of Obligations (the "CO"), will be submitted to the vote of the general meeting of shareholders (the "General Meeting"). It will also be the first time that Computershare Switzerland Ltd, the Company's new share register service provider, will assist with the running of the AGM.

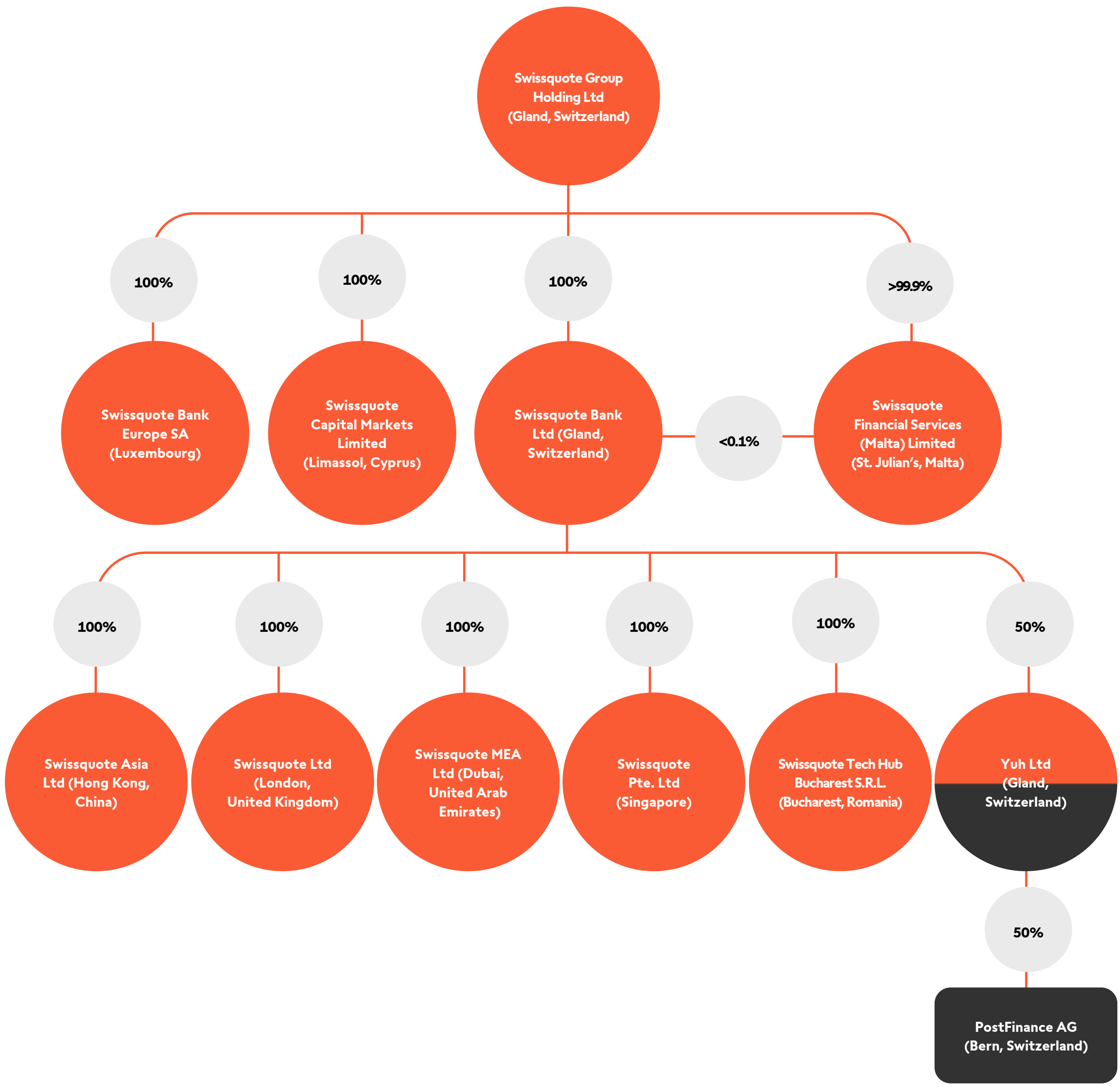
Corporate Governance Report

1 Group structure and shareholders

1.1 Group structure

The structure of the Group is designed to support the Group's operations within an efficient regulatory and tax framework.

The Group comprises the following active companies as at 31 December 2023:



1.1 Group structure (continued)

The Company is the listed entity of the Group. It was incorporated on 12 August 1999 and has its registered office in Gland, Switzerland. Its shares have been listed on SIX Swiss Exchange since 29 May 2000 with the symbol SQN, the security number 1067586 and the ISIN number CH0010675863. As at 31 December 2023, the market capitalisation of the Company amounted to more than CHF 3 billion. Details on the Company's capital are provided in Section 2.

Swissquote Bank Ltd was incorporated on 24 November 2000 and is a bank under the supervision of the Swiss Financial Market Supervisory Authority FINMA (FINMA). The main office of Swissquote Bank Ltd is located in Gland, Switzerland, with a branch in Zurich and representative offices in Dubai and Hong Kong. The share capital of Swissquote Bank Ltd amounts to CHF 42,000,000 divided into 7,000,000 registered shares with a nominal value of CHF 6.

Swissquote Bank Europe SA has been a limited company incorporated in Luxembourg since 13 November 2000. Swissquote Bank Europe SA is a bank under the supervision of the Commission de Surveillance du Secteur Financier (CSSF). The share capital of Swissquote Bank Europe SA amounts to EUR 67,000,000 divided into 67,000 shares without nominal value.

Swissquote Capital Markets Limited has been a limited liability company incorporated in Cyprus since 2 September 2021. Swissquote Capital Markets Limited is a Cyprus Investment Firm that has been authorised since 21 November 2022 to provide investment services under the supervision of the Cyprus Securities and Exchange Commission (CySEC). The share capital of Swissquote Capital Markets Limited amounts to EUR 750,000 divided into 1,000 ordinary shares with a nominal value of EUR 749 and 1,000 ordinary shares with a nominal value of EUR 1.

Swissquote Financial Services (Malta) Limited has been a limited company incorporated in Malta since 19 October 2012. Swissquote Financial Services (Malta) Limited is an investment services company that operates as custodian for European investment funds and broker under both a Category 4a licence and a Category 2 licence from the Malta Financial Services Authority (MFSA). The share capital of Swissquote Financial Services (Malta) Limited amounts to EUR 1,750,000, divided into 1,749,999 ordinary class A shares with a nominal value of EUR 1 (held by the Company) and 1 ordinary class B share with a nominal value of EUR 1 (held by Swissquote Bank Ltd).

Swissquote Asia Ltd has been a limited company incorporated in Hong Kong since 16 January 2012. Swissquote Asia Ltd is a licenced corporation under the supervision of the Securities and Futures Commission (SFC), from which it was granted a Type 3 licence (Leverage Foreign Exchange Trading). The share capital of Swissquote Asia Ltd amounts to HKD 5,500,000 divided into 5,500,000 registered shares with a nominal value of HKD 1.

Swissquote Ltd has been a limited company incorporated in London since 19 July 2011. Swissquote Ltd is an investment company that provides online trading services under the supervision of the Financial Conduct Authority (FCA). The share capital of Swissquote Ltd amounts to GBP 4,260,100 divided into 4,260,100 ordinary shares with a nominal value of GBP 1.

Swissquote MEA Ltd has been a limited company incorporated in the Dubai International Financial Center (DIFC) since 14 June 2012. Swissquote MEA Ltd is an investment firm under both a Category 3A licence and a Category 4 licence granted by the Dubai Financial Services Authority (DFSA). The share capital of Swissquote MEA Ltd amounts to USD 500,000 divided into 500 registered shares with a nominal value of USD 1,000.

Swissquote Pte. Ltd has been a limited company incorporated in Singapore since 26 February 2019. Swissquote Pte. Ltd is a financial services company under the supervision of the Monetary Authority of Singapore (MAS), from which it was granted a Capital Markets Service (CMS) licence. The share capital of Swissquote Pte. Ltd amounts to SGD 7,300,000 divided into 7,300 registered shares with a nominal value of SGD 1,000.

Swissquote Tech Hub Bucharest S.R.L. has been a limited company incorporated in Romania since 19 January 2022. Swissquote Tech Hub Bucharest S.R.L. is active in computer programming, consultancy and related activities and provides software development services to the Group. The share capital of Swissquote Tech Hub Bucharest S.R.L. amounts to RON 45,000 divided into 4,500 shares with a nominal value of RON 10.

Yuh Ltd has been a limited company incorporated in Switzerland since 7 April 2021. It is a joint venture of Swissquote Bank Ltd and PostFinance AG. Yuh Ltd engages in the management of IT and technology projects as well as related activities, including the creation and operation of applications for mobile phones and other devices. Yuh Ltd does not offer financial services and does not carry out any regulated activity. The share capital of Yuh Ltd amounts to CHF 1,000,000 divided into 1,000,000 registered shares with a nominal value of CHF 1.

For information on the exact registered addresses of each entity of the Group, reference is made to the relevant disclosure in the Annual Report, on page 308. Reference is also made to Note 28 to the consolidated financial statements (Section VII).

1.2 Significant shareholders

Under the Swiss Financial Market Infrastructure Act (FMIA), any person holding interest in a company whose equity securities are listed on a Swiss stock exchange is required to notify the concerned company and the stock exchange, if the holding reaches, falls below or exceeds the following thresholds: 3%, 5%, 10%, 15%, 20%, $33^{1/3}$%, 50%, or $66^{2/3}$% of the voting rights.

According to the information received by the Company and pursuant to Section 1.2 of the Annex to the SIX Swiss Exchange Directive on Information relating to Corporate Governance, the shareholders with an interest in the Company above 3% as at 31 December 2023 are as follows:

	2023		
	Shares	Options	Total
Marc Bürki[1]	11.56%	0.07%	11.63%
Paolo Buzzi[1]	10.41%	0.05%	10.46%
PostFinance AG[2]	5.00%	–	5.00%

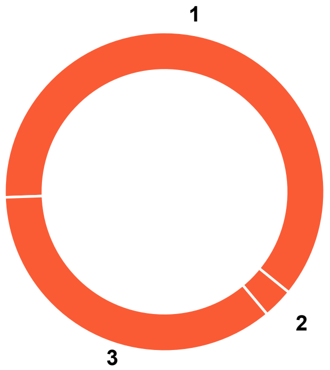
[1] This reflects information received by the Company from the relevant shareholder.
[2] The beneficial owner pursuant to Art. 120 FMIA is the Swiss Confederation.

For further information on stock options, reference is made to the Remuneration Report, commencing on page 182.

The list of disclosures of shareholdings made in accordance with Art. 120 FMIA is available on the website of SIX Exchange Regulation AG using the following link:
https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=SWISSQUOT&dateFrom=20230101#/.

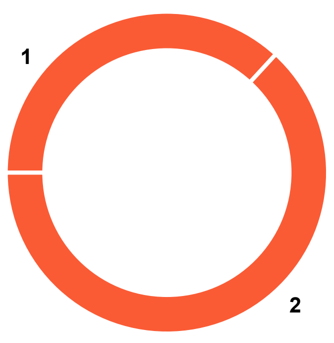
1.2 Significant shareholders (continued)

As at 31 December 2023, the issued share capital of the Company consisted of 15,328,170 ordinary registered shares with a nominal value of CHF 0.20 each. The shares registered in the share register amounted to 9,410,981 and the Company owned 471,104 treasury shares. The distribution of the shareholdings in the Company as of 31 December 2023 is reflected below:



1 Shares registered in the share register (61.4%)
2 Treasury shares (3.1%)
3 Other shares not registered in the share register (35.5%)

Furthermore, the registered shareholders as at 31 December 2023 are broken down as follows:



1 Board members and Executive Management members (36.8%)
2 Other registered shareholders (63.2%)

1.3 Cross-shareholdings

There are no cross-shareholdings.

2 Capital structure

2.1 Capital

Under Swiss company law, the General Meeting approves increases or decreases of the share capital, whether on a standalone basis or as an authorisation to the Board to issue new shares (or, in certain cases, cancel them) or instruments that convert into shares.

As at 31 December 2023, the stated share capital of the Company amounted to CHF 3,065,634 divided into 15,328,170 registered shares with a nominal value of CHF 0.20 each. The share capital is fully paid-up. The Company itself owned 471,104 treasury shares. In addition, as at 31 December 2023, the Company had a conditional capital of 960,000 shares with a nominal value of CHF 0.20 each (representing 6.3% of the Company's stated share capital) and a capital band allowing the Board to increase the share capital by the issuance of 1,500,000 shares with a nominal value of CHF 0.20 each (representing 9.8% of the Company's stated share capital). The shares that could be issued out of the conditional capital and capital band represented in aggregate 16.1% of the Company's stated share capital as at 31 December 2023.

Under the regulations of SIX Swiss Exchange, individual shareholdings that exceed 5% (save for, inter alia, certain investment funds) are deemed to be permanent investments and must therefore be disregarded for the calculation of the shares' free float. As at 31 December 2023, the free float determined pursuant to the regulations of SIX Swiss Exchange represented 73.0% of the Company's issued shares (2022: 73.0%).

2.2 Conditional capital and capital band

In this section and in the remainder of the Corporate Governance Report, the Articles of Association of the Company, last amended on 10 May 2023 and applicable as at 31 December 2023, available at https://www.swissquote.com/en/group/investor-relations#corporate-documents in the French original version together with an English free translation, shall be referred to as the "AoA".

Art. 4bis of the AoA on the utilisation of the conditional capital provides that the Board is authorised to increase the share capital of the Company by a maximum of CHF 192,000 by issuing no more than 960,000 new registered shares with a nominal value of CHF 0.20 each. The capital increase may be carried out through the exercise of options granted by the Board to certain employees of the Company and other Group companies by a maximum of CHF 150,000 through the issuance of a maximum of 750,000 new registered shares with a nominal value of CHF 0.20 each. The capital increase may also be carried out through the exercise of options granted by the Board in connection with the acquisition of a business undertaking, parts of a business undertaking or acquisition of participations in a business undertaking by a maximum of CHF 42,000 through the issuance of a maximum of 210,000 new registered shares with a nominal value of CHF 0.20 each.

Art. 4ter of the AoA governing the utilisation of the capital band provides that the Company has a capital band of 1,500,000 fully paid-in registered shares with a nominal value of CHF 0.20 each, ranging from CHF 3,065,634 (lower limit) to CHF 3,365,634 (upper limit). The Board is authorised within the capital band to increase the share capital once or several times and in any amounts, until 10 May 2025, unless the capital band lapses at an earlier date.

In the event of a capital increase within the framework of the capital band, the Board shall, to the extend necessary, determine the issue price, the type of contribution (including cash contributions, contributions in kind, set-off and conversion of reserves or of profit carried forward into share capital), the date of issue, the conditions for the exercise of subscription rights and the start date for the dividend entitlement. In this regard, the Board may issue new shares by means of a firm underwriting through a financial institution, a syndicate of financial institutions or another third party and conduct a subsequent offering of these shares to the existing shareholders or third parties (if the subscription rights of the existing shareholders have been cancelled or have not been duly exercised). The Board is entitled to permit, to restrict or to exclude the trading of subscription rights. The Board may (i) allow the expiration of subscription rights that have not been duly exercised, (ii) place such rights or shares as to which subscription rights have been granted, but not duly exercised, at market conditions, or (iii) otherwise use them in the interest of the Company.

For further information on the conditional capital and the capital band, reference is made to Art. 4bis and 4ter of the AoA.

2.3 Changes in capital

The following table summarises the changes in capital that took place within the last three financial years:

		Unissued shares		
	Ordinary shares issued	Conditional capital	Authorised capital / Capital band[1]	Total shares issued and unissued
NUMBER OF SHARES				
As at 1 January 2021	**15,328,170**	**960,000**	**2,000,000**	**18,288,170**
Exercise of employees' stock options	–	–	–	–
Increase/(decrease) in capital	–	–	(500,000)	(500,000)
As at 31 December 2021	**15,328,170**	**960,000**	**1,500,000**	**17,788,170**
As at 1 January 2022	**15,328,170**	**960,000**	**1,500,000**	**17,788,170**
Exercise of employees' stock options	–	–	–	–
Increase/(decrease) in capital	–	–	–	–
As at 31 December 2022	**15,328,170**	**960,000**	**1,500,000**	**17,788,170**
As at 1 January 2023	**15,328,170**	**960,000**	**1,500,000**	**17,788,170**
Exercise of employees' stock options	–	–	–	–
Increase/(decrease) in capital	–	–	–	–
As at 31 December 2023	**15,328,170**	**960,000**	**1,500,000**	**17,788,170**

[1] The capital band replaced the former authorised capital as from the AGM of 10 May 2023.

2.4 Shares and participation certificates

Pursuant to Art. 5 of the AoA, the Company may issue its registered shares in the form of single certificates, global certificates or uncertified securities. As at 31 December 2023, the share capital consisted of 15,328,170 registered shares with a nominal value of CHF 0.20 each. The share capital of the Company is fully paid-up. The dividend entitlement depends on the share's nominal value. Each of the Company's registered shares carries one voting right at the General Meeting. Upon request, acquirers of registered shares will be entered in the share register as shareholders with voting rights if they expressly declare that they acquired the registered shares in their own name and for their own account. More information is provided in Sections 2.6 and 6.

The Company does not issue any participation certificates.

2.5 Dividend-right certificates

The Company does not issue any dividend-right certificates.

2.6 Limitations on transferability and nominee registrations

In accordance with Art. 7 Para. 1 of the AoA, upon request, acquirers of registered shares will be entered in the share register as shareholders with voting rights if they expressly declare that they have acquired the registered shares in their own name and for their own account. If this requirement is not satisfied, the person in question will be entered in the share register as a shareholder without voting rights. In accordance with Art. 7 Para. 2 of the AoA, the Company may reject a request for entry into the share register within 20 days. The AoA do not contemplate any explicit exception to the principle according to which only persons who declare holding their shares in their own name and for their own account can be registered as shareholders with voting rights. There is consequently no explicit exemption allowing nominee shareholders to be registered with voting rights and no such exceptions were granted in 2023.

Pursuant to Art. 14 Para. 1 of the AoA, decisions related to the restrictions on the transferability of registered shares can only be made by the General Meeting and require the affirmative vote of a qualified majority of the Company's shareholders (two thirds of the votes represented and an absolute majority of the nominal values of the shares represented).

2.7 Convertible bonds and options

To date, the Company has not issued any bonds, convertible bonds or warrants.

Information on the Group's stock option plan is provided in the Remuneration Report, commencing on page 182.

3 Board of Directors

The Board has the ultimate responsibility for the strategy and the management of the Company and for the supervision of the Executive Management. Art. 16 Para. 1 of the AoA provides that the Board must be composed of at least five members and not more than nine members. At the 2023 AGM, all seven incumbent members of the Board were re-elected and the General Meeting newly elected Esther Finidori. As a result, as at 31 December 2023, the Board consisted of eight members, all non-executive.

As at 31 December 2023, all members are considered independent by the Board, except Michael Ploog, owing to his service as Chief Financial Officer of the Company from 1999 to 2019 and as Chief Investment Officer of the Company from 2019 to 2021, and Paolo Buzzi, owing to his major shareholding in the Company and to his service as Chief Technology Officer of the Company from 1999 to 2021 and as Deputy Chief Executive Officer from 2021 to 2022. However, Michael Ploog will be considered independent as from April 2024, as more than three years will have passed since the end of his service as member of the Company's Executive Management.

Board of Directors


Paolo
Buzzi


Monica
Dell'Anna


Jean-Christophe
Pernollet


Markus
Dennler
Chairman


Beat
Oberlin


Michael
Ploog


Demetra
Kalogerou


Esther
Finidori

Audit & Risk Committee

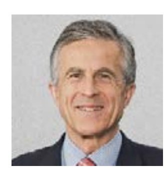

Demetra
Kalogerou


Jean-Christophe
Pernollet
Chairman


Michael
Ploog

Nomination & Remuneration Committee


Paolo Buzzi


Beat
Oberlin
Chairman


Monica
Dell'Anna

3.1 Members of the Board of Directors
3.1.1 Current members of the Board of Directors

Dr Markus Dennler

(1956 / Swiss national / domiciled in Switzerland / non-executive / independent)
Chairman of the Board of Swissquote Group Holding Ltd since May 2019
(member since March 2005)
Chairman of the Board of Swissquote Bank Ltd since May 2019
(member since March 2005)

Educational background

1982	Licentiate in Law, University of Zurich, Switzerland
1984	Doctorate in Law, University of Zurich, Switzerland
1986	Attorney at Law, admitted to the Bar of Zurich, Switzerland
1989	International Bankers School, New York, USA
1997	Advanced Management Program, Harvard Business School, Boston, USA

Professional experience

1986–1994	Various assignments, Credit Suisse, Switzerland
1994–1996	Delegate to the Board of Directors, CS Columna, Switzerland
1997–1998	CEO, Columna Winterthur, Switzerland
1998–2000	Member of the Corporate Executive Board and Head of Individual and Group Life Division, Winterthur Insurance, Switzerland
2000–2003	Member of the Executive Board of CSFS and Responsible for the Operational Global Life & Pensions Business, Credit Suisse, Switzerland

Previous mandates in listed for-profit companies

2005–2006	Chairman, Batigroup, Switzerland
2005–2007	Chairman (since 2006), Converium, Switzerland
2006–2013	Member of the Board, Petroplus, Switzerland
2006–2015	Chairman (since 2011), Implenia, Switzerland
2007–2010	Member of the Board, Jelmoli, Switzerland

Current mandates in non-listed for-profit companies

Since 2006	Chairman (since 2012), Allianz Suisse Versicherungs-Gesellschaft AG and Allianz Suisse Lebensversicherungs-Gesellschaft AG, Switzerland

Current mandates in non-profit entities (e.g. associations, charitable organisations and foundations)

Since 2003	Honorary Councillor (since 2016), British Swiss Chamber of Commerce, Switzerland

Specific key skills and experience

Business strategy / Banking and financial services / Finance – Accounting – Audit / Risk management – Internal control system / Legal – Compliance – Regulatory / HR – Remuneration / Sustainability – Corporate governance / Experience in an executive committee / International business experience

Jean-Christophe Pernollet

(1966 / French national / domiciled in Switzerland / non-executive / independent)
Member of the Board of Swissquote Group Holding Ltd since May 2015
Vice Chairman of the Board of Swissquote Bank Ltd since May 2022
(member since November 2014)
Chairman of the Audit & Risk Committee

Educational background

1986	Bachelor of Science in Economics and Politics, Institut d'Etudes Politiques, Grenoble, France
1986	Institute of European Studies, Hull, United Kingdom
1990	Master in Management, EDHEC Business School, Lille, France
2002	Senior Executive Program, Columbia Business School, New York, USA
2021	Corporate Director Certificate, Harvard Business School, USA

Professional experience

1990–1993	Audit, Deloitte & Touche, Paris, France
1993–2010	PricewaterhouseCoopers:
	1993–1997 Audit, Geneva, Switzerland
	1997–1999 Senior Manager (since 1998), Audit, New York, USA
	1999–2010 Partner and Business Unit Leader (since 2001), Audit, Geneva, Switzerland
2010–2012	Chief Financial Officer, EFG International Ltd, Geneva and Zurich, Switzerland
Since 2012	Edmond de Rothschild, Switzerland:
	2012–2015 Group Chief Financial Officer, then Chief Audit Executive
	Since 2015 Group Chief Risk Officer

Previous mandates

2010–2012	Member of the Audit & Risk Committee, EFG Private Bank Ltd, London, United Kingdom
2013–2014	Member of the Board, Edmond de Rothschild (Europe), Luxembourg
2015–2021	Member of the Board and Chairman of the Audit & Risk Committee, Edmond de Rothschild Asset Management (Switzerland) Ltd

Current mandates in listed for-profit companies

Since 2015	Chairman of the Board, Edmond de Rothschild Real Estate SICAV, Switzerland[1]

Current mandates in non-listed for-profit companies

Since 2021	Member of the Board and Chairman of the Audit & Risk Committee, Edmond de Rothschild (Israel) Ltd[1]
Since 2021	Chairman of the Audit & Risk Committee, Edmond de Rothschild (United Kingdom) Ltd[1]
Since 2023	Member of the Board, Edmond de Rothschild (Middle East) Limited[1]

Current mandates in non-profit entities (e.g. associations, charitable organisations and foundations)

Since 2015	Chairman of the Board, Edmond de Rothschild Pension Fund, Switzerland[1]
Since 2022	Chairman of the Board, Fondation Observatoire de la Finance, Switerzland

Specific key skills and experience

Business strategy / Banking and financial services / Finance – Accounting – Audit / Risk management – Internal control system / Legal – Compliance – Regulatory / HR – Remuneration / Technology – IT – Cybersecurity / Sustainability – Corporate governance / Experience in an executive committee / International business experience

[1] These mandates result from Jean-Christophe Pernollet's executive position at Edmond de Rothschild.

Dr Beat Oberlin

(1955 / Swiss national / domiciled in Switzerland / non-executive / independent)
Member of the Board of Swissquote Group Holding Ltd since May 2016
Member of the Board of Swissquote Bank Ltd since May 2016
Chairman of the Nomination & Remuneration Committee

Educational background

1979	Licentiate in Law, University of Basel, Switzerland
1982	Attorney at Law and notary, admitted to the Bar of Basel, Switzerland
1989	Doctorate in Law, University of Basel, Switzerland
1999	Stanford Business School, Stanford CA, Senior Executive, USA

Professional experience

1982–1994	Various assignments, SBG, Switzerland
1994–2004	Head of Retail and Head of Corporate Clients, Chief of Staff, Head of Market and Sales Management, Business Banking, UBS, Switzerland
2004	Designated CEO, Basellandschaftliche Kantonalbank, Switzerland
2005–2016	CEO, Basellandschaftliche Kantonalbank, Switzerland

Previous mandates

2005–2016	Member of the Board, Association of Swiss Cantonal Banks, Switzerland
2005–2016	Member of the Board, Basel Bank Association, Switzerland
2013–2019	Member of the panel of experts appointed by the Federal Council for the “Advancement of Financial Center Strategy” and its successor “Advisory Board for the Future of the Financial Center”, Switzerland

Current mandates in non-listed for-profit companies

Since 2011	Vice President of the Board (since 2018), St. Clara Spital Group, Switzerland
Since 2020	Chairman of the Board, urb-x AG, Switzerland

Current mandates in non-profit entities (e.g. associations, charitable organisations and foundations)

Since 2018	Chairman of the Board (since 2020), University of Basel, Switzerland
Since 2022	Vice Chairman of the Board, Thomi-Hopf-Stiftung, Switzerland

Specific key skills and experience

Business strategy / Banking and financial services / Finance – Accounting – Audit / Risk management – Internal control system / Legal – Compliance – Regulatory / HR – Remuneration / Innovation / Sustainability – Corporate governance / Experience in an executive committee

Dr Monica Dell'Anna

(1971 / Swiss and Italian national / domiciled in Switzerland / non-executive / independent)
Member of the Board of Swissquote Group Holding Ltd since May 2018
Member of the Board of Swissquote Bank Ltd since May 2018
Member of the Nomination & Remuneration Committee

Educational background

1996	Degree (M. Sc. equivalent) in Telecommunications Engineering, University of Pisa, Italy
2000	PhD in Telecommunication Engineering, King's College London, United Kingdom
2002	McKinsey Mini-MBA in Finance, Strategy and Marketing (Faculty from INSEAD/Kellogg/Harvard), France

Professional experience

1997–2001	Research and later Senior Research Associate, King's College London, United Kingdom
2002–2003	Consultant, McKinsey and Company, United Kingdom
2003–2013	Various executive positions, last as Head of Fiber Business and New IT, Member of the Executive Board of Network and IT, Swisscom (Switzerland) Ltd, Switzerland
2013–2015	Head of Market and Member of the Executive Board, BKW Ltd, Switzerland
2016–2019	Head of Products (until December 2018 Head of Business Media) and Member of the Group Executive Board, NZZ-Mediengruppe Ltd, Switzerland
2020–2021	CEO, The Adecco Group Switzerland and Austria, Switzerland
Since 2023	Consulting, MDAB GmbH, Switzerland

Previous mandates

2013–2015	Member of the Board, BKW Italia Ltd, Italy
2013–2015	Member of the Board, Youtility Ltd, Switzerland
2013–2015	Chairwoman of the Board, cc energie, Switzerland
2014–2015	Member of the Board, Gasverbund Mittelland (GVM), Switzerland
2016–2019	Chairwoman of the Board, following companies of the NZZ-Mediengruppe Ltd, all in Switzerland: Architonic Ltd (Member of the Board until 2017), Spoundation Motion Picture Ltd, Zurich Film Festival Ltd, NZZ Konferenzen Ltd, Moneyhouse Deutschland Ltd, Swiss Economic Forum (SEF) Ltd, NZZ Fachmedien Ltd and Moneyhouse Ltd (since 2017)

Current mandates in non-listed for-profit companies

Since 2022	Chairwoman of the Board, B Capital Partners AG, Switzerland
Since 2022	Member of the Advisory Board, Accenture Switzerland

Current mandates in non-profit entities (e.g. associations, charitable organisations and foundations)

Since 2021	President (until August 2022, member of the Board), Italian Chamber of Commerce for Switzerland

Specific key skills and experience

Business strategy / Banking and financial services / Risk management – Internal control system / HR – Remuneration / Technology – IT – Cybersecurity / Innovation / Sustainability – Corporate governance / Experience in an executive committee / International business experience

Michael Ploog

(1960 / Swiss national / domiciled in Switzerland / non-executive / non-independent)
Member of the Board of Swissquote Group Holding Ltd since May 2021
Member of the Board of Swissquote Bank Ltd since May 2021
Member of the Audit & Risk Committee

Educational background

1980–1983	Bachelor of Science in Management, Faculty of Business and Economics (HEC), University of Lausanne, Switzerland
1986–1990	Swiss Certified Public Accountant, Swiss Association of Certified Experts for Auditing, Taxes and Fiduciary (EXPERTsuisse), Switzerland

Professional experience

1983–1985	Chair of Financial and Cost Accounting, Graduate Teaching Assistant, University of Lausanne, Switzerland
1986–1998	Senior Manager (since 1992), Deloitte
	1986–1994 Audit and Assurance Services, Geneva, Switzerland
	1994–1996 Corporate Finance, London, United Kingdom
	1996–1998 Management Advisory Services, Lausanne, Switzerland
1998–1999	Senior Manager, Transaction Services Group & Corporate Finance, PricewaterhouseCoopers, Lausanne, Switzerland
1999–2019	Chief Financial Officer, Swissquote Group Holding Ltd, Gland, Switzerland
2000–2019	Chief Financial Officer, Swissquote Bank Ltd, Gland, Switzerland
2019–2021	Chief Investment Officer, Swissquote Group Holding Ltd/Swissquote Bank Ltd, Gland, Switzerland

Previous mandates

2012–2020	Vice Chairman of the Board, Swissquote MEA Ltd, Dubai, UAE
1999–2021	Member of the Board, Swissquote Trade Ltd, Gland, Switzerland
2010–2021	Chairman, Foundation Swissquote 3rd Pillar, Gland, Switzerland
2012–2021	Member of the Council, FIT – Foundation for Technological Innovation, Lausanne, Switzerland

Current mandates in non-listed for-profit companies

Since 2023	Member of the Board and of the Audit, Risk and Regulatory Committee, Bank Syz Ltd/Syz Group, Switzerland

Specific key skills and experience

Business strategy / Banking and financial services / Finance – Accounting – Audit / Risk management – Internal control system / Legal – Compliance – Regulatory / HR – Remuneration / Innovation / Sustainability – Corporate governance / Experience in an executive committee / International business experience

Paolo Buzzi

(1961 / Swiss national / domiciled in Switzerland / non-executive / non-independent)
Member of the Board of Swissquote Group Holding Ltd since May 2022
Member of the Board of Swissquote Bank Ltd since May 2022
Member of the Nomination & Remuneration Committee
Founding shareholder of Swissquote Group Holding Ltd

Educational background

1983–1988	Degree in Micro-Engineering, Swiss Federal Institute of Technology (EPFL), Lausanne, Switzerland

Professional experience

1988–1990	Software Engineer and New Technology Integration Engineer, Rolm Systems, Santa Clara, USA
1990–2000	Co-Managing Director, Marvel Communications SA, Geneva, Switzerland
2000–2004	Chief Executive Officer, Swissquote Info SA, Gland, Switzerland
1999–2021	Chief Technology Officer, Swissquote Group Holding Ltd, Gland, Switzerland
2002–2021	Chief Technology Officer, Swissquote Bank Ltd, Gland, Switzerland
2021–2022	Deputy Chief Executive Officer, Swissquote Group Holding Ltd/Swissquote Bank Ltd, Gland, Switzerland

Previous mandates

2012–2020	Member of the Board, Swissquote MEA Ltd, Dubai, UAE
2002–2022	Chairman of the Board, Swissquote Trade Ltd, Gland, Switzerland
2012–2022	Chairman (2012–March 2015: Vice Chairman), Swissquote Financial Services (Malta) Limited, St. Julian's, Malta

Current mandates in non-listed for-profit companies

Since 2019	Member of the Board, NetGuardians, Yverdon-les-Bains, Switzerland

Current mandates in non-profit entities (e.g. associations, charitable organisations and foundations)

Since 2016	Member of the Strategic Advisory Board, EPFL, Lausanne, Switzerland

Specific key skills and experience

Business strategy / Banking and financial services / HR – Remuneration / Technology – IT – Cybersecurity / Innovation / Experience in an executive committee / International business experience

Demetra Kalogerou

(1969 / Greek-Cypriot national / domiciled in Cyprus / non-executive / independent)
Member of the Board of Swissquote Group Holding Ltd since May 2022
Member of the Board of Swissquote Bank Ltd since May 2022
Member of the Audit & Risk Committee

Educational background

1990	Bachelor of Science in Economics and Social Studies in Business Administration, University of Wales, United Kingdom
1991	Master of Arts in Economics of Public Policy, University of Leicester, United Kingdom
1994	MPhil in Business Studies via research, City University Business School, London, United Kingdom

Professional experience

2001–2011	Senior Officer, Cyprus Stock Exchange (CSE), Nicosia, Cyprus
2013–2014	Member of the Resolution Authority, Central Bank of Cyprus, Nicosia, Cyprus
2011–2021	Executive Chairwoman, Cyprus Securities and Exchange Commission (CySEC), Nicosia, Cyprus

Previous mandates

2011–2021	Member of the Board of Supervisors of the European Securities and Markets Authority (ESMA), Paris, France
2012–2021	Member of the Cyprus Public Audit Oversight Board (CyPAOB), Nicosia, Cyprus
2019–2020	Chairwoman, adhoc Tripartite Committee, Cyprus Investment Program (CIP)
2020–2021	Member of a four-party committee formed by the Attorney General of the Cyprus Investment Program (CIP)

Current mandates in listed for-profit companies

Since 2022	Independent non-executive Member of the Board, INX Ltd, New York, USA

Current mandates in non-listed for-profit companies

Since 2022	Independent non-executive Member of the Board, ECOMMBX Ltd, Nicosia, Cyprus

Specific key skills and experience

Business strategy / Banking and financial services / Finance – Accounting – Audit / Risk management – Internal control system / Legal – Compliance – Regulatory / HR – Remuneration / Innovation / Sustainability – Corporate governance / Experience in an executive committee / International business experience

Esther Finidori

(1986 / French national / domiciled in France / non-executive / independent)
Member of the Board of Swissquote Group Holding Ltd since May 2023
Member of the Board of Swissquote Bank Ltd since May 2023

Educational background

2005	Classes préparatoires MP (Mathematics & Physics), Lycée Henri IV, Paris, France
2009	Master of Science in Industrial Engineering, Ecole Centrale Paris, France
2010	MPhil in Technology Policy, Judge Business School, Cambridge University, United Kingdom

Professional experience

2010–2016	Manager (since 2014), Carbone 4, Paris, France	
Since 2016	Schneider Electric, Paris, France	
	2016–2020	Director Sustainable supply chain & CO2 Strategy
	2020–2021	Vice-President Environment
	Since 2022	Vice-President Strategy France, Member of the French Management Committee. This position implies a participation in various industry bodies, organisations and associations, such as GIMELEC, France Industrie, CSF NSE, Valobat, Ecosystem, Think Smartgrids, France Hydrogène and AVERE.

Previous mandates

2021–2022	Member of the European Platform on Sustainable Finance, European Commission, Brussels, Belgium[1]
2022	President, PEP Ecopassport, Paris, France[1]

Current mandates in non-profit entities (e.g. associations, charitable organisations and foundations)

Since 2022	Member of the Board, IGNES, Paris, France[1]
Since 2022	Member of the Board, Equilibre des Energies (EdEn), Paris, France[1]
Since 2023	Member of the Board, AVERE, Paris, France[1]

Specific key skills and experience

Business strategy / HR – Remuneration / Technology – IT – Cybersecurity / Innovation / Sustainability – Corporate governance / Experience in an executive committee / International business experience

[1] These mandates result (respectively resulted, for the previous ones) from Esther Finidori's position at Schneider Electric.

3.2 Other activities and vested interests

None of the Board members undertakes activities, holds mandates or has vested interests (as defined in the applicable SIX Swiss Exchange regulations) other than the ones described in Section 3.1. In particular, except as may be disclosed in that Section, they did not hold any permanent management or consultancy function for an important Swiss or foreign interest group or any official functions or political posts in 2023. Furthermore, unless disclosed in Section 3.1, they have no significant business connections with the Company or any of its subsidiaries.

3.3 Number of permitted activities

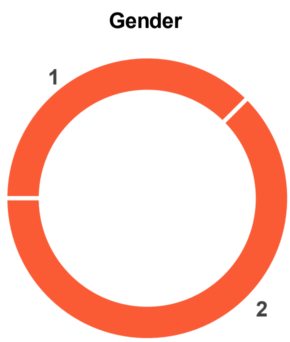
Pursuant to Art. 16bis of the AoA, the members of the Board may hold no more than nine additional mandates in for-profit companies, of which four in listed companies, and five in other for-profit legal entities, including foundations and associations. Mandates in legal entities which are controlled by the Company or which control the Company, and mandates at the request of the Company or legal entities controlled by it are not subject to these restrictions. Mandates held at the request of the Company or in legal entities controlled by it are limited to ten such mandates.

3.4 Summary of external mandates

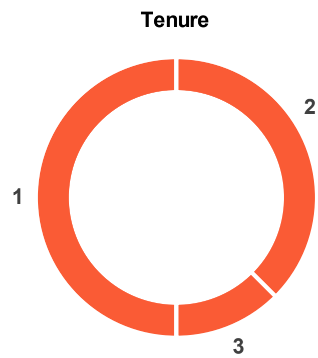
The list of the relevant external mandates of each Board member can be found in Section 4.5 of the Remuneration Report, on page 205.

3.5 Diversity and qualifications

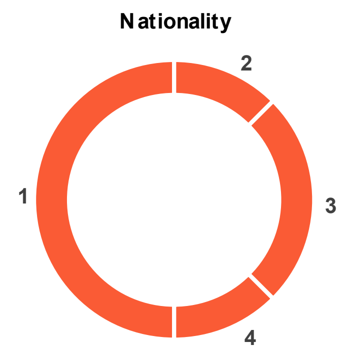
The charts below present the composition of the Board by gender, tenure and nationality:



1 Female (37.5%)
2 Male (62.5%)



1 0-5 years (50.0%)
2 5-10 years (37.5%)
3 10+ years (12.5%)



1 Swiss (50.0%)
2 Swiss and Italian (12.5%)
3 French (25.0%)
4 Greek-Cypriot (12.5%)

The members of the Board must collectively have the qualifications, expertise, knowledge and experience to fulfil their duties and responsibilities. The qualifications of the Board members are assessed every year. As of the end of 2023, the Board members had the qualifications reflected in the table below. The individual outcome is also disclosed at the end of each Board member's CV.

ASSESSMENT	Business strategy	Banking and financial services	Finance / Accounting / Audit	Risk management / Internal control system	Legal / Compliance/ Regulatory	HR / Remuneration	Technology / IT / Cyber-security	Innovation	Sustainability / Corporate Governance	Experience in an executive committee	International business experience
Dr Markus Dennler	YES	YES	YES	YES	YES	YES	-	-	YES	YES	YES
Jean-Christophe Pernollet	YES	YES	YES	YES	YES	YES	YES	-	YES	YES	YES
Dr Beat Oberlin	YES	YES	YES	YES	YES	YES	-	YES	YES	YES	-
Dr Monica Dell'Anna	YES	YES	-	YES	-	YES	YES	YES	YES	YES	YES
Michael Ploog	YES	YES	YES	YES	YES	YES	-	YES	YES	YES	YES
Paolo Buzzi	YES	YES	-	-	-	YES	YES	YES	-	YES	YES
Demetra Kalogerou	YES	YES	YES	YES	YES	YES	-	YES	YES	YES	YES
Esther Finidori	YES	-	-	-	-	YES	YES	YES	YES	YES	YES
	100.0%	**87.5%**	**62.5%**	**75.0%**	**62.5%**	**100.0%**	**50.0%**	**75.0%**	**87.5%**	**100.0%**	**87.5%**

3.6 Board evaluation

Each year, the Board proceeds to an anonymous evaluation of the Board's, the Committees' and the Chairman's respective performance. The evaluation is based on a detailed questionnaire filled in by each Board member. The questions are inter alia based on the tasks for the Board, the Committees and the Chairman as described in FINMA Circular 2017/1 "Corporate governance – banks". The answers are reviewed by the Secretary, who then provides an anonymised report to the Chairman. The outcome is discussed at the next Board meeting. Where required or appropriate, an action plan is defined to treat relevant findings.

3.7 Board composition and succession planning

The Nomination & Remuneration Committee regularly reviews the Board's composition and succession planning and makes its corresponding recommendations to the Board. When doing so, all the relevant elements such as the skills and experiences available within the Board, the Board evaluation, the need for renewal as well as diversity and independence considerations are taken into account. During the 2023 AGM, Esther Finidori was elected as new member of the Board of the Company, therefore bringing its number to eight. Following her election, the Board considers that it has an appropriate number of members, which together have the necessary qualifications as mentioned in Section 3.5.

3.8 Elections and terms of office

Pursuant to Art. 16 Para. 1 of the AoA, the minimum number of members of the Board is five and the maximum number of members is nine. Pursuant to Art. 16 Para. 2 of the AoA, the members of the Board are elected individually for a term of office that finishes at the end of the next AGM. Re-election is permitted. New members of the Board appointed during a term of office can only be elected to serve until the end of that term. In accordance with Art. 9 Para. 2 Ciph. 2 of the AoA, the Chair is elected annually. The term of office of the Chair finishes at the end of the AGM that follows the Chair's election. The Board acts at the same time as the Board of Directors of Swissquote Bank Ltd. Since Swiss banking laws and regulations impose a strict separation between the Board of Directors and the Executive Management (i.e. no executive members are permitted to sit on the board of directors of a Swiss bank), the Board has always been composed of non-executive members.

The time of the first election of the current Board members is mentioned in Section 3.1.

3.9 Internal organisational structure

3.9.1 Generalities

The operation of an international financial services group comprising a bank in Switzerland and a bank in Luxembourg as well as investment firms located in major financial centres requires, inter alia, a proper organisation and an efficient consolidated supervision by the Company.

The organisation and responsibilities of the Group entities are mainly set out in the Policy on the consolidated supervision, which in particular aims to ensure that:

- the Group is duly organised and has an adequate structure and governance;
- the Group and each controlled entity have an appropriate internal control system and the controlled entities comply with the laws and regulations applicable to them;
- the risks implied by the activities of the Group are adequately managed;
- the Board members, the Executive Management members and other key persons in the Group provide all the assurances of a proper business conduct;
- an appropriate segregation between the supervisory body and the operational direction is implemented;
- the laws and regulations on the fight against money laundering and terrorist financing are duly complied with throughout the Group;
- the laws and regulations on the establishment of financial statements as well as on capital adequacy, liquidity, risk diversification, risk positions and other relevant quantitative requirements are duly complied with throughout the Group;
- the Group appoints reputed and independent external auditors, which are the same for all the entities of the Group; and
- the level of responsibility for making decisions in the Company (including according to levels of financial materiality) is set forth in the Organisation Regulations (available at https://www.swissquote.com/en/group/investor-relations#corporate-documents in the French original version) and other internal regulations and is summarised in the Regulation relating to responsibilities and financial powers.

3.9.2 Overall Board organisation

After each AGM, where all Board members and the Chair are elected, the Board appoints its Secretary, who does not need to be a member of the Board. The Board may form one or several advisory committees, which consist of members of the Board. The committees' function is to make recommendations to the Board on specific matters. In 2023, there were two such committees at the level of the Group: the Audit & Risk Committee and the Nomination & Remuneration Committee. Such committees must report to the Board on a regular basis, but at least once per quarter for the Audit & Risk Committee and twice a year for the Nomination & Remuneration Committee. The Board has also delegated some of its powers to its Chair (see Section 3.9.5).

The Board meets as often as required, but at least four times a year. The Board and its committees plan and coordinate their activities in accordance with a yearly planning schedule that covers all recurring matters requiring the Board's attention and thus ensures that the Board's activity is compliant with applicable laws and regulations.

In 2023, the Board met ten times (four physical meetings and six (video-)conference calls), out of which one meeting was a strategy meeting and another one the so-called Annual Conference on Risks (see Section 3.12). Meetings, either physical or via (video-)conference calls, lasted on average four hours. All Board members attended all Board meetings in 2023. The Executive Management was present at all meetings, except where there was a review of their personal situation. On various occasions, decisions were taken by means of circular resolutions and recorded in the minutes of the next Board meeting.

3.9.3 Functions of the Board of Directors

The Board acts as the ultimate direction of the Company and has the power to decide on all matters that are not vested in the General Meeting or in any other body by law or pursuant to the AoA or the Organisation Regulations. It is the Board's responsibility to perform, inter alia, the following functions:

- Exercise the overall supervision of the Company, define the strategy and general policy of the Company, set the objectives of the Company and issue the corresponding instructions;
- Determine the organisation of the Company by approving the Organisation Regulations and the Company's organisation chart;
- Appoint the members of the Board's committees, other than those of the Nomination & Remuneration Committee (which are appointed by the AGM) and appoint their respective Chairs;
- Appoint and dismiss the persons entrusted with the management and representation of the Company; decide on any signatory to be entered in the commercial register;
- Supervise the persons entrusted with the management and representation of the Company to ensure in particular that they comply with the law, the AoA, the internal regulations and the instructions given;
- Decide on the creation or closure of subsidiaries, branches, agencies or representative offices in Switzerland or abroad;
- Ensure that an appropriate internal control system is maintained, adapted to the size, complexity, structure and risk profile of the Company;
- Examine the reports established by the Executive Management;
- To the extent permitted by segregation of duties requirements, assist the Executive Management when necessary;
- Approve the Policy on the consolidated supervision;
- Prepare and approve the Annual Report, the Corporate Governance Report, the Remuneration Report and the Sustainability Report (which includes the report on non-financial matters) for the past financial year;
- Submit these reports to the General Meeting, together with its proposals for the appropriation of retained earnings, its proposals for the election of the Board, the Nomination & Remuneration Committee, the independent proxy, the election of the auditors, its proposals for the maximum aggregate remuneration of the Board and of the Executive Management and any other proposals;
- Convene the General Meeting and implement its decisions, either directly or through the Executive Management;
- Determine the principles of accounting and financial control, as well as the financial plan; and
- Approve the annual financial statements and regular interim financial reporting prior to their disclosure and after review by the Audit & Risk Committee.

3.9.4 Functions of the Board of Directors (continued)

- Decide on the acquisition, commitment and disposal of any permanent holdings;
- Approve the Group budget, any revisions during the year, and the capital and liquidity planning;
- Decide, within the framework of the General Meeting's resolutions, on the remuneration of the Board and the Executive Management;
- Supervise the achievement of the Group's objectives in terms of sustainability, gender diversity and wage fairness;
- File an application for a debt restructuring moratorium and inform the court and FINMA in the event of over-indebtedness;
- Analyse, authorise and periodically monitor the development of projects of importance to the Company; and
- Approve those matters for which the Executive Management has to seek approval by the Board, in particular through the approval of internal regulations.

The Board's approval is also required for specific transactions that do not fall under the ordinary business activities and/or which financially exceed defined thresholds.

Board members may not act alone on behalf of the Company and may not give instructions on their own, except where the AoA, the internal regulations or a resolution of the Board provide otherwise.

3.9.5 Functions delegated to the Chair

The Chair performs, inter alia, the following functions:

- Chair the meetings of the Board and the General Meeting;
- Ensure that all relevant matters are duly part of the Board meeting agenda and subject to an appropriate follow-up. Relevant matters include strategy, business, financial risk and compliance matters as well as environmental, social and governance ("ESG") matters; and
- Represent the Board vis-à-vis the public at large, public officials and the shareholders, including within the framework of the annual program of engagement with the shareholders.

3.9.6 Rules governing decisions

The majority of members shall be present for the Board to be quorate. Resolutions of the Board are passed by a majority of the votes cast by the members present. In the event of a tie, the Chair has the casting vote. For decisions that are taken in relation to a capital increase (ordinary, conditional or within the framework of a capital band), including the related modifications of the AoA, the quorum is also achieved when a single member of the Board is present.

For further information on quorums and decisions, reference is made to the AoA (in particular Art. 17) and to Art. 6 of the Organisation Regulations.

3.9.7 Audit & Risk Committee

As at 31 December 2023, Jean-Christophe Pernollet (Chairman), Michael Ploog and Demetra Kalogerou are members of the Audit & Risk Committee.

The Audit & Risk Committee's primary function is to assist the Board in fulfilling its oversight responsibilities defined by law, the AoA, internal regulations or otherwise with respect to financial reporting and risk management. The Audit & Risk Committee has no decision-making powers. It only acts in an advisory or preparatory capacity.

In terms of financial reporting, the oversight responsibilities of the Audit & Risk Committee include, inter alia, the following:

- Monitor and assess the overall integrity of the annual and half-yearly financial statements (standalone and consolidated) and disclosures of the financial condition, results of operations and cash flows;
- Discuss the financial statements, the key assumptions and judgments as well as the quality of the underlying accounting processes with the Chief Financial Officer, the lead audit partner and, where applicable, the person responsible for the internal audit;
- Monitor the adequacy of the financial accounting, financial planning and reporting processes and the effectiveness of internal controls over financial reporting;
- Monitor processes designed to ensure compliance by the Group and its entities in all significant respects with legal and regulatory requirements, including disclosure controls and procedures, and the impact (or potential impact) of developments related thereto;
- Make recommendations to the Board as to the application of accounting standards;
- Review (prior to such transactions) significant accounting and reporting matters related to material one-off transactions such as the acquisition or disposal of a company and/or a merger;
- Inform the Board of the result of the above-mentioned tasks and make a recommendation as to whether the financial statements should be approved by the Board and, where applicable, submitted to the General Meeting;
- Monitor and assess the qualifications, independence and performance of the auditors and their interactions with the internal audit;
- Assess the risk analysis, the audit strategy and the risk-oriented financial audit plan, the audit rhythm as well as all reports from external auditors and supervise the actions taken by the Management following the audit results; and
- Assist the Board in fulfilling its responsibilities relating to financial reporting.

In terms of risk management, the oversight responsibilities of the Audit & Risk Committee include, inter alia, the following:

- Assess, at least annually, the internal control systems of the Group and of Swissquote Bank Ltd, including the risk management framework (in particular the risk appetite and the risk tolerance), make corresponding recommendations to the Board and ensure that the necessary changes (if any) are made;
- Monitor (i) the organisation's risk profile (its actual and potential risks of various types), (ii) its consistency/compliance with the risk management framework (in particular the risk appetite and the risk tolerance) and (iii) the implementation of risk strategies;
- Oversee whether the Executive Management has identified and assessed all the significant risks that the Group and its entities face and has established a risk management infrastructure (incl. effective processes) capable of addressing those risks;
- Oversee, in conjunction with the Board and, where applicable, other board-level committees, risks, such as strategic, credit, market, liquidity, operational and reputational risks, including from a sustainability and climate risk perspective;
- Assess the Group's and Swissquote Bank Ltd's capital and liquidity planning and report to the Board;
- Monitor and assess the qualifications, independence and performance of the internal audit.

3.9.7 Audit & Risk Committee (continued)

- Assess and take note of (as applicable) the internal audit's risk assessment, audit plans, audits reports relating to Swissquote Bank Ltd and, with respect to the other Group entities, summaries of audit reports and/or descriptions of key findings;
- Supervise the actions taken by the Management (i) following the internal audit's reports relating to Swissquote Bank Ltd and (ii) with respect to key findings reported by the internal audit in relation to the Group entities other than Swissquote Bank Ltd;
- Assess and take note of (as applicable) the risk analysis, the audit strategy and the risk-oriented regulatory audit plan, the audit rhythm and all reports from the auditors and supervise the actions taken by the Management following the audit results;
- Make recommendations to the Board as to the nomination (respectively appointment), renewal or dismissal of the auditors and of the internal audit; and
- Assist the Board in fulfilling its responsibilities relating to risk management, including those resulting from the application of the Group risk management policies and other relevant internal regulations.

In addition to its standard activities throughout 2023, the ARC carried out inter alia the following key activities in 2023:

- It closely monitored the potential contamination risks that may have resulted from the special situations of Credit Suisse and certain banks in the US.
- It performed an in-depth review of the Company's approach against external frauds (incl. phishing attempts, DDoS attacks).
- It supervised the implementation of the fully revised and newly named "FINMA Circular 23/1 Operational risks and resilience – banks".
- It monitored the progress made by the Company in the management of cyber risks.
- It reviewed the Company's data management policies and processes from a risk management perspective.
- It assessed the Company's revised climate risk management policies.
- It reviewed the new report on non-financial matters to ensure compliance with the new provisions of the Swiss Code of Obligations.

The Audit & Risk Committee meets at least once per quarter. In 2023, it met eight times; four meetings were held via (video-)conference calls. The meetings lasted on average two hours and fifteen minutes. In 2023, all members of the Audit & Risk Committee attended all the meetings. All the other Board members attended all meetings held in 2023 as guests, with the exception of Esther Finidori, who attended all meetings held in 2023 after her election. Members of the Executive Management were invited to all the meetings as guests as well. The auditors and the internal audit were present at six meetings. No external advisors attended the meetings.

3.9.8 Nomination & Remuneration Committee

As at 31 December 2023, Beat Oberlin (Chairman), Monica Dell'Anna and Paolo Buzzi are members of the Nomination & Remuneration Committee.

The Nomination & Remuneration Committee ("NRC") meets at least twice a year. In 2023, it met seven times; three meetings were held via (video-)conference calls. The meetings lasted on average one hour. In 2023, Beat Oberlin and Monica Dell'Anna attended all seven meetings. Demetra Kalogerou attended the first four meetings as committee member until the expiry of her term. Paolo Buzzi was elected as a new member of the NRC at the AGM of 10 May 2023 and subsequently attended the remaining three meetings. The other Board members attended all NRC meetings as guests, with the exception of Esther Finidori, who attended all meetings held in 2023 after her election. No external advisors attended the meetings.

Further details on the NRC are provided in the Remuneration Report, commencing on page 182.

3.10 Board and committee meetings

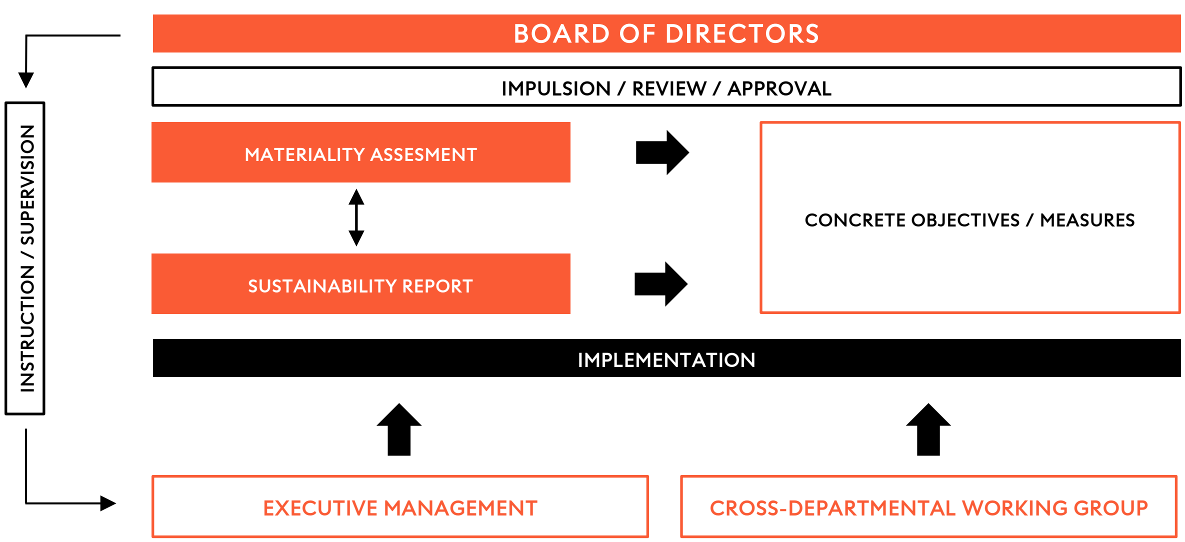
The table below summarises the number of meetings that the Board and each of its committees held in the course of 2023, as well as the Board (or committee) members having attended such meetings.

NUMBER OF BOARD AND COMMITTEE MEETINGS AND ATTENDANCE[1]	Board of Directors	Audit & Risk Committee	Nomination & Remuneration Committee
Dr Markus Dennler, Chairman	10		
Jean-Christophe Pernollet	10	8	
Dr Beat Oberlin	10		7
Dr Monica Dell'Anna	10		7
Michael Ploog	10	8	
Paolo Buzzi[2]	10		3
Demetra Kalogerou[3]	10	8	4
Esther Finidori[4]	5		
2023	10	8	7

[1] The above table only reflects the participation in a committee of a Board member when the latter is a member of such committee. Board members who are not members of a committee participate as guests in all or most meetings of such committee.
[2] Paolo Buzzi was elected as a member of the NRC at the 2023 AGM.
[3] Demetra Kalogerou did not stand for re-election as member of the NRC at the 2023 AGM.
[4] Esther Finidori was newly elected to the Board at the 2023 AGM.

3.11 Environmental, social and governance responsibility

The following chart describes how ESG matters are handled within the Company and highlights, in particular, the key role of the Board, especially in terms of oversight. More information about ESG matters is available in the Sustainability Report:



3.12 Definition of areas of responsibility

In accordance with Art. 20 of the AoA, the Board may delegate all or part of its duties to the Executive Management. The latter is responsible for the implementation of the business strategies approved by the Board and for the compliance of the operations with the risk management policies approved by the Board. Furthermore, the Executive Management ensures the maintenance and development of a corporate framework in line with the corporate values approved by the Board, in particular as stated in the Code of Conduct (available at https://www.swissquote.com/en/group/investor-relations#corporate-documents).

The Executive Management in particular has the responsibility to perform the following functions:

- Execute the strategy approved by the Board;
- Review and prepare the items to be treated by the Board;
- Execute the decisions and instructions of the Board;
- Assign powers to other bodies or employees if permitted by the Organisation Regulations and within the limits of these regulations;
- Keep the Chairman of the Board of Directors informed of the Company's business and affairs, as well as of any significant event outside the ordinary course of business;
- Ensure that the Company's internal organisation meets its operational and development needs;
- Establish the regulations required by the Company's activity and submit them to the Board for approval;
- Establish the organisation chart of the Company and submit it to the Board for approval;
- Hire the Company's employees and set their employment conditions according to the guidelines issued by the Board and subject to the Board's responsibilities;
- Establish a list of authorised signatories for the Company and submit it to the Board for approval;
- Supervise accounting, financial control and financial planning;
- Establish the Group's budget and submit it to the Board for approval;
- Report regularly to the Board;
- Prepare the Company's annual financial statements, any consolidated or interim financial statements, and the Annual Report, the Corporate Governance Report, the Remuneration Report and the Sustainability Report (which includes the report on non-financial matters) for the past financial year for approval by the Board; and
- Ensure compliance with capital adequacy, liquidity and risk diversification requirements at Group level and monitor the related developments.

The delegation process to the Management is documented in the internal regulations (in particular in the Organisation Regulations) and the Board has an overview of the delegation process through the summary provided in the Regulation relating to responsibilities and financial powers. The following functions and entities report to the concerned Executive Management members:

MEMBERS OF THE EXECUTIVE MANAGEMENT AS OF 1 JANUARY 2024	Functions and Group entities
Marc Bürki, CEO	Dubai / Hong Kong / Luxembourg / Singapore
Yvan Cardenas, CFO[1]	ALM & Treasury / Building & Support / Finance / Forex & eForex Trading / Trading
Gilles Chantrier, CRO	Controlling & Risk
Alexandru Craciun, CTO	Application & Platform Resilience / Data Management / Quantitative Research & Solutions / SWE Infrastructure / SWE Platforms / SWE Tech Drive & Talent / Yuh Solution
Jan De Schepper, CSO	Customer Care / Cyprus / Institutional Sales / Investment Products / London / Marketing / Private Clients & Partner Sales / Product Strategy / Retail Sales
Nestor Verrier, COO[2]	Business Operations / IT & Security / Malta
Morgan Lavanchy, CLO	Client Onboarding & Administration / Compliance / Legal

[1] Yvan Cardenas is also responsible for leading and coordinating the sustainability topic at the Executive Management level.

[2] Lino Finini retired from his position as COO of the Company on 31 December 2023 and Nestor Verrier was appointed as COO as from 1 January 2024.

The Executive Management is further assisted by committees consisting of members of the Management that carry out coordination and reporting functions and make recommendations to the Executive Management. At least one member of the Executive Management sits in each committee.

3.13 Information and control instruments vis-à-vis the Executive Management

The Group operates a comprehensive management information system that provides the Executive Management with all data required to manage and control the business and to report relevant information to the Board.

The Board periodically reviews the nature of the reporting prepared by the Executive Management and the frequency of the respective reports. The reporting may be summarised as follows:

– Quarter 1 and 3 reporting in particular includes (1) the CEO Report, which inter alia provides an update on key financial figures, business activities, important projects, key operational matters and investor relations, (2) the Financial Report, which reports on the key financial matters (including budgets and capital management matters), together with condensed consolidated interim financial statements (established for internal purposes only), (3) the Risk Report, which informs on risk-related matters and (4) the Legal & Compliance Report and the Laws & Regulations Report, which report on legal, compliance and regulatory matters;
– Half-yearly reporting covers the same scope as the quarter 1 and 3 reporting, except that a condensed special purpose interim financial information of Swissquote Bank Ltd is provided in addition to the condensed consolidated interim financial statements. Both documents are reviewed by the auditors and the latter serve as basis for the half-year press release; and
– Yearly reporting covers the same scope as the half-year reporting and includes the audited consolidated and statutory financial statements for both the Company and Swissquote Bank Ltd.

Once a year, the Board organises the so-called Annual Conference on Risks, a conference dedicated to an in-depth review of the risks (including IT security risks and, especially, cyber risks), internal control systems and risk management processes. The Executive Management (including the persons responsible for the Risk Control Function and the Compliance Function) and the respective heads of Client Onboarding & Administration, Compliance, Legal, IT & Security and Assets & Liabilities Management & Treasury provide the Board with their own risk assessment and their recommendations with respect to the enhancement of the internal control systems and risk management processes.

Ad hoc reporting is addressed to the Board when required by the circumstances or upon request of the Board. Further, the Executive Management must immediately report to the Board material matters outside the ordinary course of business.

The Board and its committees may invite the Executive Management in corpore or some of its members to some or all of their meetings and do so regularly.

The function of internal audit, reporting directly and independently to the Board, is outsourced to BDO SA, Geneva, which is a member of the Institute of Internal Auditing Switzerland. The duties of the internal audit are governed by the Ordinance on Banks and Savings Banks, FINMA Circular 2017/1 "Corporate governance – banks" and the applicable internal regulations. The internal audit analyses the compliance of business activities with legal and regulatory requirements and applicable internal regulations. The internal audit carries out the audit plan approved by the Board and reports its findings and recommendations in writing. It also executes ad hoc missions and investigations upon request of the Board. The internal audit provides the Board with a specific half-year summary report that reviews, inter alia, the progress made by the Company in implementing the recommendations made in earlier reports and includes information with respect to the execution of the audit plan. The internal audit participates in the Annual Conference on Risks and provides the Board with its own assessment of the risks, internal control systems and risk management processes. The Board formally takes note of the reports of the internal audit and reviews the conclusions and comments made by the Audit & Risk Committee, which examines the reports in detail.

Swissquote Bank Ltd is responsible for performing consolidated supervision functions that cannot be performed at the level of the Company, in particular when the necessary resources or systems are not available in the Company.

In terms of risk management, the Company complies, inter alia, with the requirements of FINMA Circular 2017/1 "Corporate governance – banks" and maintains an extensive risk management framework which addresses risks related to a banking activity (credit risk, market risk, interest risk, operational risk, reputation risk, etc.).

The risk review process is part of the Company's strategic and organisational framework and, as a result, part of the Company's day-to-day activities. The Annual Conference on Risks is an important tool of the Board to perform an in-depth review of the Company's risks, internal control systems and risk management processes. Based on the findings of the risk review process, the Board makes the necessary decisions, in particular in terms of limits and risk appetite.

4 Executive Management

4.1.1 Members of the Executive Management

As at 31 December 2023, the Executive Management consisted of seven members:

MEMBERS OF THE EXECUTIVE MANAGEMENT 2023	Nationality	Year of birth	Year of appointment to the Executive Management
Marc Bürki, CEO[1]	Swiss	1961	1999
Yvan Cardenas, CFO	Swiss	1980	2019
Gilles Chantrier, CRO	Swiss and French	1972	2017
Alexandru Craciun, CTO	Swiss and Romanian	1975	2021
Jan De Schepper, CSO	Swiss and Belgian	1976	2019
Lino Finini, COO[2]	Swiss and Italian	1965	2019
Morgan Lavanchy, CLO	Swiss	1979	2017

[1] Marc Bürki is a founding shareholder of the Company and a major shareholder as at 31 December 2023.
[2] Lino Finini retired from his position of COO of the Company on 31 December 2023 and has been replaced by Nestor Verrier as from 1 January 2024.

From left to right and top to bottom: Y. Cardenas (CFO), J. De Schepper (CSO), M. Lavanchy (CLO), M. Bürki (CEO), G. Chantrier (CRO), A. Craciun (CTO) and L. Finini (COO).

4.1.1 Members of the Executive Management (continued)

Marc Bürki

(1961 / Swiss national / domiciled in Switzerland)
Chief Executive Officer (CEO) of Swissquote Group Holding Ltd and Swissquote Bank Ltd
Founding shareholder of Swissquote Group Holding Ltd

Educational background

1982–1987	Degree in Electrical Engineering, Swiss Federal Institute of Technology (EPFL), Lausanne, Switzerland

Professional experience

1987–1990	Telecommunication Specialist, European Space Agency, Nordweijk, Netherlands
1990–2002	Co-Managing Director, Marvel Communications Ltd, Geneva, Switzerland
Since 1999	Chief Executive Officer, Swissquote Group Holding Ltd, Gland, Switzerland
Since 2002	Chief Executive Officer, Swissquote Bank Ltd, Gland, Switzerland

Current mandates in companies that are controlled by Swissquote Group Holding Ltd

Since 2012	Chairman of the Board, Swissquote MEA Ltd, Dubai, UAE
Since 2014	Chairman of the Board, Swissquote Ltd, London, UK
Since 2014	Chairman of the Board, Swissquote Asia Ltd, Hong Kong
Since 2019	Chairman of the Board, Swissquote Pte. Ltd, Singapore
Since 2019	Chairman of the Board, Swissquote Bank Europe SA, Luxembourg
Since 2021	Chairman of the Board, Yuh Ltd, Gland, Switzerland[1]
Since 2022	Member of the Board, Swissquote Capital Markets Limited, Cyprus

Current mandates in non-profit entities (e.g. associations, charitable organisations and foundations)

Since 2016	Member of the Board, ETH Domain, Bern, Switzerland

[1] Marc Bürki was appointed Chairman of the Board of Yuh Ltd at the request of the Company. Furthermore, reference is made to page 140 of the Annual Report.

Yvan Cardenas

(1980 / Swiss national / domiciled in Switzerland)
Chief Financial Officer (CFO) of Swissquote Group Holding Ltd and Swissquote Bank Ltd

Educational background

1999–2003	Bachelor and Master Degree, Hautes Etudes Commerciales (HEC), University of Lausanne and St. Gallen (exchange), Switzerland
2007	Swiss Certified Public Accountant, Switzerland
2016	Swiss Certified Tax Expert, Switzerland

Professional experience

2003–2010	Manager in Audit/Financial Services (since 2008), PricewaterhouseCoopers Ltd, Lausanne, Switzerland
2010–2011	Senior Officer, Swissquote Bank Ltd, Switzerland
2011–2013	Head Accounting & Reporting, Swissquote Bank Ltd, Gland, Switzerland
2014–2018	Head Finance, Reporting & Tax, Swissquote Bank Ltd, Gland, Switzerland
Since 2019	Chief Financial Officer, Swissquote Group Holding Ltd/Swissquote Bank Ltd, Gland, Switzerland

Current mandates in companies that are controlled by Swissquote Group Holding Ltd

Since 2019	Member of the Board, Swissquote Bank Europe SA, Luxembourg
Since 2020	Finance Officer, Swissquote MEA Ltd, Dubai, UAE

Current mandates in non-profit entities (e.g. associations, charitable organisations and foundations)

Since 2019	Member of the Tax Commission, Chambre vaudoise du commerce et de l'industrie, Lausanne, Switzerland
Since 2019	Member of the Board of the Social Insurances Committee AVS/AI/APG/AF, Chambre vaudoise du commerce et de l'industrie, Lausanne, Switzerland
Since 2022	Member of the Investment Committee of the Social Insurances AVS/AI/APG/AF, Chambre vaudoise du commerce et de l'industrie, Lausanne, Switzerland

Gilles Chantrier

(1972 / Swiss and French national / domiciled in Switzerland)
Chief Risk Officer (CRO) of Swissquote Group Holding Ltd and Swissquote Bank Ltd

Educational background

1997–2000	Bachelor – BSc in Economics, School of Business Administration (HEG), Lausanne, Switzerland
2016	Risk Management in Banking, Institut européen d'administration des affaires (INSEAD), Fontainebleau, France

Professional experience

1995–1997	Accountant, Infogest SA, Nyon, Switzerland
2000–2002	Deputy Head Accounting, Swissquote Bank Ltd, Gland, Switzerland
2002–2003	Head Backoffice, Swissquote Bank Ltd, Gland, Switzerland
2003–2005	Head Internal Controlling, Swissquote Bank Ltd, Gland, Switzerland
2005–2013	Head Reporting & Controlling, Swissquote Bank Ltd, Gland, Switzerland
2014–2016	Head Controlling & Risk, Swissquote Bank Ltd, Gland, Switzerland
Since 2017	Chief Risk Officer, Swissquote Group Holding Ltd/Swissquote Bank Ltd, Gland, Switzerland

Current mandates in companies that are controlled by Swissquote Group Holding Ltd

Since 2010	Member of the Board, Foundation Swissquote 3rd Pillar, Gland, Switzerland
Since 2014	Member of the Board, Swissquote Ltd, United Kingdom
Since 2014	Member of the Board, Swissquote MEA Ltd, Dubai, UAE
Since 2014	Member of the Board, Swissquote Asia Ltd, Hong Kong
Since 2019	Member of the Board, Swissquote Pte. Ltd, Singapore
Since 2019	Member of the Board, Swissquote Bank Europe SA, Luxembourg

Alexandru Craciun

(1975 / Swiss and Romanian national / domiciled in Switzerland)
Chief Technology Officer (CTO) of Swissquote Group Holding Ltd and Swissquote Bank Ltd

Educational background

1993–1998	Bachelor Degree, Faculty of Automatics and Computer Science, University Polytehnica of Bucharest, Romania

Professional experience

1996–2000	Various assignments in different companies
2000–2002	Senior Application Developer, CQS Sàrl, Fribourg, Switzerland
2003–2007	Senior Developer, Swissquote Bank Ltd, Gland, Switzerland
2007–2010	Information Platform Manager and Chief Architect, Swissquote Bank Ltd, Gland, Switzerland
2010–2013	Head of Information Platform and Web Architecture, Swissquote Bank Ltd, Gland, Switzerland
2013–2015	Head of Offshoring, Swissquote Bank Ltd, Gland, Switzerland
2015–2020	Head of Software Engineering, Swissquote Bank Ltd, Gland, Switzerland
Since 2021	Chief Technology Officer, Swissquote Group Holding Ltd/Swissquote Bank Ltd, Gland, Switzerland

Current mandates in companies that are controlled by Swissquote Group Holding Ltd

Since 2022	Chairman of the Board, Swissquote Tech Hub Bucharest S.R.L., Bucharest, Romania

Jan De Schepper

(1976 / Swiss and Belgian national / domiciled in Switzerland)
Chief Sales & Marketing Officer (CSO) of Swissquote Group Holding Ltd and Swissquote Bank Ltd

Educational background

1997–2000	BSc in Business Management, University of Applied Science (FHNW), Olten, Switzerland
2011–2013	Executive MBA in International Management, University of Geneva, Switzerland

Professional experience

2000–2002	Junior Brand Manager, Feldschlösschen Getränke (Carlsberg Group), Rheinfelden, Switzerland
2002–2003	Brand Manager, Feldschlösschen Getränke (Carlsberg Group), Rheinfelden, Switzerland
2003–2004	Brand Manager, Bacardi-Martini, Geneva, Switzerland
2004–2008	Account Director, Saatchi & Saatchi, Geneva, Switzerland
2008–2015	Marketing Manager, McDonald's Switzerland, Lausanne, Switzerland
2015–2019	Head Marketing, Swissquote Bank Ltd, Gland, Switzerland
Since 2019	Chief Sales & Marketing Officer, Swissquote Group Holding Ltd/Swissquote Bank Ltd, Gland, Switzerland

Current mandates in companies that are controlled by Swissquote Group Holding Ltd

Since 2022	Member of the Board, Swissquote Capital Markets Limited, Limassol, Cyprus
Since 2023	Member of the Board, Yuh Ltd, Gland, Switzerland[1]

Current mandates in non-profit entities (e.g. associations, charitable organisations and foundations)

Since 2018	Member of the Board, SWA/ASA – National Advertisers Association, Zurich, Switzerland

[1] Jan De Schepper was appointed member of the Board of Yuh Ltd at the request of the Company. Furthermore, reference is made to page 140 of the Annual Report.

Lino Finini

(1965 / Swiss and Italian national / domiciled in Switzerland)
Chief Operating Officer (COO) of Swissquote Group Holding Ltd and Swissquote Bank Ltd until 31 December 2023

Educational background

1987–1988	Computer Science Studies, Lausanne, Switzerland
2008	Fund Officer FA/IAF, Zurich, Switzerland

Professional experience

1988–1992	Developer, Banque Indosuez, Lausanne, Switzerland
1992–1996	Associate Director, IT Operations, Banque Indosuez, Lausanne, Switzerland
1996–2001	Software and Hardware Architect, LaserCom Ltd, Geneva, Switzerland
2001–2002	Core Banking Specialist, Swissquote Info Ltd, Gland, Switzerland
2002–2004	Head Banking Applications, Swissquote Bank Ltd, Gland, Switzerland
2004–2019	Head Back Office & Banking Applications, Swissquote Bank Ltd, Gland, Switzerland
2019-2023	Chief Operating Officer, Swissquote Group Holding Ltd/Swissquote Bank Ltd, Gland, Switzerland

Current mandates in companies that are controlled by Swissquote Group Holding Ltd

Since 2022	Chairman of the Board (2015-2022: Member), Swissquote Financial Services (Malta) Limited, St. Julian's, Malta

Previous board mandates in non-listed for-profit companies

2021-2022	Member of the Board, Kasko2go Holding AG, Vaduz, Liechtenstein

Current mandates in non-listed for-profit companies

Since 2019	Member of the Board, Groupement Hospitalier de l'Ouest Lémanique (GHOL), Nyon, Switzerland

Morgan Lavanchy

(1979 / Swiss national / domiciled in Switzerland)
Chief Legal Officer (CLO) of Swissquote Group Holding Ltd and Swissquote Bank Ltd

Educational background

1997–2002	Master of Laws, Law School, University of Neuchâtel, Switzerland
2002–2004	Master of Advanced Studies (LL.M.) in Business Law, Law School, Universities of Lausanne and Geneva, Switzerland
2011	Certificate DIFC Rules & Regulations, Chartered Institute for Securities & Investment, Dubai, UAE

Professional experience

2003–2006	Legal Officer, Swissquote Bank Ltd, Gland, Switzerland
2006–2016	Head Legal & Compliance, Swissquote Bank Ltd, Gland, Switzerland
Since 2017	Chief Legal Officer, Swissquote Group Holding Ltd/Swissquote Bank Ltd, Gland, Switzerland

Current mandates in companies that are controlled by Swissquote Group Holding Ltd

Since 2010	Secretary, Foundation Swissquote 3rd Pillar, Gland, Switzerland

Current mandates in non-profit entities (e.g. associations, charitable organisations and foundations)

Since 2018	Member of the Executive Committee, Capital Markets and Technology Association, Geneva, Switzerland

4.1.2 New member of the Executive Management as from 1 January 2024

Nestor Verrier

(1979 / French national / domiciled in Switzerland)
Chief Operating Officer (COO) of Swissquote Group Holding Ltd and Swissquote Bank Ltd as from 1 January 2024

Educational background

1998–2000	Higher National Degree, Université de Technologie de Belfort-Montbéliard, France
2000–2002	Master Management & Information Technologies, Université de Lorraine (UFR MIM), Metz, France

Professional experience

2002–2003	Security Engineer, Ubizen Luxembourg S.A., Luxembourg
2003–2019	Banque Carnegie Luxembourg S.A., Luxembourg: 2003-2005 IT Officer 2006-2012 Senior Analyst 2013-2015 Head of IT Development 2015-2017 Deputy General Manager 2017-2019 General Manager
2019–2019	Managing Director, Union Bancaire Privée (Europe) S.A., Luxembourg
2019–2023	General Manager, Swissquote Bank Europe SA, Luxembourg
Since 2024	Chief Operating Officer, Swissquote Group Holding Ltd/Swissquote Bank Ltd, Gland, Switzerland

Current mandates in companies that are controlled by Swissquote Group Holding Ltd

Since 2022	Member of the Board, Swissquote Financial Services (Malta) Limited, St. Julian's, Malta

Previous mandates in non-profit entities (e.g. associations, charitable organisations and foundations)

2021–2023	Chairman of the Task Force Regulatory Dialogue for Innovation, Luxembourg Bankers' Association (ABBL), Luxembourg

4.2 Other activities and vested interests

None of the members of the Executive Management undertakes activities, holds mandates or has vested interests (as defined in the applicable SIX Swiss Exchange regulations) other than the ones described in Section 4.1. In particular, except as may be disclosed in that Section, they did not hold any permanent management or consultancy function for an important Swiss or foreign interest group or any official functions or political posts in 2023.

4.3 Number of permitted activities

Pursuant to Art. 16bis of the AoA, the members of the Executive Management may hold no more than four additional mandates in for-profit companies, of which one in a listed company, and three in other for-profit legal entities, including foundations and associations. Mandates in legal entities which are controlled by the Company or which control the Company and mandates held at the request of the Company or legal entities controlled by it are not subject to these restrictions. Mandates held at the request of the Company or in legal entities controlled by it are limited to ten such mandates.

4.4 Summary of external mandates

The list of the relevant external mandates of each member of the Executive Management can be found in Section 4.5 of the Remuneration Report, on page 206.

4.5 Management contracts

The Company has not entered into management contracts with third parties.

5 Remuneration, shareholding and loans

Details on the remuneration, shareholding and loans are provided in the Remuneration Report.

6 Shareholders' participation

6.1 Generalities

Shareholders in Swiss corporations limited by shares have extensive protective and participatory rights. Protective rights include the right of information and consultation (Art. 697 and 697a CO), the right to a special investigation (Art. 697c ff CO), the right to call a General Meeting (Art. 699 Para. 3 CO), motion rights (Art. 699b CO), the right to challenge resolutions of the General Meeting (Art. 706 CO) and the right to instigate liability proceedings (Art. 753 ff CO). Participatory rights primarily include the right to participate in General Meetings, the right to express an opinion and voting rights (Art. 692 ff CO) as well as the right to elect the Company's independent proxy representative (Art. 689c CO).

The General Meeting is the highest body of the Company. It has the following non-transferable powers to:

- Establish and amend the AoA;
- Annually elect the members of the Board, the Chair of the Board, the members of the Remuneration Committee, the independent proxy and the auditors;
- Approve the Annual Report and the consolidated financial statements;
- Approve the annual financial statements and adopt resolutions concerning the allocation of the disposable profit, in particular set the dividend as well as the profit-sharing bonus;
- Determine the interim dividend and approve the interim accounts required therefor;
- Pass resolutions on any repayment of the statutory capital reserve;
- Discharge the members of the Board;
- Approve the remuneration of the Board and the Executive Management in accordance with Art. 14bis of the AoA;
- Resolve on the delisting of the Company's shares; and
- Pass resolutions on all matters reserved to the General Meeting by law or the AoA.

For further information on the General Meeting, reference is made to Art. 9, 10 and 11 of the AoA.

6.2 Voting rights and representation

Pursuant to Art. 12 of the AoA, every person duly entered in the share register as a shareholder with voting rights is entitled to exercise the rights attached to the registered shares. In accordance with Art. 7 of the AoA, upon request, acquirers of registered shares will be entered in the share register as shareholders with voting rights if they expressly declare that they have acquired the registered shares in their own name and for their own account. If this requirement is not satisfied, the person in question will be entered in the share register as a shareholder without voting rights. The AoA do not contain any express provisions for granting exceptions to this limitation.

Shareholders may have their shares represented at the General Meeting by a legal representative or, with a written power of attorney, by a third party, who is not required to be a shareholder of the Company. The Board shall decide on the requirements regarding powers of attorney and instructions; powers of attorney without qualified electronic signatures may also be recognised. The final decision on the validity of powers of attorney rests with the Chair of the Board. Specific rules on the issue of instructions to the Company's independent proxy or on the electronic participation in the General Meeting are set by the Board and communicated to shareholders in the invitation to the General Meeting.

Except as may be described above, the AoA do not contemplate restrictions on the exercise of voting rights. The general rules of the CO apply to determine at which conditions such restrictions may be abolished.

6.3 Quorums and majority requirements under the Articles of Association

Where a General Meeting has been convened in accordance with the provisions of the law and the AoA, decisions may be taken, irrespective of the number of shares represented or shareholders present at the General Meeting. Pursuant to Art. 12 of the AoA, the General Meeting is therefore quorate regardless of the number of shares represented.

In accordance with Art. 13 of the AoA, except when the law and/or the AoA provide otherwise, the General Meeting passes resolutions and conducts elections by an absolute majority of the voting rights validly represented. Elections require an absolute majority in the first round, and, if this is not achieved, a relative majority is sufficient in the second round. In the event of a tie, the Chair of the Board has the casting vote. As a rule, votes are cast electronically. If the electronic voting system fails, an open vote shall be held unless one or more shareholders who alone or together represent at least 5% of the voting rights request a secret ballot.

Pursuant to Art. 14 of the AoA and Swiss company law, a resolution of the General Meeting adopted by at least two thirds of the votes represented and an absolute majority of the nominal values of the shares represented is required for:

- Changes to the Company's purpose;
- Reverse share splits, unless the consent of all the shareholders concerned is required;
- A capital increase through conversion of equity surplus, against contributions in kind or by way of set-off, or the granting of special benefits;
- The restriction or cancellation of subscription rights;
- The introduction of a conditional capital, the introduction of a capital band or the creation of reserve capital in accordance with Article 12 of the Banking Act of 8 November 1934;
- The conversion of participation certificates into shares;
- The restriction of the transferability of registered shares;
- The introduction of preferred voting shares;
- Any change in the currency of the share capital;
- The introduction of a casting vote for the person chairing the General Meeting;
- A provision of the AoA on holding the General Meeting abroad;
- The delisting of the Company's shares;
- The relocation of the Company's registered office;
- The introduction of an arbitration clause in the AoA; and
- The dissolution of the Company.

6.4 Convocation of the General Meetings

The General Meetings are convened by the Board in the normal course of business or otherwise by the auditors or the liquidator.

One or more shareholders of the Company may request the convocation of an extraordinary General Meeting ("EGM") if all of the following conditions are satisfied:

- The shareholder or shareholders together hold at least 5% of the nominal value of the share capital or voting rights entered in the commercial register on the day the request is received; and
- The shareholder or shareholders submit their request in writing and, at the same time, arrange for shares representing at least 5% of the nominal value of the share capital or voting rights to be blocked by the depository, the latter being required to issue confirmation that said shares have been blocked. The shares shall remain blocked until the day after the General Meeting.

For further information on the convocation of the General Meeting, reference is made to the Art. 10 and 11 of the AoA.

6.5 Inclusion of items on the agenda

Pursuant to Art. 11 of the AoA, no resolutions may be passed on motions relating to agenda items that were not duly announced, except for motions by a shareholder to convene an EGM, to carry out a special investigation or to elect an auditor.

One or more shareholders of the Company may request that an item be included on the agenda if all of the following conditions are satisfied:

- The shareholder or shareholders together hold at least 0.5% of the nominal value of the share capital or voting rights entered in the commercial register on the day the request is received;
- The shareholder or shareholders submit their request in writing and, at the same time, arrange for shares representing at least 0.5% of the nominal value of the share capital or voting rights to be blocked by the depository, the latter being required to issue confirmation that said shares have been blocked. The shares shall remain blocked until the day after the General Meeting; and
- The request is sent by registered letter to the attention of the Board at the registered office of the Company and shall arrive there at least 45 days prior to the General Meeting.

For further information on the agenda, reference is made to Art. 11 of the AoA.

6.6 Entries in the share register

Pursuant to Art. 6 of the AoA, the Company maintains a share register in which the names and addresses, respectively the corporate name and registered office of the owners of the registered shares and any usufructuaries, are entered into. In 2023, the Board decided to appoint Computershare Switzerland Ltd, Baslerstrasse 90, CH-4600 Olten, to maintain the Company's share register.

In accordance with Art. 7 of the AoA, upon request, acquirers of registered shares will be entered in the share register as shareholders with voting rights if they expressly declare that they have acquired the registered shares in their own name and for their own account. If this requirement is not satisfied, the person in question will be entered in the share register as a shareholder without voting rights.

For practical reasons, no new registration is made in the share register for a period of up to 20 days before a General Meeting. Shareholders who sell their shares prior to the General Meeting are no longer entitled to exercise their votes.

For further information on entries in the share register, reference is made to Art. 6 and 7 of the AoA.

7 Changes of control and defence measures

7.1 Duty to make an offer

Pursuant to Art. 135 FMIA, anyone who directly, indirectly, whether alone or acting in concert with third parties, acquires equity securities which, added to the equity securities already owned, exceeds the threshold of $33^{1/3}$% of the voting rights of a target company, whether exercisable or not, must make an offer to acquire all listed equity securities of that company.

The articles of association of companies in scope of the mandatory offer rule can contain clauses to waive the mandatory offer obligation (opting-out) or increase to up to 49% the threshold of voting rights above which an offer is to be made to all shareholders (opting-up). The AoA do not include any opting-out or opting-up clause.

7.2 Clauses on changes of control

In accordance with the company-wide Employee Share and Option Plan (applicable to all eligible employees and not only to the members of the Executive Management), in case of change of control, the Board may seek to replace outstanding options by new grants having the equity securities of the acquiring company or another related company as underlying asset, in which case the value of the options granted will be at least equal to the value of the options that they replace. In accordance with the Employee Share and Option Plan, the Board may also decide to accelerate the vesting of outstanding options. Subject to the aforementioned elements, none of the members of the Board, the members of the Executive Management or other employees benefit from change of control clauses.

8 Auditors

8.1 Generalities

The main duties of the auditors are to conduct audits to verify that the annual financial statements and the proposed appropriation of retained earnings comply with the law and the AoA, and report on the results of such audits to the General Meeting.

The auditors recommend the approval, with or without qualification, or the rejection of the annual financial statements. Further, when the Company is required to deliver consolidated financial statements, the auditors must report on the compliance with the law and the accounting principles adopted for the consolidation. The auditors must be present at AGMs, unless a unanimous resolution of the shareholders provides otherwise.

The consolidated financial statements and the statutory financial statements of the Company have been audited since 1999 by PricewaterhouseCoopers Ltd, which has been re-elected each year since then. The Board regularly assesses whether PricewaterhouseCoopers Ltd remains the best candidate to act as the Company's auditors and, as a result, should be proposed for re-election or not. Upon recommendation of the Audit & Risk Committee and taking in particular into account the alternative audit firms and the rotation frequency of the lead auditor, the Board has so far positively assessed PricewaterhouseCoopers Ltd in terms of qualifications, independence and performance.

The auditors must meet the highest independence criteria. Except for tax matters, audit-related services, other services that can generally only be provided by the auditors (e.g. reviews of documents filed with FINMA) and services that may be provided by the auditors subject to compliance with certain independence rules (e.g. the IESBA Code of Ethics), the Group uses consultants who are independent from the auditors.

In addition to their audit opinions, the auditors are requested to provide the Audit & Risk Committee with specific information such as their audit findings, comments on accounting issues and audit fee proposals.

8.2 Duration of the mandate and term of office of the lead auditor

The auditors are elected for a one-year term by the General Meeting and are eligible for re-election. They were re-elected on 10 May 2023. The rotation frequency of the lead auditor is maximum seven years. Christophe Kratzer has been the lead auditor of the Group since the 2021 AGM.

8.3 Audit fees and additional fees

The total fees charged by the auditors to the Group in 2023 are analysed as follows:

in CHF	2023	2022
Audit fees	1,143,891	1,147,714
Additional fees:		
Audit-related fees	44,000	71,285
Tax advice	75,000	60,000
Total	**1,262,891**	**1,278,999**

Audit fees are agreed upon in advance for the audits of the consolidated and statutory financial statements of the Group companies, as well as for the regulatory audit of Swissquote Bank Ltd and of the consolidated supervision of the Group. They can be adjusted in the course of the relevant year under special circumstances. In 2023, audit fees remained globally stable.

Audit-related fees cover in particular standard triennial audits in relation to Swissquote Bank Ltd's status of so-called "qualified intermediary" and compliance with FATCA as well as the preparation of an ISAE 3402 report.

Tax-related additional fees mainly cover the assistance provided to the Group when filing local tax returns.

8.4 Informational instruments pertaining to the auditors

The auditors closely interact with the Audit & Risk Committee and are invited to its meetings. In 2023, the auditors met six times with the Audit & Risk Committee.

Year-round, the auditors issue, inter alia, the following documents:

- Planning report with respect to the audit of the statutory and consolidated financial statements of the Company, respectively of the statutory financial statements of Swissquote Bank Ltd. The document includes information on (i) the audit focus area and the materiality levels, (ii) the audit of the internal control system in connection with the preparation of the financial statements, (iii) the audit activities, team and fees estimate, (iv) the perspective on fraud risks, (v) any potential key audit matter and (vi) the developments in accounting standards and other matters;
- Planning report with respect to the regulatory audit, which includes information on (i) the changes in the regulatory environment, (ii) the auditors' risk analysis and the audit strategy pursuant to FINMA Circular 2013/3 on auditing, (iii) the estimated fees and (iv) the timeline of the audit activities;
- Review report with respect to the condensed consolidated interim financial statements and with respect to the condensed special purpose interim financial information of Swissquote Bank Ltd;
- Comprehensive report to the Audit & Risk Committee and to the Board with respect to the statutory and consolidated financial statements of the Company, respectively to the Board of Directors of Swissquote Bank Ltd with respect to the statutory financial statements of Swissquote Bank Ltd. The document includes the auditors' key findings regarding the accounting, the internal control system and the performance and results of the audits;
- Regulatory audit report for the Company and Swissquote Bank Ltd to FINMA, a copy of which is addressed to the Board of Directors;
- Report to the General Meeting of the Company, respectively of Swissquote Bank Ltd, on the results of the audit of the financial statements. The document includes (i) the auditors' opinion as to whether the financial statements should be approved with or without qualification, or rejected, (ii) information on the independence of the auditors, (iii) information on the materiality level and the audit scope, (iv) any key audit matter identified, (v) the responsibilities of the Board of Directors and of the auditors with respect to the financial statements, (vi) a confirmation as to whether an internal control system exists or not and (vii) a confirmation as to whether the proposed appropriation of retained earnings complies with the law and the AoA;
- Report on the Company's Remuneration Report; and
- Report on the Company's Sustainability Report.

The above-mentioned documents are commented on by the auditors during meetings of the Audit & Risk Committee. In particular, the planning of the statutory and consolidated financial audits and the planning of the regulatory audit are discussed at the Annual Conference on Risks, which the members of the Audit & Risk Committee attend.

The Audit & Risk Committee also receives copies of the reports related to Swissquote Bank Ltd's compliance with the provisions of agreements or private regulations (e.g. regulations issued by the SIX Swiss Exchange), as well as the ISAE 3402 report relating to the suitability of Swissquote Bank Ltd's controls on its IT systems. This allows the Audit & Risk Committee to assess the work of the auditors performed outside the standard audit services, in particular in terms of conflicts of interest.

Once a year, the Audit & Risk Committee reviews the qualification, independence and performance of the auditors and assesses, inter alia, the level of expertise available, the adequacy of resources and the quality of the planning (in particular the coordination with the internal auditor). The Audit & Risk Committee assesses the auditors' independence on the basis of the auditors' related annual confirmation and on the Audit & Risk Committee's own assessment of the various reports addressed to its attention or of which it received a copy. The Audit & Risk Committee also assesses whether the amount and trend in audit fees appears reasonable. In this respect, changes to audit fees must be justified by the auditors, taking into consideration changes in the scope and/or the complexity of the audits. Based on its annual assessment, the Audit & Risk Committee recommends to the Board to either propose the General Meeting to re-elect the auditors or to start a process for the selection of new auditors.

9 Information policy

9.1 General principles

The Company's information policy aims primarily at promoting confidence, creating a better understanding of the Company's business and developing and maintaining realistic investor expectations.

The Company commits to providing timely and orderly information in accordance with the applicable legal and regulatory requirements, in particular with the provisions of the SIX Swiss Exchange regulations on ad hoc publicity. The Company aims at providing the financial market with consistent, accurate and complete information evenly during profitable or difficult periods and ensures that the investment community has fair access to such information.

It is the Company's policy not to release detailed earnings projections, but it may provide certain guidance and/or outlooks to the investment community for them to assess the Company and its business prospects.

As a general rule, price-sensitive information must be released promptly as soon as the main aspects of such information are established by the Company. However, the Company is permitted under the relevant regulatory provisions to postpone the release of price-sensitive information, if the information concerns a plan or negotiation of the Company and its premature disclosure would prejudice the legitimate interest of the Company. In such a case, the Company is required to take adequate measures to ensure the effective confidentiality of the information and to prevent insiders from trading on the basis of that information. In the event of a leak of price-sensitive information, the Company will promptly publish a press release.

The Company will generally avoid releasing price-sensitive information during trading periods of the Company's shares or shortly before opening of trading. If the information is to be released during normal trading hours of the SIX Swiss Exchange (9.00 a.m. to 5.40 p.m.) or less than 90 minutes before the opening of trading, the competent department (SIX Exchange Regulation AG) must be informed at least 90 minutes prior to the release of such information. In situations where it cannot be avoided that price-sensitive information be disclosed during trading hours, the Company must consider whether a request for a suspension of trading is appropriate. If price-sensitive information is divulged unintentionally in a selective setting, such as analyst meetings or conference calls, which are not open to the investment community, the Company will publicly disclose such information promptly after it learns of the selective disclosure.

The Company will promptly publish a corrective release if it determines that previously released price-sensitive information was materially incorrect at the time it was disclosed.

As a policy, the Company does not comment on market rumours and speculations.

9.2 Reporting and corporate calendar

9.2.1 Annual and interim reporting

The Company publishes annual and half-year financial statements. They are published by media releases (https://www.swissquote.com/en/group/media/press-releases) shortly after the Board approves them. Such media releases are followed by a media and analyst conference as well as optional call-in conferences. The presentations made at call-in and press conferences, Annual Reports (including the respective Corporate Governance Report, Remuneration Report and Sustainability Report) and interim consolidated financial statements are released on the Company's website (https://www.swissquote.com/en/group).

9.2.2 Corporate calendar

The dates of the publication of the annual and interim results, the dates of the related media conferences as well as the dates of the AGM and of EGMs are published on the Company's website (https://www.swissquote.com/en/group/investor-relations/corporate-calendar) and in media releases.

The AGM generally takes place in April or May of each year. In 2024, it will be held on 8 May. The Company's half-year report is expected to be published on 13 August 2024.

9.3 Communication channels and contact addresses

Media releases (including ad hoc announcements pursuant to Art. 53 of the SIX Swiss Exchange Listing Rules) and reports as well as other information made public are accessible in the section "Company" of the Company's website (https://www.swissquote.com/en/group/media/press-releases). An email service is available for subscription on the Company's website (https://www.swissquote.com/en-ch/newsletters) and allows any interested party to automatically receive by email all information made public by the Company.

Contact addresses can be found after the Sustainability Report, on page 308.

10 Quiet periods

To ensure compliance with the Swiss rules against market abuse and prevent any perception of misuse of price-sensitive information by Board members, Executive Management members or other employees, the Company determines time periods during which they are restricted in their ability to trade the Swissquote share.

Under the Company's policy as currently implemented, Board members, Executive Management members and other employees are prohibited from trading the Swissquote share during so-called "closed trading periods", which are the periods that separate the beginning of an annual or semi-annual reporting period (i.e. 1 January or 1 July) and the publication of the Company's Annual Report, respectively the Company's half-year report. When the Company publishes key financial results for the preceding reporting period before the publication of the Company's Annual Report, the closed trading period is maintained for Board members, Executive Management members and Senior Management members until the publication of the Company's Annual Report.

Board members, Executive Management members and other employees are further required to get advance clearance before they trade the Swissquote share during so-called "intermediary trading periods", which run during about the last eight weeks before the end of the year, respectively the end of the first semester.

Board members, Executive Management members and other employees are free to trade the Swissquote share during periods that are not closed trading periods or intermediary trading periods (so-called "free trading periods"), unless they are in possession of price-sensitive information regarding the Group or are otherwise instructed by the Company not to trade the Swissquote share (so-called "trading ban").

Holders of stock options are not authorised to exercise such stock options during closed trading periods, intermediary trading periods or if they are subject to a trading ban. Notwithstanding the foregoing, stock options may exceptionally be exercised "in shares" during those periods if the stock options would otherwise lapse before the end of the relevant period.

In addition, Board members, Executive Management members and other employees are prohibited from trading financial instruments, in which the Swissquote share accounts for 20% or more of the underlying, even during a free trading period. Consequently, apart from the exercise of stock options issued by the Company, any transaction on options, warrants or CFDs with the Swissquote share as a significant underlying asset is forbidden.

Finally, the Executive Management can authorise exceptions to the above principles within the boundaries of the law and for important reasons. One exception was granted during the year under review within the framework of a technical test of the Company's stock option tool; the amount traded was insignificant.

REMUNE-RATION REPORT

Remuneration Report

Letter from the Chairman of the Nomination & Remuneration Committee

Dr Beat Oberlin
Chairman of the Nomination & Remuneration Committee

Dear shareholders,

It is my pleasure, in my position as Chairman of the Nomination & Remuneration Committee and on behalf of the Committee members and the Board of Directors (the "Board"), to present our Remuneration Report 2023.

The Remuneration Report provides information on the remuneration of the Board and the Executive Management of Swissquote Group Holding Ltd (the "Company") and, where applicable, its consolidated subsidiaries (together, "Swissquote" or the "Group"). It describes Swissquote's remuneration policy and the structure of the remuneration of the members of the Board and of the Executive Management. It further reports on the nature and amount of the remuneration accrued during the period under review.

Under the revised Swiss Code of Obligations (the "CO"), the Company must establish a remuneration report each year in addition to its Annual Report and other reports. The Remuneration Report contains the information required by the CO and Section 5 of the Annex to the SIX Swiss Exchange Directive on Information relating to Corporate Governance. As required by the CO, Section 4 of the Remuneration Report was audited by the Company's auditors, PricewaterhouseCoopers Ltd; a copy of the audit report is enclosed.

In 2023, we continued the intense dialogue with our shareholders and had the opportunity to discuss topics such as corporate governance, remuneration and sustainability. We noted that our shareholders appreciated the Company's response to the comments made previously, in particular regarding two topics: the disclosure of the metrics of the objectives set to the Executive Management and the rebalancing of the Executive Management's remuneration towards the longer term via the partial payment of the bonus in shares blocked for three years. Shareholders equally appreciated the Board's decision to put in place a new board and committee fee structure. We reviewed and evaluated all the points raised by our shareholders as they help us improve the Company's disclosure practice. We greatly appreciated the time and active participation of our shareholders and are looking forward to maintaining this valuable dialogue in the future.

We make every effort to meet the expectations of our shareholders and I am happy to share herein the corresponding key developments.

Generalities

In 2023, Swissquote achieved the best results of its history, with an operating income amounting to CHF 530.9 million and an operating profit of CHF 255.4 million. The roll-out of our strategy, the dedication of our employees and a favourable interest environment contributed to this record year, despite challenging market conditions (including low volatility) and geopolitical uncertainties due to the conflicts in Eastern Europe and the Middle East.

Executive Management's short-term incentive plan

In the Remuneration Report 2022, we announced that Swissquote would disclose the metrics of the Executive Management's objectives for 2023 onwards and that a portion of the Executive Management's annual bonus under the short-term incentive plan ("STIP") would be paid out in blocked shares instead of a 100% cash bonus.

Since the Remuneration Report 2021, we have disclosed the full list of objectives set to the Executive Management, their weight and achievement levels. In 2022, we added explanations about the alignment of the objectives with the Company's strategy and, more specifically, with the ESG Materiality Matrix available in the Sustainability Report. The Remuneration Report 2023 contains the metrics that are used to determine the achievement per objective as well as a description of the level of achievement. With this additional disclosure, we apply the best practice observed among large cap companies and meet one of the most important STIP-related expectations of our shareholders.

Additionally, as of 2023, 33% of the annual bonus of the Executive Management members is paid out in shares blocked for three years. This change strengthens the alignment of the interests of Executive Management members with those of our shareholders and rebalances the Executive Management's remuneration towards the longer term. Like for the stock option plan (see next section), particular attention was paid to the situation of members of the Executive Management who are large shareholders of the Company. The latter will not be entitled to receive (blocked) shares as part of their annual bonus in order to avoid an increase of their shareholding due to their remuneration. Such members will continue to receive the entire annual bonus in cash.

Furthermore, as it was indicated in the invitation to the General Meeting in 2023, the Board has increased, with effect as from 2023, the target award from 25% to 45% and the cap for the annual bonus from 65% to 100%. This was decided in light of the market levels observed and the challenging objectives set every year to the Executive Management. We trust that our shareholders will be able to ascertain the stretching nature of the Executive Management's objectives thanks to the additional transparency over their metrics.

Swissquote achieved record financial results in 2023 despite the continued challenging macroeconomic and geopolitical environment and, therefore, the financial objectives set to the Executive Management were over-achieved. However, not all the other objectives have been fully achieved. As a result, the general level of achievement was assessed by the Board to be slightly above the target, at 103.5%. The details can be found in Sections 4.2 and 6 of the Remuneration Report.

Executive Management's long-term incentive plan

In 2023, the Board reassessed once again the Executive Management's long-term incentive plan ("LTIP"), which consists of a stock option plan. Based on the comments received from shareholders and its own review, the Board confirmed its conclusion that, for a growth company like ours, such stock option plan with a three-year cliff vesting constitutes an appropriate incentive for contributing towards a continued positive development of Swissquote's value. This is in our view especially true as long as the strike price of the stock options is higher than the market value of the underlying at the time of the grant, which has been our constant practice. In 2023, the strike price of the stock options granted to all eligible employees (including the members of the Executive Management) was 11.9% above the market price of the Company's shares at the time of grant.

The Board furthermore decided to amend the LTIP applicable to the CEO, who is also a major shareholder in the Company. A limited number of investors had noted that the possibility for the CEO to exercise stock options in shares enabled him to further increase his shareholding in the Company. After further reconsidering this comment, the Board decided that, with respect to grants from 2024 onwards, any member of the Executive Management who is a large shareholder of the Company (>3%), such as currently the CEO, would be limited to exercising the stock options in cash only.

In conclusion, the Board is confident that the Executive Management's LTIP is an adequate tool to foster further long-term growth and align the interests of the Executive Management members with those of the shareholders. The Board will continue to regularly review the Executive Management's LTIP in light of the comments received from the shareholders and, hence, does not exclude further changes to the Executive Management's LTIP in the future.

Various

After having introduced a committee chair fee structure in 2021, the Board introduced a full board and committee fee structure in 2023. The new board and committee fee structure ensures more clarity in the setting of the Board member's remuneration. Board members all receive a standard base fee for their membership complemented by additional fees for Chair roles or committee participation. In that regard, the fixed remuneration of the Board members slightly increased to take into account Swissquote's growth, the increasing complexity of Swissquote's activities as well as the continuous expansion and strengthening of the Swiss and international regulation and external requirements. As a result, the workload (including in terms of preparation of the Board and committee meetings) and the liability risks have increased. These circumstances explain the above-mentioned increase.

To continue demonstrating the alignment of Executive Management pay with the wider workforce and in the interest of best practice standards, we have extended the information on the CEO pay-ratio prepared in line with the GRI Standards, which now cover three years. We trust that such information confirms that the CEO's pay is sound and sensible. More information can be found in Sections 4.2 and 7.1 of the Remuneration Report.

In 2023, the Nomination & Remuneration Committee continued to make sure that Board and Executive Management remuneration is fully aligned with Swissquote's strategy and the long-term interests of our shareholders and strictly complies with the applicable laws and regulations. I am confident that Swissquote's remuneration policy fosters long-term value creation, appropriately rewards results while maintaining an appropriate risk and compliance framework and enables to attract and retain talent. In that context and in view of the improvements made on an ongoing basis by Swissquote, I respectfully ask our shareholders to approve our Remuneration Report 2023 at the annual general meeting on 8 May 2024.

On behalf of the Nomination & Remuneration Committee and of the Board, I would like to thank our shareholders for the constructive and open dialogue in 2023. We value the exchanges with our shareholders and would appreciate any feedback on our Remuneration Report and, more generally, on the contents of our Annual Report.

Yours faithfully,

Beat Oberlin

Remuneration Report

Summary

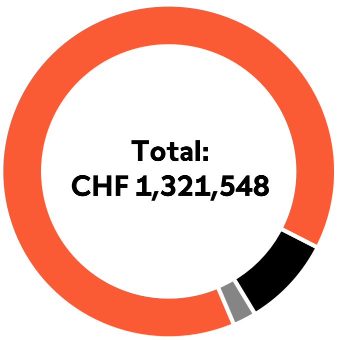
Board remuneration structure

	Fixed remuneration	Contributions and benefits	Fixed indemnity
VEHICLE	– 80% cash, paid quarterly – 20% shares (blocked for 3 years)	– Pensions and social insurances	– Cash
PURPOSE	– Pay for the day-to-day duties performed and responsibilities taken on – Align interests of Board members with shareholders' interests	– Protect against risks	– Cover out-of-pocket expenses
KEY FACTORS	– Role as Chair of the Board, Chair of a committee or member of a committee (board and committee fee structure) – Market levels observed	– Age and remuneration – Only to the extent required by law	– Country of domicile

Executive Management remuneration structure

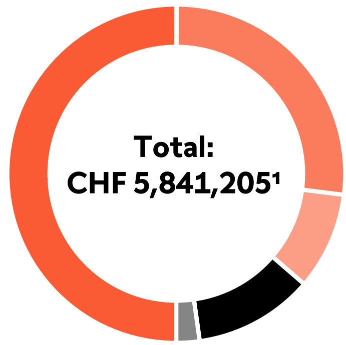
	Fixed remuneration	Short-term incentive plan (STIP)	Long-term incentive plan (LTIP)	Contributions and benefits	Fixed indemnity
VEHICLE	– Monthly cash	– Annual bonus – 67% cash and 33% shares (blocked for 3 years) – Exception: 100% in cash for Executive Management members holding 3% or more of the Company's shares	– Annual grant of stock options enabling the exercise in shares or in cash ("exersale") – Exception: from 2024 onwards, stock options only enabling the exercise in cash ("exersale") for Executive Management members holding 3% or more of the Company's shares	– Pensions and social insurances	– Cash
PURPOSE	– Provide an adequate level of income for the day-to-day job, considering relevant duties and responsibilities – Attract and retain talent	– Reward the performance – Align the interests of Executive Management members with shareholders' interests – Attract and retain talent	– Align interests of Executive Management members with shareholders' interests – Share long-term success – Attract and retain talent	– Protect against risks – Attract and retain talent	– Cover out-of-pocket expenses
KEY FACTORS	– Function and responsibilities – Level of expertise and experience – Market levels observed – Horizontal and vertical alignment within the Group	– Level of achievement of objectives set to the Executive Management as a whole (no individual objectives)	– Company's success as reflected by the positive evolution of the Company's share price (strike price higher than market price at the time of the grant)	– Level of management, age and remuneration – Market levels observed	– Position – Applicable local tax rules
LIMITS AND ADDITIONAL RULES (IN ADDITION TO THE MAXIMUM AMOUNT APPROVED BY THE GENERAL MEETING)	– N/A	– Part of the company-wide bonus system – Minimum bonus: 0% (achievement below 80%) – Target bonus (100% achievement): 45% of the fixed remuneration – Maximum bonus (achievement at 135% or above): 100% of the fixed remuneration	– Terms fully aligned with those applicable to all eligible employees (exception for Executive Management members holding 3% or more of the Company's shares) – Maximum 35% of the fixed remuneration – Maximum 25% of the grant to all eligible employees – Three-year cliff vesting Note: The Company aims that existing shareholders' ownership is not being diluted as a result of the stock option plan. Since 2007, the Company has preferred covering the exercise of stock options with shares held in treasury rather than using the conditional capital.	– In terms of pension fund contributions, full alignment with the rest of the Management working in Switzerland – In terms of social insurance contributions, full alignment with employees working in Switzerland – Applying corresponding laws and regulations, amount unlikely to exceed 20% of the fixed remuneration (excluding mandatory social insurance contributions resulting from the exercise of stock options granted in previous years, which may significantly vary from one year to the other)	– Maximum 7% of the fixed remuneration

2023 Board remuneration



- Fixed remuneration: CHF 1,207,303
- Contributions and benefits: CHF 91,031
- Other remuneration: CHF 23,214

2023 Executive Management remuneration



- Fixed remuneration in cash: CHF 2,922,501
- Short-term incentive plan (STIP): CHF 1,575,228 (53.9%[2])
- Long-term incentive plan (LTIP): CHF 544,460 (18.6%[2])
- Contributions and benefits: CHF 669,416 (22.9%[2])
- Other remuneration: CHF 129,600 (4.4%[2])

[1] The maximum total remuneration approved at the AGM 2022 for the financial year 2023 is CHF 8,000,000.
[2] Compared with fixed remuneration.

Remuneration Report

1 Remuneration policy

The Group's remuneration policy is an important part of its governance framework. Its ultimate purpose is to encourage the delivery of sustainable growth and performance to shareholders, create a favourable environment for the development of employees and promote responsible and ethical behaviour vis-à-vis the Group and the community. The remuneration policy is further designed to attract and retain the most qualified employees, reward achievements as well as long-term performance, with due care to the Group's success and stage of development, and align the interests of the Board and the Executive Management with those of shareholders. Wage fairness and sustainability are also important parts of the Group's remuneration policy, as further addressed in the Sustainability Report.

2 Organisation and powers

2.1 Nomination & Remuneration Committee

In compliance with Art. 20bis Para. 3 of the Articles of Association (the "AoA"), available at https://www.swissquote.com/en/group/investor-relations#corporate-documents in the French original version together with an English free translation, the Remuneration Committee has responsibilities in the field of succession planning and nominations, and is therefore named the "Nomination & Remuneration Committee" or "NRC". The current size of the Board justifies that nomination and remuneration subjects be treated by the same committee. The NRC is governed by Art. 20bis of the AoA, the Organisation Regulations (available at https://www.swissquote.com/en/group/investor-relations#corporate-documents in the French original version) and the Charter of the NRC, according to which the NRC is composed of at least three members of the Board. The Chair of the NRC and the majority of its members must be independent. The general meeting of shareholders (the "General Meeting") individually elects the members of the NRC, whose term of office expires at the end of the annual general meeting (the "AGM") that follows their election. Members of the NRC can be re-elected indefinitely.

At the AGM that was held on 10 May 2023, Demetra Kalogerou did not stand for re-election as member of the NRC, Paolo Buzzi was newly elected as member of the NRC and Beat Oberlin and Monica Dell'Anna were re-elected as members of the NRC. The Board then re-elected Beat Oberlin as the Chair of the NRC.

As per the Charter of the NRC, the NRC meets at least twice a year. In 2023, the NRC met seven times; three meetings were held via (video-)conference calls. The meetings lasted on average one hour. In 2023, Beat Oberlin and Monica Dell'Anna attended all seven meetings. Demetra Kalogerou attended the first four meetings until the expiry of her term. Paolo Buzzi was elected as a new member of the NRC at the AGM of 10 May 2023 and subsequently attended the remaining three meetings. The other Board members attended all NRC meetings as guests, except for Esther Finidori, who attended all meetings held after her election. Members of the Executive Management were invited to all meetings, except when their personal situation was discussed. No external advisors attended the meetings. More generally, in 2023, the Company did not consult with external advisors with respect to the structuring of remuneration, share ownership or any related matters.

The Chair of the NRC reports on the activities of the Committee at the following Board meeting or earlier when the circumstances so require. The minutes of the meetings of the NRC are provided to all Board members.

In accordance with the Organisation Regulations and the Charter of the NRC, the NRC does not have a decision-making authority. It advises and makes proposals to the Board on remuneration matters as well as on questions of succession planning, training and need for external support. For further considerations on succession planning, reference is made to Section 3.7 of the Corporate Governance Report. The NRC has in particular the following powers and duties:

Generally:

- Assist the Board in fulfilling its oversight responsibilities defined by law, the AoA, internal regulations or otherwise with respect to nomination and remunerations matters, from a standalone and consolidated perspective; and
- Coordinate with the Board and, to the extent necessary, with other governing bodies of the Group in order to ensure a cohesive approach to nomination and remuneration matters.

2.1 Nomination & Remuneration Committee (continued)

With respect to nomination:

- Review the size and composition of the Board as well as (applying the guidelines for determining Board members' independence) the independence of its members, in order to ensure (i) compliance with the legal and regulatory requirements, (ii) consistency with the Company's corporate governance framework and (iii) compliance with the requirements adopted by the Board, with due care to diversity aspects;
- Define the process to identify and assess candidates as possible new members of the Board and make corresponding recommendations;
- Review the organisation of the Company from a human resources perspective, in particular the size and the composition of the Management, in order to ensure (i) compliance with the legal and regulatory requirements, (ii) consistency with the Company's corporate governance framework and (iii) compliance with the requirements adopted by the Board, with due care to diversity aspects. The Committee shall ensure that an appropriate succession planning for the Management is maintained, both for emergencies and long-term planning;
- Organise the assessment of the individual skills of the Board members' and Executive Management members; and
- Report to the Board on the outcome of its reviews and assessments together with its recommendations, including in terms of training and need for external support.

With respect to remuneration:

- Review the Company's remuneration policy and systems inter alia with due care to (i) the stage of development of the Company, (ii) the industry practice and (iii) the Company's gender fair pay objectives;
- Ensure that the Company's remuneration policy and systems are always compliant with applicable legal and regulatory requirements and the AoA;
- Review the remuneration of the Board members at least once a year in order to ensure that it is appropriate;
- Recommend to the Board for approval and, as the case may be, for proposal to the General Meeting, the form and amount of the remuneration to be paid to the Chair of the Board, other Board members as well as to the Chair and members of each Board Committee, in line with the AoA and the resolutions of the General Meeting;
- Regularly review the employment contracts of the Management and make recommendations to the Board on the remuneration of the Management, including on the short- or long-term incentive plans (e.g. stock options, restricted shares and similar instruments) and on the actual remuneration awarded;
- Prepare the proposals to be submitted to the General Meeting pursuant to Art. 14bis of the AoA (approval of remuneration) or in relation to the amendments to the provisions of the AoA that concern remuneration matters;
- Review and make recommendations to the Board regarding the Remuneration Report;
- Review the proposals made by the Executive Management for the grants to the employees under the short-term and long-term incentive plans; and
- Report to the Board on the outcome of its reviews together with its recommendations.

In addition to its standard activities throughout 2023, the NRC carried out inter alia the following key activities in 2023:

- It organised and led the selection process with respect to the new Board member, Esther Finidori.
- It performed an in-depth review of the Board's remuneration and proposed a new board and committee fee structure.
- It reviewed the composition of the committees and made corresponding proposals to the Board.
- It performed an in-depth review of the principles and rules pertaining to the Executive Management's STIP.
- It monitored the situation in terms of diversity throughout the entire Group.
- It reviewed the most appropriate benchmarks/ratings to assess the Company as an employer, including in terms of fair pay.

Further information on the NRC can be found in the AoA (in particular in Art. 20bis).

2.2 Board of Directors

Subject to the prerogatives of the General Meeting and in line with the applicable laws and Art. 14bis of the AoA, the Board is competent to decide on all matters relating to remuneration.

The Board, which is composed of non-executive members only, makes its decisions based on the proposals of the NRC. Unless a Board member requests otherwise, the Board decides in one single vote on the Board members' remuneration. Members of the Executive Management do not attend the part of the Board meeting during which their remuneration is decided upon.

2.3 General Meeting

Binding vote on pay

Art. 9 Para. 2, 14bis Para. 1, 21bis and 21ter of the AoA provide for a prospective vote of the shareholders on the maximum aggregate remuneration of the members of the Board and Executive Management. Under these provisions, upon proposal of the Board, shareholders approve at each AGM the maximum aggregate amount of:

– The remuneration payable to the Board for the period until the following AGM; and
– The remuneration payable to the Executive Management for the following financial year.

At the AGM of 10 May 2023, the following maximum aggregate amounts were approved:

– CHF 1,500,000 for the Board (covering the period running from the AGM of 10 May 2023 to the AGM of 8 May 2024); and
– CHF 8,500,000 for the Executive Management (covering the financial year 2024).

Further information on the binding vote on pay can be found in the AoA, in particular in Art. 14bis.

Advisory vote on Remuneration Report

Since 2011, it has been the Company's policy to submit the Remuneration Report to an advisory vote of the shareholders. As the Executive Management's variable remuneration is voted on prospectively by the General Meeting, the Remuneration Report 2023 must be submitted to an advisory vote to the General Meeting in accordance with the CO and Art. 14bis of the AoA.

3 Remuneration components

3.1 Generalities

As at 31 December 2023, the following remuneration components were available for the level of responsibilities listed below:

	Fixed remuneration		Variable remuneration					
	Cash	Shares	Bonus in cash (short-term)	Bonus in shares (short-term)	Shares (long-term)	Stock options (long-term)	Contributions and benefits	Other remuneration
Board members	Yes	Yes	Not eligible	Not eligible	Not eligible	Not eligible	Eligible	Eligible
Members of the Executive Management	Yes	Not eligible	Eligible	Eligible[1]	Not eligible	Eligible	Eligible	Eligible
Other employees	Yes	Not eligible	Eligible	Not eligible	Eligible subject to conditions	Eligible subject to conditions	Eligible	Eligible

[1] Unless the relevant member of the Executive Management holds 3% or more of the Company's shares, in which case such member may not receive part of their bonus in shares.

Fixed remuneration

Cash component

The fixed remuneration depends on the functions and responsibilities of the concerned individual as well as their level of expertise and experience. Subject to the regime applicable to Board members, it is paid out in cash in monthly instalments, after deduction of any social insurance, pension fund and other contributions.

Share component

Board members receive part of their fixed remuneration in shares. With respect to the valuation and blocking period applicable to the shares, reference is made to Section 4.3 of this Remuneration Report.

Variable remuneration

The current remuneration framework does not allow for any variable remuneration for the Board. Art. 21ter Para. 2 of the AoA sets forth the rules applicable to the variable remuneration of the members of the Executive Management.

Section 3.3 describes the manner in which these rules are applied by the Board.

3.1 Generalities (continued)

Employee share plan

The Group offers its eligible employees the opportunity to participate in the long-term success of the Group by purchasing Swissquote shares at a discounted price. The employee share plan aims to reward sustained, long-term performance and align shareholder and employee interests more closely.

Within the framework of the applicable laws, the AoA and the decisions of the General Meeting, the Board will, applying sound judgement, decide every year whether and how many shares will be offered and to whom; no eligible employee has an enforceable right to be granted shares at a discounted price. The Board seeks to keep a sensible relation between the number of shares offered to members of the respective levels of the organisation.

Within the framework of the applicable laws, the AoA and the decisions of the General Meeting, the Board decides on the terms of the employee share plan, including the proceedings and the date of grant of the shares, the price to acquire the shares and the blocking period of the shares and its terms. During the blocking period, the concerned employees are not entitled to sell, donate, pledge or otherwise transfer the shares. In case of change of control, the Board may decide to put an end to any ongoing blocking period.

In 2023, shares were offered for free (no price paid for the acquisition) to all eligible employees. They are blocked for a period of five years as from their attribution.

The members of the Executive Management are not eligible for participating in the employee share plan.

Employee option plan

Since 1999, the Group has been operating a stock option plan in order to encourage long-term participation of eligible employees in the positive development of the Company's stock price.

Subject to applicable laws, the AoA and the decisions of the General Meeting, the Board, applying sound judgement and taking into consideration elements such as those described in Section 7.2, decides every year whether and how many stock options will be offered and to whom as well as on the terms of such stock options. The Board aims to maintain a sensible relation between the number of options granted to members of the respective levels of the organisation. The total number of options granted depends inter alia on the number of eligible employees, the difference between the strike price and the market value and the volatility of the Swissquote share at grant. The decision is made based on the Board's assessment and in accordance with the following principles:

– The value of the stock options granted to the members of the Executive Management in any one year must not exceed 35% of the fixed remuneration paid to such member of the Executive Management in that year;
– The number of stock options granted to the members of the Executive Management must not exceed 25% of the total number of options granted to all eligible employees; and
– The number of stock options granted to each member of the Executive Management must be equal on a full-time basis.

In 2023, the terms of the options granted to all eligible employees were the following:

– Each option entitles its holder to acquire, upon exercise, one share in the Company;
– The options are subject to a three-year cliff vesting;
– The exercise period is two years;
– Unvested options are forfeited when their holder leaves the Group, save in case of retirement or termination of the employment contract due to injury or permanent disability; and
– In case of change of control, the Board may seek to replace outstanding options by new grants having the equity securities of the acquiring company or another related company as underlying asset, in which case the value of the options granted will be at least equal to the value of the options that they replace. The Board may also decide to accelerate the vesting of outstanding options.

In 2023, 149,692 options representing a fair value of CHF 5,821,522 (2022: 184,920 options representing a fair value of CHF 4,528,691) were granted to eligible employees from the middle management to the Executive Management. The size of individual grants depends on the relevant employee's seniority level.

More information on the valuation of stock options is provided in Note 18.2 to the consolidated financial statements (Section VII).

3.1 Generalities (continued)

Contributions and benefits

Social insurance contributions are made pursuant to the applicable laws and depend on the level of remuneration. Pension fund contributions and benefits depend on the level of management, age and remuneration.

Other remuneration

The cash component of the fixed remuneration may be supplemented by a fixed indemnity covering estimated out-of-pocket expenses. Out-of-pocket expenses are determined in accordance with applicable local tax rules.

The Group employees enjoy benefits on the consumption of services provided by the Group (such as favourable conditions on their Swissquote trading account) and other benefits of minor importance.

3.2 Elements of the remuneration of the members of the Board of Directors

As reflected in the table introducing Section 3.1 and in accordance with Art. 21bis Para. 1 of the AoA, the remuneration of the Chair of the Board and other Board members comprises the fixed remuneration applicable until the following AGM, contributions and benefits and a fixed indemnity (other remuneration).

Fixed remuneration

Within the framework of the applicable laws, the AoA and the decisions of the General Meeting, the fixed remuneration of the Board members is reviewed annually and, as the case may be, adjusted upon the recommendation of the NRC. The review of the remuneration of the Board takes several factors into consideration, such as the amount of work required and market levels observed in Switzerland based on publicly available information, although no defined benchmark is used.

The remuneration of the Board members is now established on the basis of a new board and committee fee structure ensuring more transparency and clarity in the setting of the Board members' remuneration. Whereas every Board member receives a standard base fee, Board members who take on additional duties and responsibilities receive extra remuneration in proportion to their roles: (i) the Chair of the Board receives a multiplier of the standard base fee that is set for Board membership, (ii) committee Chairs receive an additional fixed fee (with that of the Chair of the Audit & Risk Committee being higher than the one of the Chair of the Nomination & Remuneration Committee in order to take into account the corresponding additional workload) and (iii) committee members receive an amount in addition to the standard base fee, which is the same for all committee members regardless of the concerned committee.

In accordance with Art. 21bis Para. 2 of the AoA, the Board can decide to have part of the annual fixed remuneration paid in the form of shares. Since 2015, the Board has each year decided that 20% of its fixed remuneration be paid in shares. In such a case, it decides on the conditions of the grants, including the valuation of the relevant shares, and any applicable blocking period. The valuation rules and blocking period applied to the shares granted to the Board members under the Board share plan are described in Section 4.3. The Board share plan is distinct from the employee share plan and does not relate to variable remuneration.

No variable remuneration

Members of the Board are not eligible for any variable remuneration.

Contributions and benefits

Under Swiss law, the Board's remuneration is compulsorily subject to social insurances, hence the contributions made by the Board members (as included in the fixed remuneration) and the Company (as reflected separately in the tables in Section 4.1). In accordance with agreements between the European Union (the "EU") and Switzerland on the coordination of the social security system, social contributions may be paid by the Board members residing in the EU and not by the Company, depending on the circumstances. In any event, Board members do not receive pension fund contributions and benefits, unless required by law.

Other remuneration

The Board members receive a fixed indemnity covering their estimated out-of-pocket expenses, which mainly depend on the country of domicile of the relevant Board member and the applicable local tax rules.

The Board members enjoy the same benefits on the consumption of services provided by the Group as the Group employees (such as favourable conditions on their Swissquote trading account). The aggregate amount of such benefits enjoyed by the Board members is deemed immaterial and is therefore not reported in this Remuneration Report.

3.3 Elements of the remuneration of the members of the Executive Management and other related aspects

As reflected in the table introducing Section 3.1 and in accordance with Art. 21ter Para. 1 of the AoA, the remuneration of the members of the Executive Management comprises:

- a fixed remuneration, which is cash-based;
- a variable remuneration in the form of:
  - a short-term incentive plan (STIP, annual bonus);
  - a long-term incentive plan (LTIP, stock option plan);
- contributions and benefits; and
- a fixed indemnity covering their estimated out-of-pocket expenses (other remuneration).

Fixed remuneration

The fixed remuneration of the members of the Executive Management is cash-based. Within the framework of the applicable laws, the AoA and the decisions of the General Meeting, the fixed remuneration of the Executive Management members is reviewed annually and, as the case may be, adjusted upon the recommendation of the NRC. The review of the remuneration of the Executive Management takes several factors into consideration, such as the function and responsibilities of the concerned Executive Management members as well as market levels observed in Switzerland based on publicly available information, although no defined benchmark is used (see Section 3.4). The fixed remuneration of the members of the Executive Management (except the CEO) was last reviewed and increased in March 2023, as a result of their ongoing development in their respective positions and the evolution of their responsibilities.

Variable remuneration

Short-term incentive plan (STIP)

The short-term incentive plan consists in an annual performance-based bonus. As previously announced, as from 2023, this bonus is paid in cash (67%) and blocked shares (33%). The blocking period of the shares is three years from the grant.

As an exception, members of the Executive Management holding a large shareholding in the Company (3% or more) continue to receive their bonus exclusively in cash.

At the beginning of each financial year, upon the recommendation of the NRC, the Board sets a list of quantitative and qualitative objectives for such financial year to the Executive Management as a whole. Members of the Executive Management are not set individual objectives. The Board assesses that collective objectives foster team spirit and avoid silo thinking, which are key elements to a company's success.

Since 2022, the objectives set to the Executive Management have been classified in three categories:

- financial objectives;
- growth objectives; and
- ESG objectives.

Each category of objectives may be associated with one or more objectives, with a weighted target. The number, the nature and the metrics of the objectives may vary from one year to the other and will be disclosed retrospectively in the Remuneration Report. Objectives for 2023 are described in Section 6.

The table below indicates the annual bonus (in percentage of the fixed remuneration) that can be expected in ordinary circumstances depending on the level of achievement of the objectives. As indicated in the invitation to the AGM 2023, the Board has amended, with effect as from 2023, the target award (from 25% to 45%) and the cap set to the annual bonus (from 65% to 100%), in particular in view of the market levels observed and the challenging objectives set every year to the Executive Management.

Unless otherwise indicated or unless that results from the application of the assessment methodology, neither a threshold nor a cap are set at the level of a specific objective. There is however an overall threshold (corresponding to an achievement at 80%) and, as indicated above, an overall cap (corresponding to an achievement at 135%), as reflected in the table below.

ACHIEVEMENT OF OBJECTIVES	Percentage of the fixed remuneration
More than 135%	100%
Between 100 and 135%	45-100%
100% (target)	45%
Between 80 and 100%	0-45%
Less than 80%	0%

Since members of the Executive Management are not set individual objectives and, therefore, all objectives are collective, the percentage of the fixed remuneration that determines the annual bonus is, with respect to a specific year, the same for all members of the Executive Management, including the CEO. The distribution (in terms of percentage) in the table is by purpose not linear. The cap set by the Board at 100% of the fixed remuneration is lower than the cap set in Art. 21ter Para. 2 of the AoA, which allows for a short-term remuneration up to 150% of the fixed remuneration.

3.3 Elements of the remuneration of the members of the Executive Management and other related aspects (continued)

Long-term incentive plan (LTIP)

Since 2018, the Executive Management's long-term incentive plan has exclusively consisted of stock options granted under the stock option plan described in Section 3.1 above. Since 2022, the vesting of the options occurs three years after their grant (three-year cliff vesting). Furthermore, as indicated in Section 3.1 above, the value of the stock options granted to the members of the Executive Management in any one year must not exceed 35% of the fixed remuneration paid to such member of the Executive Management in that year. Each member of the Executive Management receives the same number of stock options, at the same terms, except if (as from 2024) the member of the Executive Management holds 3% or more of the Company's shares, in which case the stock options received may only be exercised in cash ("exersale").

The number of stock options granted is determined in accordance with the principles described in Section 3.1. In 2023, the number of options granted to the Executive Management was 14,000 (2022: 17,500) representing 9.4% (2022: 9.5%) of the total options granted under the plan to all eligible employees of the Company.

The strike price of the options is set by the Board at a level that is above the applicable share price at the time of grant. The rationale is that Executive Management members (and all other optionees) are rewarded only if the share price increases above the strike price within the exercise period. In 2023, the strike price of the stock options granted was set 11.9% above the market price of the Company's shares at the time of grant (2022: 13.3%).

The Company aims that existing shareholders' ownership is not being diluted as a result of the stock option plan. Accordingly, although the AoA provide for a conditional capital to cover the issuance of shares under the stock option plan of the Company, the Company has preferred, since 2007, covering the option grants by shares held in treasury rather than using its conditional capital.

In 2023, the number of stock options exercised by Executive Management members corresponds to 0.2% of the share capital (0.1% in 2022).

The Board considers that the Executive Management's long-term incentive plan in the form of a stock option plan guarantees a long-term alignment of the interests of the Executive Management with those of the shareholders, in particular in light of the growth strategy pursued by the Company.

Contributions and benefits

Pursuant to Art. 21ter Para. 1 of the AoA, social insurance contributions and pension fund contributions are made to members of the Executive Management. Social insurance contributions are made in accordance with applicable laws and depend on the level of remuneration; such contributions for the Executive Management members are fully aligned with those for the other employees working in Switzerland.

Pension fund contributions and benefits depend on the level of management, age and remuneration. Such contributions and benefits for the Executive Management members are fully aligned with those for the rest of the Management working in Switzerland.

Other remuneration

The members of the Executive Management receive a fixed indemnity covering their estimated out-of-pocket expenses, which inter alia depend on the position of the concerned Executive Management member and the applicable local tax rules. The fixed indemnity was last amended in 2018. It must not represent more than 7% of the fixed remuneration.

All the employees of the Group, including the members of the Executive Management, enjoy the same benefits, such as favourable conditions on their Swissquote trading accounts or access to sport facilities at a discounted price. The Company does not provide benefits such as a company car or health insurance coverage. The aggregate amount of the benefits enjoyed by the members of the Executive Management is deemed immaterial and is therefore not reported in this Remuneration Report.

Duration of contracts

The termination period of the employment contracts of the members of the Executive Management is six months.

Unless the termination of the employment contract with a member of the Executive Management is considered abusive by a tribunal, such member of the Executive Management would not receive any severance payment.

The employment contracts of the members of the Executive Management do not contain any post-contractual non-compete clauses.

3.3 Elements of the remuneration of the members of the Executive Management and other related aspects (continued)

Change-of-control

In accordance with the company-wide Employee Share and Option Plan (applicable to all eligible employees and not only to the members of the Executive Management), in case of change of control, the Board may seek to replace outstanding options by new grants having the equity securities of the acquiring company or another related company as underlying asset, in which case the value of the options granted will be at least equal to the value of the options that they replace. In accordance with the Employee Share and Option Plan, the Board may also decide to accelerate the vesting of outstanding options. Subject to the aforementioned exceptions, the employment contracts of the members of the Executive Management do not contain any change-of-control arrangement.

Clawback

In accordance with the Company's clawback policy, the Company is entitled to seek repayment of some or all of the variable remuneration under the STIP and/or LTIP received by a member of the Executive Management over a period of up to three years in the event of a material restatement of the Company's financial statements, an accounting issue or a breach of duty. Instead of seeking reimbursement of performance-based remuneration, the Company may also declare a member of the Executive Management ineligible to all or part of the variable remuneration for a certain period.

3.4 Benchmark

As a growth company, it is essential for the Company to be in a position to attract and retain the talents that are required for its continuous development. From a human resources perspective, the Group is competing with a broad spectrum of companies in its Swiss home market, but also in other countries where the Group has subsidiaries. The sectors in which the Group competes for talents include financial services and fintechs, but also, and more generally, all industries in which advanced software development engineers and digitalisation skills are in demand. The Board reviews the latest developments in remuneration systems in such industries and sectors as well as market levels observed, meaning (in the context of this Remuneration Report) the compensation practices of Swiss listed companies active in the financial or technology sector and which are either experiencing a growth phase or have reached a size that is at least similar to that of the Company. The Board has however not identified specific companies considered to be relevant enough to constitute a benchmark for the Company.

The Board notes that, to date, the Company has been able to attract and retain the right talents and that, as of 31 December 2023, there had been only three departures from the Executive Management in the past 10 years: two of those concerned shifts from the Executive Management to the Board, with the third being a retirement. Conversely, the remuneration of the Executive Management appears to be perceived as reasonable by the shareholders, considering, inter alia, the feedback received during the engagement programme and the fact that the General Meeting has always approved with a large majority the proposals of the Board with respect to the maximum aggregate remuneration of the Executive Management. The Board remains vigilant with respect to the needs to adapt the Company's remuneration systems and the remuneration offered with the aim of contributing to the achievement of the Company's growth objectives and in order to ensure that the interests of the Executive Management members are aligned with those of the shareholders.

4 Remuneration for 2023 and external mandates

The remuneration reported in this Section is applicable to all activities of the concerned persons in the Group, including, for the Board members, their board activities for the Company and Swissquote Bank Ltd, and, for the members of the Executive Management, their activities in the Board of Directors of the foreign subsidiaries of the Group.

For the sake of clarity, in 2023 as in the past years, there were no deviations in the determination and payment of the remuneration compared to the policies described in this Remuneration Report. As a result, the Company does not have a derogation policy.

This Section of this Remuneration Report was audited by the Company's Auditors.

4.1 Remuneration of the members of the Board of Directors

The tables in this Section state the total remuneration for the members of the Board for the financial years 2023 and 2022. The cash components correspond to gross figures and include social insurance contributions paid by the Board members. Therefore, the figures relating to social insurance contributions only cover the amount paid by the Company. Other remuneration consists of a fixed indemnity covering estimated out-of-pocket expenses.

	Fixed remuneration				
in CHF	Cash	Shares (tax value)	Contributions and benefits	Other remuneration	Total
BOARD REMUNERATION 2023					
Markus Dennler, Chairman	187,720	48,100	17,334	2,000	255,154
Jean-Christophe Pernollet, member	125,145	32,124	14,091	2,000	173,360
Beat Oberlin, member	117,144	30,063	10,308	2,000	159,515
Monica Dell'Anna, member	106,569	27,142	12,104	2,000	147,815
Michael Ploog, member	106,569	27,142	12,104	2,000	147,815
Paolo Buzzi, member	106,569	27,142	12,104	2,000	147,815
Demetra Kalogerou, member	106,569	27,142	–	8,000	141,711
Esther Finidori, member[1]	61,714	24,050	12,986	3,214	101,964
Subtotal	**917,999**	**242,905**	**91,031**	**23,214**	**1,275,149**
Difference between tax value and IFRS fair value of shares granted to the Board					46,399
Total remuneration 2023					**1,321,548**

[1] Esther Finidori was newly elected to the Board at the AGM 2023.

As reflected in the above table, the total remuneration is calculated by taking into consideration the fair value of the shares granted to the Board. For information on the tax value and on the fair value, reference is made to Section 4.3.

In 2023, no remuneration was paid, and no loan or credit was granted, to former Board members. Furthermore, no remuneration was paid to related parties and no loan or credit was granted to related parties, except Lombard loans, which were granted at market conditions.

4.1 Remuneration of the members of the Board of Directors (continued)

in CHF	Fixed remuneration				
	Cash	Shares (tax value)	Contributions and benefits	Other remuneration	Total
BOARD REMUNERATION 2022					
Markus Dennler, Chairman	180,000	44,948	16,725	2,000	243,673
Jean-Christophe Pernollet, member	120,000	30,040	13,689	2,000	165,729
Beat Oberlin, member	112,000	28,022	9,895	2,000	151,917
Monica Dell'Anna, member	104,000	26,005	11,869	2,000	143,874
Michael Ploog, member	106,774	26,005	12,307	2,000	147,086
Paolo Buzzi, member[1]	67,936	26,005	6,206	1,306	101,453
Demetra Kalogerou, member[2]	67,936	26,005	–	5,226	99,167
Martin Naville, former member[3]	36,065	–	5,600	694	42,359
Subtotal	**794,711**	**207,030**	**76,291**	**17,226**	**1,095,258**
Difference between tax value and IFRS fair value of shares granted to the Board					39,545
Total remuneration 2022					**1,134,803**

[1] Paolo Buzzi was newly elected to the Board at the AGM 2022.
[2] Demetra Kalogerou was newly elected to the Board at the AGM 2022.
[3] Martin Naville did not stand for re-election at the AGM 2022.

As reflected in the above table, the total remuneration is calculated by taking into consideration the fair value of the shares granted to the Board. For information on the tax value and on the fair value, reference is made to Section 4.3.

In 2022, apart from the amount paid to Martin Naville for his office time until the AGM 2022, no remuneration was paid, and no loan or credit was granted, to former Board members. Furthermore, no remuneration was paid to related parties and no loan or credit was granted to related parties, except Lombard loans, which were granted at market conditions.

Board remuneration changes from 2022 to 2023

Overall, the total remuneration increased from CHF 1,134,803 to CHF 1,321,548, representing an increase of 16.5% as a result of the extension of the Board's composition from seven to eight members and of a slight increase in the fixed remuneration adopted within the framework of the introduction of the new board and committee fee structure, which takes into consideration the increasing workload and liability risks. More specifically, the total fixed remuneration in cash increased from CHF 794,711 to CHF 917,999, representing an increase of 15.5%, and the shares' total tax value increased from CHF 207,030 to CHF 242,905, representing an increase of 17.3%. The total social insurance contributions increased from CHF 76,291 to CHF 91,031, representing an increase of 19.3%. Furthermore, the other remuneration increased from CHF 17,226 to CHF 23,214, representing an increase of 34.8%; this is due to the election, in 2022 and 2023, of two new Board members not residing in Switzerland.

4.2 Remuneration of the members of the Executive Management

This Remuneration Report informs on the remuneration of the highest paid member of the Executive Management as well as the aggregate remuneration of all members of the Executive Management. This is in line with market practice and results from the application of the CO.

The cash components correspond to gross figures and include social insurance contributions and pension fund contributions paid by the members of the Executive Management. Therefore, the figures relating to social insurance contributions and pension fund contributions and benefits only cover the amount paid by the Company. Other remuneration consists of a fixed indemnity covering estimated out-of-pocket expenses.

	Fixed remuneration	Variable remuneration				
in CHF	Cash	Short-term incentive plan (STIP)	Long-term incentive plan (LTIP)	Contributions and benefits	Other remuneration	Total
EXECUTIVE MANAGEMENT REMUNERATION 2023						
Marc Bürki, CEO (highest paid)	550,000	296,450	77,780	111,271	21,600	1,057,101
Aggregate of all members of the Executive Management	**2,922,501**	**1,575,228**	**544,460**	**669,416**	**129,600**	**5,841,205**

The short-term incentive plan (STIP) for members of the Executive Management consists in an annual performance-based bonus. As previously announced, as from 2023, this bonus is paid in cash (67%) and blocked shares (33%). As an exception, members of the Executive Management holding a large shareholding in the Company (3% or more) continue to receive their bonus exclusively in cash. In 2023, the only member of the Executive Management concerned by this exception is Marc Bürki, CEO and co-founder of the Company.

The blocking period of the shares is three years from the grant. The exact number of shares to be granted to the members of the Executive Management (with no large shareholding) will be determined on the day of the publication of the Annual Report (date of grant) (i) using the closing share price on that day and (ii) aiming at reaching a number of entire units for a value as close as possible to 33% but in no event lower than 33%.

For 2023, the variable remuneration under the STIP represents 53.9% of the aggregate fixed remuneration. The sum of the variable remuneration under the STIP and the LTIP represents 72.5% of the aggregate fixed remuneration. Reference is made to Section 6 for further information.

The total remuneration 2023 includes the remuneration of Lino Finini, who was a member of the Executive Management until 31 December 2023. Except for that, in 2023, no remuneration was paid, and no loan or credit was granted, to former members of the Executive Management. Moreover, no remuneration was paid to related parties and no loan or credit was granted to related parties, except Lombard loans, which were granted at market conditions.

4.2 Remuneration of the members of the Executive Management (continued)

in CHF	Fixed remuneration	Variable remuneration				
	Cash	Short-term incentive plan (STIP)	Long-term incentive plan (LTIP)	Contributions and benefits	Other remuneration	Total
EXECUTIVE MANAGEMENT REMUNERATION 2022						
Marc Bürki, CEO (highest paid)	550,000	94,050	61,225	106,862	21,600	833,737
Aggregate of all members of the Executive Management	**3,319,875**	**484,999**	**428,575**	**612,339**	**133,910**	**4,979,698**

For 2022, the variable remuneration under the STIP represents 14.6% of the aggregate fixed remuneration. The sum of the variable remuneration under the STIP and the LTIP represents 27.5% of the aggregate fixed remuneration.

The total remuneration 2022 includes the remuneration of Paolo Buzzi, who was a member of the Executive Management until March 2022. Except for that, in 2022, no remuneration was paid, and no loan or credit was granted, to former members of the Executive Management. Furthermore, no remuneration was paid to related parties and no loan or credit was granted to related parties, except Lombard loans, which were granted at market conditions.

Executive Management remuneration changes from 2022 to 2023

The total fixed remuneration decreased from CHF 3,319,875 to CHF 2,922,501, representing a decrease of 12.0%. Despite the fact that the fixed remuneration of the Executive Management members (except the CEO) was slightly increased from 2022 to 2023, as a result of their ongoing development in their respective positions and the evolution of their responsibilities, the fixed remuneration was impacted by the changes made in the composition of the Executive Management.

In line with the level of achievement of the objectives set to the Executive Management for 2023, the total annual bonus significantly increased from CHF 484,999 to CHF 1,575,228, representing an increase of 224.8%. This reflects the difference between a year (i.e. 2022) in which the objectives were not achieved and a year (i.e. 2023) in which the objectives were over-achieved. Reference is made to Section 6 for further information on the assessment of the level of achievement of the objectives set to the Executive Management.

Compared to 2022, the fair value of the stock options granted increased from CHF 428,575 to CHF 544,460, representing an increase of 27.0%. This results mainly from the increase in the fair value per option granted. As described in Section 4.3, the fair value of an option is determined based on the Black-Scholes valuation model. The fair value of each option highly depends on the price of the Company's share at the time of grant. In the past years, the price of the Company's share has significantly increased. Therefore, despite (i) the decrease in the number of stock options granted to the members of the Executive Management (see Section 8.2) and (ii) the fact that the mark-up of the strike price compared to the spot price has remained similar over the years, the fair value of the options has essentially increased by the effect of a higher price of the Company's share. Despite the higher global value of the stock options granted to the members of the Executive Management, the grants in recent years are more likely to result in lower benefits for them than in higher benefits compared to grants made in the past.

The total social insurance contributions and pension fund contributions and benefits increased from CHF 612,339 to CHF 669,416, representing a total increase of 9.3%. Reference is made to Section 8.2 for further information. The other remuneration slightly decreased from CHF 133,910 to CHF 129,600, representing a decrease of 3.2% resulting from the changes made in the composition of the Executive Management.

Overall, the total remuneration significantly increased from CHF 4,979,698 to CHF 5,841,205, representing a total increase of 17.3%, which mainly results from the increase of the annual bonus compared to 2022.

4.3 Valuation principles

The annual bonus accrues in the financial year under review and is payable in the following financial year. It is therefore based on the results of the financial year under review.

The fair value of the shares is determined in accordance with the International Financial Reporting Standards (IFRS). It represents the market price, i.e. the price that would be received for a share in an orderly transaction between market participants on the grant date.

The market price of the shares granted to the Board in 2023 was CHF 204.6. The market price of the shares granted to the Board in 2022 was CHF 133.5.

The tax value of the shares is determined based on the Swiss Federal Tax Administration Circular Letter No. 37 on Taxation of Employee Participations and Circular Letter No. 37A on Tax Treatment of Employee Participations with the Employer. It represents the market price of the share on grant date discounted by a fixed percentage for a certain period of blocking.

The shares granted to the Board in 2023 are blocked for three years from their grant date and their tax value amounts to CHF 171.8 per share. This tax value represents the market price of the share on grant date (i.e. CHF 204.6) discounted by 16.0%.

The shares granted to the Board in 2022 are blocked for three years from their grant date and their tax value amounts to CHF 112.1 per share. This tax value represents the market price of the share on grant date (i.e. CHF 133.5) discounted by 16.0%.

In order to determine the number of (blocked) shares to be granted to the members of the Executive Management as part of the short-term incentive plan (STIP), the fair value of the shares at the closing of the stock exchange on the day of the publication of the Annual Report is used.

The fair value of the options is determined based on the Black-Scholes valuation model. The most significant inputs into the model are the market value of the Swissquote share at grant, the strike price, the expected life of the options and the volatility. The volatility is measured over a period of ten years. Other inputs into the model are the risk-free interest rate and the dividend yield. One option grants the right to acquire one share in the Company (ratio 1:1). For the financial year 2023, the fair value amounts to CHF 38.9 per option on grant date. For the financial year 2022, the fair value amounts to CHF 24.5 on average per option on grant date.

4.4 Loans and credits to the Board and the Executive Management

Pursuant to Art. 21 Para. 2 of the AoA, the Company may grant loans and credits to the members of the Board and of the Executive Management at market terms or at terms which apply to all employees. Loans and credits which do not satisfy such conditions are authorised provided that, in each single case, they do not exceed the amount of CHF 100,000 and to the extent that they have been approved by the General Meeting, either individually or as part of an aggregate amount.

The following loans and credits were granted to and were still outstanding as at 31 December 2023 with current and former members of the Board and of the Executive Management, as well as their closely related persons. As reflected in the table, no loan or credit was granted to former Board or Executive Management members. All loans and credits were granted at market conditions.

in CHF	2023	2022
MEMBERS OF THE BOARD		
Markus Dennler, Chairman	–	–
Jean-Christophe Pernollet, member	–	–
Beat Oberlin, member	–	–
Monica Dell'Anna, member	–	–
Michael Ploog, member	–	–
Paolo Buzzi, member	–	–
Demetra Kalogerou, member	–	–
Esther Finidori, member[1]	–	–
Closely related persons	33,370	32,624
Former members	–	–
Total as at 31 December	**33,370**	**32,624**

in CHF	2023	2022
MEMBERS OF THE EXECUTIVE MANAGEMENT		
Marc Bürki, CEO	5,581,494	6,126,233
Yvan Cardenas, CFO	–	–
Gilles Chantrier, CRO	–	–
Alexandru Craciun, CTO	89,088	–
Jan De Schepper, CSO	–	–
Lino Finini, COO	–	–
Morgan Lavanchy, CLO	–	–
Closely related persons	2,024,153	1,952,124
Former members	–	–
Total as at 31 December	**7,694,735**	**8,078,357**

4.5 External mandates of members of the Board and of members of the Executive Management

In accordance with Art. 734e CO and Art. 16bis of the AoA, the table below lists any comparable mandates held by the members of the Board in other for-profit and non-profit legal entities that are neither controlled by or in control of the Company as at 31 December 2023 (unless otherwise indicated in the table):

BOARD MEMBERS	Mandates in listed for-profit companies	Mandates in non-listed for-profit companies	Mandates in other (non-listed) for-profit entities	Mandates in non-profit entities (e.g. associations, charitable organisations and foundations)
Markus Dennler, Chairman	None	– Chairman Allianz Suisse Versicherungs-Gesellschaft AG, Switzerland – Chairman Allianz Suisse Lebensversicherungs-Gesellschaft AG, Switzerland	None	– Honorary Councillor, British Swiss Chamber of Commerce, Switzerland
Jean-Christophe Pernollet	– Chairman of the Board, Edmond de Rothschild Real Estate SICAV, Switzerland	– Group Chief Risk Officer, Edmond de Rothschild (including various mandates in the same group), Switzerland	– Chairman of the Board, Edmond de Rothschild Pension Fund, Switzerland	– Chairman of the Board, Fondation Observatoire de la Finance, Switzerland
Beat Oberlin	None	– Vice President of the Board, St. Clara Spital Group, Switzerland – Chairman of the Board, urb-x AG, Switzerland	None	– Chairman of the Board, University of Basel, Switzerland – Vice Chairman of the Board, Thomi-Hopf-Stiftung, Switzerland
Monica Dell'Anna	None	– Chairwoman of the Board, B Capital Partners AG, Switzerland – Member of the Advisory Board, Accenture Switzerland, Switzerland	None	– President, Italian Chamber of Commerce for Switzerland, Switzerland
Michael Ploog	None	– Member of the Board and of the Audit, Risk and Regulatory Committee, Syz Bank Ltd/Syz Group, Switzerland	None	None
Paolo Buzzi	None	– Member of the Board, NetGuardians, Switzerland	None	– Member of the Strategic Advisory Board, EPFL, Switzerland
Demetra Kalogerou	– Independent non-executive member of the Board, INX Ltd, USA	– Independent non-executive member of the Board, ECOMMBX Ltd, Cyprus	None	None
Esther Finidori[1]	– Vice-President Strategy France, Schneider Electric, France	None	None	– Member of the Board, IGNES, France – Member of the Board, Equilibre des Energies (EdEn), France – Member of the Board, Avere-France, France
Maximum permitted mandates	**4**		**5**	
	9 (listed and non-listed for-profit companies combined)			

[1] Esther Finidori was newly elected to the Board at the AGM 2023.

4.5 External mandates of members of the Board and of members of the Executive Management (continued)

In accordance with Art. 734e CO and Art. 16bis of the AoA, the table below lists any comparable mandates held by the members of the Executive Management in other for-profit and non-profit legal entities that are neither controlled by or in control of the Company as at 31 December 2023 (unless otherwise indicated in the table):

EXECUTIVE MANAGEMENT MEMBERS	Mandates in listed for-profit companies	Mandates in non-listed for-profit companies	Mandates in other (non-listed) for-profit entities	Mandates in non-profit entities (e.g. associations, charitable organisations and foundations)
Marc Bürki, CEO	None	– Chairman of the Board, Yuh Ltd, Switzerland[1]	None	– Member of the Board, ETH Domain, Switzerland
Yvan Cardenas, CFO	None	None	None	– Member of the Tax Commission, Chambre vaudoise du commerce et de l'industrie, Switzerland – Member of the Board of the Social Insurances Committee AVS/AI/APG/AF, Chambre vaudoise du commerce et de l'industrie, Switzerland – Member of the Investment Committee of the Social Insurances AVS/AI/APG/AF, Chambre vaudoise du commerce et de l'industrie, Switzerland
Gilles Chantrier, CRO	None	None	None	None
Alexandru Craciun, CTO	None	None	None	None
Jan De Schepper, CSO	None	None	None	– Member of the Board, SWA/ASA - National Advertisers Association, Switzerland
Lino Finini, COO[2]	None	– Member of the Board, Groupement Hospitalier de l'Ouest Lémanique (GHOL), Switzerland	None	None
Morgan Lavanchy, CLO	None	None	None	– Member of the Executive Committee, Capital Markets and Technology Association, Switzerland
Nestor Verrier, COO[3]	None	None	None	None
Maximum permitted mandates	1		3	
	4			

[1] This mandate is held at the request of the Company; Yuh Ltd is a joint venture of Swissquote Bank Ltd and PostFinance AG.
[2] Lino Finini retired from his position as COO of the Company on 31 December 2023.
[3] Nestor Verrier was appointed as COO of the Company on 1 January 2024.

5 Reconciliation of remuneration with the approval of the General Meeting

At the AGM of 6 May 2022, the shareholders approved a maximum aggregate remuneration of the Board amounting to CHF 1,300,000 for the period of office from the AGM of 6 May 2022 until the completion of the AGM of 10 May 2023. The total amount of remuneration paid out for this period was CHF 1,130,942, which is in line with what was approved at the AGM of 6 May 2022. The above-mentioned maximum aggregate remuneration included a reserve of CHF 100,000 in order to cover potential exceptional tasks requiring an additional remuneration, in particular in case of unforeseen circumstances. No such additional remuneration was paid, i.e. the reserve was not used.

At the AGM of 10 May 2023, the shareholders approved a maximum aggregate remuneration of the Board amounting to CHF 1,500,000 for the period of office from the AGM of 10 May 2023 until the completion of the AGM of 8 May 2024. The total amount of remuneration that will be paid out for this period is anticipated to be in line with the maximum aggregate remuneration approved at the AGM of 10 May 2023. The final amount that will be paid will be disclosed in the Remuneration Report 2024.

With respect to the remuneration of the Executive Management, the shareholders approved at the AGM of 6 May 2022 a maximum aggregate remuneration of CHF 8,000,000 for the financial year 2023, taking into consideration an Executive Management comprising seven members. The total amount of remuneration paid out and accrued for this period was CHF 5,841,205 for the entire Executive Management in 2023, which is in line with what was approved at the AGM of 6 May 2022.

At the AGM of 10 May 2023, the shareholders approved a maximum aggregate remuneration for the Executive Management amounting to CHF 8,500,000 for the financial year 2024. The total amount of remuneration that will be paid out and accrued for this period is anticipated to be in line with the maximum aggregate remuneration approved at the AGM of 10 May 2023. The final amount that will be paid and accrued will be disclosed in the Remuneration Report 2024.

6 Objectives for 2023 and assessment of their achievement

As described in Section 3.3, the Board sets, at the beginning of each financial year, a list of quantitative and qualitative objectives to the Executive Management to assess its performance and determines the amount of the annual bonus (STIP), if any. The objectives are set with due care to the Company's strategy and guidance communicated to the public and, more specifically, to the ESG Materiality Matrix (using a double materiality approach) published in the Sustainability Report. The objectives apply to the Executive Management as a whole, rather than on an individual basis.

The table on the next page describes the nature, the weighting and the metrics of the objectives that were set for the financial year 2023, together with their respective level of achievement, as assessed by the Board upon the NRC's recommendation. The table also reconciles the objectives with the above-mentioned ESG Materiality Matrix.

Compared to the previous years, the Board decided to add a third financial objective in 2023, i.e. an objective that relates to the pre-tax profit margin. The pre-tax profit margin is considered an important indicator of the profitable growth that the Company seeks to achieve. The pre-tax profit margin also reflects the agility of the organisation, in particular in terms of cost management. The Board therefore considers appropriate a combination of financial objectives comprised of revenues, pre-tax profit and pre-tax profit margin.

For 2023, the level of achievement was above the target and the annual bonus was set at 103.5% of the fixed remuneration.

The following elements help read the table:

- As stated in Section 3.3, the maximum annual bonus for the Executive Management members is 100% of their fixed remuneration and is reached as soon as the level of achievement of the objectives reaches 135%. The global threshold is set at 80%. Unless that results from the application of the assessment methodology (e.g. with respect to the Customer NPS), neither a threshold nor a cap are set at the level of a specific objective.
- All the objectives are equally weighted in their respective category.
- The level of achievement is calculated by adding the weighted (positive or negative) contribution of the level of achievement of each objective. The global level of achievement corresponds to a percentage of fixed remuneration in accordance with a pre-defined grid that sets the threshold (0% of fixed remuneration) at 80% and the cap (100% of the fixed remuneration) at 135%.
- The Board may decide to deviate from the strict application of the formula under exceptional circumstances, if the absence of deviation would, in its view, lead to an inappropriate amount of the annual bonus. The deviation may be downwards (e.g. in case of material risk or compliance issues) or upwards (e.g. in case of significant adverse circumstances that could not be anticipated). In 2023, no such deviation was made.
- The annual bonus of the employees of the Group also depends on the achievement of the objectives set to the Executive Management, ensuring a full alignment of the employees' interests with those of the members of the Executive Management. In case of fair or good performance, the bonus of the eligible employees other than the Executive Management members corresponds to a percentage of these employees' salary that is smaller than the percentage of the fixed remuneration of the Executive Management. In case of partial achievement of the objectives, the bonus of the eligible employees other than the Executive Management members may, depending on the level of achievement of the objectives and the hierarchical level of the employee, correspond to a percentage of these employees' salary that is higher than the percentage of the fixed remuneration of the Executive Management.

6 Objectives for 2023 and assessment of their achievement (continued)

Category and weight of objectives	Objective	Alignment with the ESG Materiality Matrix	Key elements for the assessment of the level of achievement	Level of achievement
Financial **Global weight: 60%** **Weight of each objective: 20%**	Achieve consolidated net revenues of CHF 495 million	Financial performance	The Company posted record consolidated net revenues of CHF 531.4 million in 2023. As a result, the level of achievement is above the target.	107.3%
	Achieve a consolidated pre-tax profit of CHF 230 million	Financial performance / Transparency and credibility in the market	The Company posted a record consolidated pre-tax profit of CHF 255.4 million in 2023. As a result, the level of achievement is above the target.	110.9%
	Achieve a pre-tax profit margin of 45%	Financial performance	The pre-tax profit margin was 48.1% in 2023. As a result, the level of achievement is above the target.	106.7%
Growth **Global weight: 25%** **Weight of each objective: 6.25%**	Implement enhanced CRM functionalities to improve the 360o client vision	Customer experience / Data privacy and security / Innovation and access to finance / Product Governance	The majority of the new features identified as part of the project have been developed on time, while a few of them remain to be completed in 2024. As a result, the level of achievement is below the target.	90.0%
	Launch new digital wealth management solutions, i.e. "Invest Easy" and "Invest 3A"	Innovation and access to finance / Customer experience / Product governance	The new digital wealth management solutions "Invest Easy" and "Invest 3A" have been launched according to plans. As a result, the level of achievement is at target.	100.0%
	Implement end-to-end native mobile onboarding	Innovation and access to finance / Customer experience / Product governance	The new end-to-end native mobile onboarding capacity was launched according to plans, with the exception of some secondary functionalities. As a result, the level of achievement is slightly below the target.	95.0%
	Achieve CHF 700m of net new monies in the EU institutional market with a target margin on assets of 0.25%	Financial performance	An equivalent of CHF 350m (weighted by the margin on assets) was achieved. Whilst the concrete net new monies have been greater than this amount, the acquisition of the concerned clients took place later in the year than anticipated, which impacted the margin on assets and the final outcome. As a result, the level of achievement is largely below the target.	50.0%
ESG **Global weight: 15%** **Weight of each objective: 3.75%**	Strengthen ESG factors in nostro investing and lending activities	Prudent investment approach / Energy use and climate resilience	ESG factors have been duly integrated in both investing and Lombard lending policies and processes. These positive developments have been recognised by ESG rating agencies, especially by Sustainalytics (rating improved from medium to low risk). As a result, the level of achievement is slightly above the target.	105.0%
	Set measures to reduce Scopes 1 and 2 direct carbon emission by 20% in 2024 compared to 2022	Energy use and climate resilience	All the planned steps have been taken but an administrative delay beyond the Company's control may jeopardise the achievement of the 20% objective valid for 2024. As a result, the level of achievement is below the target.	80.0%
	Maintain a high customer satisfaction represented by a Customer NPS of 28	Customer experience / Transparency and credibility in the market	An all-time high Customer NPS of 37 was recorded for 2023. As a result, the level of achievement is largely above the target. Note: unlike for the other strictly quantitative objectives (to which a mere cross-multiplication applies), each point deviating from the target counts for 10%.	190.0%
	Achieve a top position among Swiss banks in the employer ranking organised by the Handelszeitung and Statista and obtain a "Great Place to Work" certification	Talent recruitment, development and retention / Compensation and benefits / Transparency and credibility in the market	Early in 2024, the Company obtained the 11th place in the Swiss banking sector in the concerned employer ranking. This is a solid outcome, although not at the level of the previous year. The Company obtained the "Great Place to Work" certification at the beginning of 2024. All in all, the level of achievement is slightly below the target.	95.0%
			Global achievement in 2023	103.5%
			Target award value (100% achievement)	**45% of fixed remuneration**
			Award for 2023	**53.9% of fixed remuneration**

7 Key comparisons

7.1 CEO pay-ratio

The following table provides information for 2021, 2022 and 2023 on the ratio between the CEO's remuneration and the average and median employee remuneration. The CEO's remuneration is calculated in accordance with rules that differ from those used for the amounts disclosed in Section 4.2, as explained below. This Section confirms that the CEO's remuneration is sound and sensible.

in CHF thousands	2023	2022	2021
CEO (highest paid) remuneration	721.8	963.9	933.2
Evolution of CEO remuneration	–25.0%	3.3%	Not available*
Average employee remuneration	144.0	154.6	154.9
Evolution of average employee remuneration	–6.8%	-0.2%	Not available*
CEO pay-ratio based on average employee remuneration	501.2%	623%	603%
Evolution of CEO pay-ratio based on average employee remuneration	–19.6%	3.3%	Not available*
Median employee remuneration	130.7	134.4	133.6
Evolution of median employee remuneration	–2.7%	0.6%	Not available*
CEO pay-ratio based on median employee remuneration	552.2%	717%	699%
Evolution of CEO pay-ratio based on median employee remuneration	–29.8%	2.6%	Not available*

* Part of the relevant information is outside the applicable period.

For the purposes of calculating the ratios, the gross remuneration paid in the year under review (the "YUR") was taken into consideration (including the annual bonus paid in the YUR with respect to the YUR-1). The same applies for the previous years: for example, for the YUR-1, the gross remuneration taken into consideration was the one paid in the YUR-1 (including the annual bonus paid in the YUR-1 with respect to the YUR-2).

The evolution of the CEO remuneration from 2022 to 2023 is essentially explained by the annual bonus paid in 2023 with respect to 2022: the level of achievement of the objectives set to the Executive Management with respect to 2022 was much lower than the ones in previous years. The average and median employee remuneration was also impacted by the lower bonus, but to a lesser extent than for the CEO, which explains why the CEO pay-ratio decreased significantly.

To define the most relevant sample of employees, the following rules have been used:

Included	Excluded
– Employees: – working for a Group entity located in Switzerland; – having a permanent contract; – eligible for an annual bonus; and – employed since January YUR-1 and still employed in December YUR[1].	– CEO (highest paid); – employees of the sales force under a commission scheme; and – apprentices.

[1] This rule aims at ensuring an appropriate comparison in terms of annual bonus.

7.2 Distribution between shareholders, the Executive Management and employees

The Board seeks to ensure an appropriate distribution of the Company's profit among the following stakeholders:

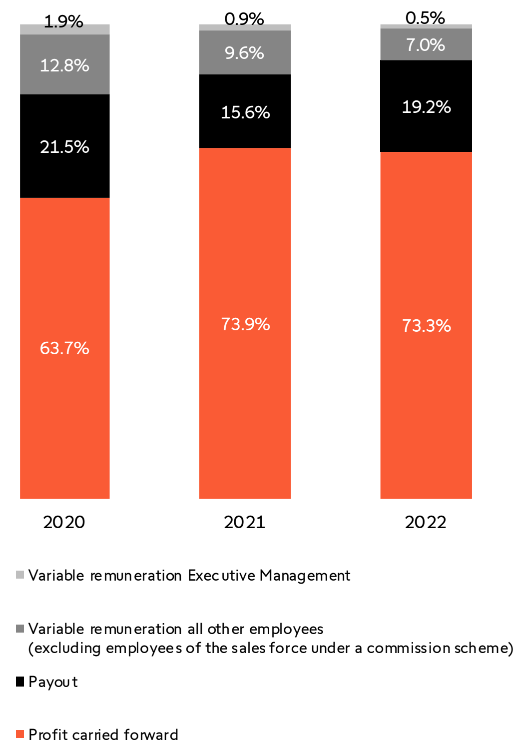
– The shareholders, via the dividend or any other form of payout;
– The Executive Management members, via the variable remuneration;
– The other employees of the Group, via the variable remuneration; and
– The Group itself, which may benefit from an increased equity base thanks to the profit carried forward.

For the purposes of ensuring that the distribution among the stakeholders is appropriate, the Board carries out analyses using the concept of "base profit". The "base profit" is an adjusted net profit, in which the variable remuneration (net of tax) of the employees of the Group (including the Executive Management members) is reintegrated. The above-mentioned analyses take into consideration several factors such as the Company's profitability, the capital situation, the growth pattern, the development opportunities and other prevailing circumstances.

For example, in the context of a sustainable increase of the Company's profitability, the dividend per share and the variable remuneration of the employees of the Group (including the Executive Management members) are expected to increase. Nevertheless, the relationship between the dividend per share and the variable remuneration is not always linear. While the variable remuneration is capped, the dividend is not (to the extent of the profit carried forward). At the same time, the Group has so far sought to pay a dividend per share that has a certain level of stability when the variable remuneration could be nil under certain circumstances.

The chart below presents the distribution of the base profit from 2020 to 2022. Since the dividend for the year 2023 still needs to be approved by the General Meeting, the situation for 2023 will be provided in the Remuneration Report 2024:

Distribution of base profit



The above chart shows that, in 2022, compared to 2021, the share of the payout increased, whilst the respective shares of the variable remuneration of the Executive Management members, the variable remuneration of the other employees of the Group and the profit carried forward decreased. The share of the profit carried forward remained significant. The aim was to ensure a solid equity base in order to enable the Company to capture its full growth potential and take opportunities such as acquisitions.

8 Share ownership

As at 31 December 2023, the number of shares and options held by current Board members, members of the Executive Management and closely related persons, was 3,580,111 or 23.4% of the share capital.

The following tables were prepared in accordance with Art. 734d CO and are also available in Note 27 to the consolidated financial statements (Section VII).

8.1 Shareholdings

The tables below indicate the shareholdings of the members of the Board, the members of the Executive Management and their closely related persons.

MEMBERS OF THE BOARD	Number of shares as at 31 December 2023	Number of shares as at 31 December 2022
Markus Dennler, Chairman	32,829	32,549
Jean-Christophe Pernollet, member	4,797	4,610
Beat Oberlin, member	4,211	4,036
Monica Dell'Anna, member	2,750	2,592
Michael Ploog, member	45,656	45,498
Paolo Buzzi, member	1,595,535	1,595,377
Demetra Kalogerou, member	390	232
Esther Finidori, member[1]	140	–
Closely related persons[2]	452	3,334
Total as at 31 December	**1,686,760**	**1,688,228**

[1] Esther Finidori was newly elected to the Board at the AGM 2023.
[2] As at 31 December 2023 and 31 December 2022, closely related persons are mainly connected to Paolo Buzzi, member of the Board.

MEMBERS OF THE EXECUTIVE MANAGEMENT	Number of shares as at 31 December 2023	Number of shares as at 31 December 2022
Marc Bürki, CEO	1,772,000	1,771,511
Yvan Cardenas, CFO	345	320
Gilles Chantrier, CRO	340	340
Alexandru Craciun, CTO	1,716	1,716
Jan De Schepper, CSO	2,593	2,093
Lino Finini, COO	1,400	1,820
Morgan Lavanchy, CLO	1,000	840
Closely related persons[1]	36,327	36,039
Total as at 31 December	**1,815,721**	**1,814,679**

[1] As at 31 December 2023 and 31 December 2022, closely related persons are mainly connected to Marc Bürki, CEO.

8.2 Stock options

The table below provides a comprehensive overview of the options (i) held as at 31 December 2023 by Executive Management members and retired Executive Management members now Board members and (ii) which have been granted in 2023 and in past years. As a reminder, Board members cannot be granted stock options. However, a retired Executive Management member can keep their stock options previously granted. If such retired Executive Management member happens to be a Board member, then the information on their shareholdings and stock options is disclosed in accordance with Art. 734d CO.

The total stock options outstanding as at 31 December 2023 represent 77,630 options, including 38,794 options that were exercisable as at 31 December 2023 and 38,836 options for which the start of the exercise period is ranging from 2024 to 2026. As at 31 December 2023, there are no outstanding options granted to members of Executive Management prior to their appointment to the Executive Management.

Each option gives the right to acquire one Swissquote share (SQN; ISIN CH0010675863) at the strike price set for the concerned grant. The lock-up period ends the day before the start of the exercise period as indicated in the table below:

Grant no.	Tranche no.	Date of grant	Start of exercise period	Expiry date	Spot price at grant	Mark-up strike to spot price	Strike price	Number of options granted	IFRS fair value per option	Aggregate IFRS fair value of options granted	Total options outstanding as at 31 December 2023	Total options outstanding as at 31 December 2022
20	3	2018/08	2021/08	2023/08	65.53	5.0%	68.81	6,000	10.04	60,211	–	3,200
21	2	2019/08	2021/08	2023/08	42.96	16.1%	49.89	13,336	5.81	77,467	–	6,301
21	3	2019/08	2022/08	2024/08	42.96	16.1%	49.89	13,328	5.63	75,029	8,130	13,328
22	1	2020/08	2021/08	2023/08	84.50	12.4%	95.00	9,750	12.42	121,084	–	8,500
22	2	2020/08	2022/08	2024/08	84.50	12.4%	95.00	9,750	12.08	117,762	6,250	9,750
22	3	2020/08	2023/08	2025/08	84.50	12.4%	95.00	9,750	11.50	112,151	9,750	9,750
23	1	2021/08	2022/08	2024/08	163.60	13.1%	185.00	7,328	18.38	134,671	7,328	7,328
23	2	2021/08	2023/08	2025/08	163.60	13.1%	185.00	7,336	25.48	186,903	7,336	7,336
23	3	2021/08	2024/08	2026/08	163.60	13.1%	185.00	7,336	30.65	224,858	7,336	7,336
24	n/a	2022/08	2025/08	2027/08	128.00	13.3%	145.00	17,500	24.49	428,575	17,500	17,500
25	n/a	2023/08	2026/08	2028/08	187.70	11.9%	210.00	14,000	38.89	544,460	14,000	–
Total											**77,630**	**90,329**
- Of which in exercise period as at 31 December											38,794	48,407
- Of which exercise period not started as at 31 December											38,836	41,922
Total options granted in 2022								**17,500**		**428,575**		
Total options granted in 2023								**14,000**		**544,460**		
Options granted prior to the appointment to the Executive Management											–	3,082

As reflected in the table above, each grant made until 2021 was divided in three equal tranches, each having a two-year exercise period, but with a different start. The start of the exercise period for tranche 1 was one year after the date of grant, the one for tranche 2 was two years after the date of grant and the one for tranche 3 was three years after the date of grant. As a result, and for a whole grant, one third of the options became exercisable after one year and one third of the options expired five years after the date of grant.

For any grants that have been made since 2022 included, the vesting of the options occurs (and will occur) three years after their grant (three-year cliff vesting).

The table above provides for each grant the spot price at grant (which is the market price of the Swissquote share at the time of grant) and the strike price of the grant, i.e. the share price above which the option is in the money.

8.2 Stock options (continued)

The mark-up of the strike price compared to the spot price is the difference between the strike and the spot prices divided by the spot price. In 2023, the strike price was set 11.9% above the spot price.

The table on the previous page also provides the total number of options granted to (as the case may be, at the time) members of the Executive Management for each grant and tranche.

The Executive Management members were granted 14,000 options in 2023. The IFRS fair value of each option is determined based on the Black-Scholes formula and takes into account the market price of the Swissquote share and the volatility of such price at the time of grant, the duration of the options and of the exercise periods. Details are provided in Note 18.2 to the consolidated financial statements (Section VII). The total fair value of options granted to Executive Management members in 2023 is CHF 544,460, which is the amount that is included in the total remuneration of the Executive Management in Section 4.2 of this Remuneration Report.

The total outstanding options are further analysed in the table below:

			Marc Bürki	Yvan Cardenas	Gilles Chantrier	Alexandru Craciun	Jan De Schepper	Lino Finini	Morgan Lavanchy	Paolo Buzzi	Michael Ploog	Total options outstanding as at 31 December	
			CEO	CFO	CRO	CTO	CSO	COO	CLO	Retired 2022	Retired 2021		
			Year of appointment to the Executive Management										
			1999	2019	2017	2021	2019	2019	2017	–	–		
Grant no.	**Tranche no.**	**Date of grant**	Number of options outstanding as at 31 December 2023									2023	2022
20	3	2018/08	–	–	–	–	–	–	–	–	–	–	3,200
21	2	2019/08	–	–	–	–	–	–	–	–	–	–	6,301
21	3	2019/08	1,666	–	1,466	–	1,666	–	–	1,666	1,666	8,130	13,328
22	1	2020/08	–	–	–	–	–	–	–	–	–	–	8,500
22	2	2020/08	1,250	–	1,250	–	250	1,250	–	1,250	1,000	6,250	9,750
22	3	2020/08	1,250	1,250	1,250	–	1,250	1,250	1,250	1,250	1,000	9,750	9,750
23	1	2021/08	916	916	916	916	916	916	916	916	–	7,328	7,328
23	2	2021/08	917	917	917	917	917	917	917	917	–	7,336	7,336
23	3	2021/08	917	917	917	917	917	917	917	917	–	7,336	7,336
24	n/a	2022/08	2,500	2,500	2,500	2,500	2,500	2,500	2,500	–	–	17,500	17,500
25	n/a	2023/08	2,000	2,000	2,000	2,000	2,000	2,000	2,000	–	–	14,000	–
Total			**11,416**	**8,500**	**11,216**	**7,250**	**10,416**	**9,750**	**8,500**	**6,916**	**3,666**	**77,630**	**90,329**
- Of which in exercise period as at 31 December			5,999	3,083	5,799	1,833	4,999	4,333	3,083	5,999	3,666	38,794	48,407
- Of which exercise period not started as at 31 December			5,417	5,417	5,417	5,417	5,417	5,417	5,417	917	–	38,836	41,922
Options granted prior to the appointment to the Executive Management			–	–	–	–	–	–	–	–	–	–	3,082

8.2 Stock options (continued)

Options granted to members of the Executive Management can be exercised during the respective exercise periods, subject to compliance with the Group's policy on insider trading. More information can be found in Section 10 of the Corporate Governance Report.

In 2023, Executive Management members exercised 29,781 options in aggregate, representing a gross capital gain of CHF 3,341,983, of which CHF 317,840 relates to options granted to members of the Executive Management prior to their appointment to the Executive Management. Former members of the Executive Management exercised a total of 5,117 options, representing a total gross capital gain of CHF 589,314.

The Group has the obligation to deliver Swissquote shares when optionees exercise stock options. In order to secure its obligations towards optionees, the Company acquires and sells treasury shares.

On a cumulative basis and since the listing of the Company in 2000, the Company succeeded in acquiring, selling and delivering treasury shares at such prices and such quantities that, at 31 December 2023, the amount of the coverage of the Company's obligations toward optionees is lower than the remittance value the Company will receive should optionees exercise all options granted and outstanding at 31 December 2023.

It is worth noting that, had the Company covered the exercise of stock options via the conditional capital, the dilution would have been very limited. Indeed, in 2023, the number of stock options exercised by Executive Management members corresponds to 0.2% of the share capital (0.1% in 2022 and 0.3% in 2021).

9 Approval of the Remuneration Report

This Remuneration Report provides full transparency for the financial year 2023 with regard to the Group's remuneration arrangements and remuneration paid to the Board and the Executive Management. The Board will recommend that the General Meeting approve this Remuneration Report at the AGM of 8 May 2024 (advisory vote).

10 Articles of Association

The principles applicable to performance-based pay and to the allocation of equity securities, convertible rights and options are set out in Art. 21bis Para. 2, and 21ter Para. 1 to 3 of the AoA and the principles applicable to the additional amount for payments to members of the Executive Management appointed after the vote on pay at the General Meeting are set out in Art. 14bis Para. 6 of the AoA.

The rules on loans, credit facilities and post-employment benefits for members of the Board and Executive Management are set out in Art. 21 Para. 1 and 2 of the AoA.

The vote on pay at the General Meeting is set out in Art. 14bis and 21 Para. 2 of the AoA.

For further information on remuneration matters, reference is made to the AoA last amended on 10 May 2023 and applicable as at 31 December 2023, which are available at https://www.swissquote.com/en/group/investor-relations#corporate-documents in the French original version together with an English free translation.

Report of the statutory auditor
to the General Meeting of Swissquote Group Holding Ltd
Gland

Report on the audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of Swissquote Group Holding Ltd (the "Company") for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables on pages 199 to 206 of the Remuneration Report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying remuneration report complies with Swiss law and the Company's Articles of Association.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the Remuneration Report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's Articles of Association, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

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Auditor's responsibilities for the audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is 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 Swiss law and SA-CH 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 this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement in the Remuneration Report, 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.

We communicate with the Board of Directors or its relevant 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.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers SA

Christophe Kratzer	Jonathan Derungs
Licensed audit expert Auditor in charge	Licensed audit expert

Lausanne, 13 March 2024

Supplementary regulatory disclosures - interest rate risk in the banking book (unaudited)

1 Introduction

FINMA Circular 2016/1 "Disclosure – banks" requires to disclose qualitative and quantitative information about interest rate risk in the banking book (IRRBB disclosure). The Basel Committee on Banking Supervision (BCBS) defines the concept of the banking book by opposition to the concept of the trading book. The trading book comprises any instrument that is available for sale and regularly traded for arbitrage profit and/or profiting from short-term movements (e.g. Trading assets). Any instrument (on- and off- balance sheet position), which is not held for the purposes of the trading book, must be assigned to the banking book.

2 Qualitative information

Definition of interest rate risk in the banking book

Interest rate risk in the banking book is defined as the potential loss in the net interest income (NII) or in the economic value of equity (EVE) arising from the effect of adverse interest rate changes.

Interest rate risk characteristics are inherent to the Group's business model and derive mainly from the balance sheet structure. On the liabilities side, the vast majority of the funding consists of clients' deposits at sight whose interest rate conditions are revised regularly (when appropriate). Regarding the assets side, the interest rate risk profile is more diverse with allocation including (among others) at sight deposits, treasury bills, interbank deposits, loans, derivative financial instruments (FX swaps) and investment securities.

Strategy, processes and organisation

The Board of Directors defines the interest rate risk appetite of the Group. The principles for managing risk are approved by the Board of Directors and are incorporated in the Group risk management policies. The Group risk management policies define the organisational structure, responsibilities, limits and maximum acceptable risk with the objective to optimise the net interest income on a long-term horizon. The Executive Management is responsible for supervising and implementing the risk profile and recommending risk limits to the Board of Directors.

The interest rate risk management is centralised within the ALM & Treasury department, which reports directly to the Chief Financial Officer. The activities of the ALM & Treasury department are monitored daily by the Controlling & Risk department by using various types of risk metrics (e.g. stress tests). The Controlling & Risk department reports to the Chief Risk Officer.

On a quarterly basis, the Executive Management issues a Risk Report to the Audit & Risk Committee and the Board of Directors that includes the interest rate risk situation. This Risk Report presents inter alia the results of the stress tests with significant shifts in interest rate curves, the level of use of the risk limits and the main modelling and parameters assumptions.

As of 31 December 2023, interest rate risk relating to the activities of Swissquote Bank Europe SA is managed independently by its Management under the supervision of the Group.

Risk measurement

Risk measurement mechanisms regarding the interest rate risk modelling are aligned with the business model of the Group and in particular its short-term resettable financing structure. Therefore, the risk measurement is focused on stress testing the banking book to ensure its adequacy with the risk appetite of the Group. From an interest rate risk monitoring and liquidity perspective, sight deposits are considered as partially stable deposits (behavioural assumptions). Nevertheless, the investment strategy of the Group remains short-term oriented without the need to hedge the risk of interest rate risk through derivatives.

In addition to the daily monitoring of the change in economic value of equity (EVE), the Controlling & Risk department performs quarter-end stress tests to monitor the net interest income (NII). These stress tests are measured for each currency using the standardised interest rate shock scenarios prescribed by the FINMA (Circular 2019/2 "Interest rate risk – banks"). For each standardised scenario, FINMA defines the amount in basis points of interest rate shock per currency (CHF, USD, EUR, etc.) and per maturity bucket (from overnight up to more than 20 years).

Modelling and parameters assumptions

The Group implemented a behavioural model to assess average interest rate reset period for its non-maturing customer deposits. Proportion of deposits expected to remain stable and insensitive to interest rate change is estimated for each category of deposit based on both historical clients' behaviour and macroeconomic environment. Then the model infer estimates of non-maturing deposits' duration by means of a synthetic fixed-income investment portfolio that replicate clients' behaviour.

Regarding derivatives, the Group enters into FX swap transactions in the context of its excess liquidity management. Those instruments have a linear interest rate component.

Supplementary regulatory disclosures - interest rate risk in the banking book (unaudited)

3 FINMA prescribed scenarios

The six standard scenarios prescribed by FINMA can be summarised and illustrated as follows:

Standard scenario	Amount of interest rate shock for CHF currency (illustrative)
Parallel shift up	+150 basis points
Parallel shift down	−150 basis points
Steepener shock (short-term rates down and long-term rates up)	From −97 basis points up to +90 basis points depending on maturity bucket
Flattener shock (short-term rates up and long-term rates down)	From +120 basis points down to −60 basis points depending on maturity bucket
Rise in short-term interest rates	From +150 basis points down to 0 basis points depending on maturity bucket
Fall in short-term interest rates	From −150 basis points up to 0 basis points depending on maturity bucket

To measure its ability to withstand extreme changes in interest rates, the Group also may conduct ad hoc stress tests response to market conditions.

The details of the various standardised scenarios are provided in the circular.

Supplementary regulatory disclosures - interest rate risk in the banking book (unaudited)

4 Quantitative information

Structure of positions and maturity repricing as of 31 December 2023 (IRRBBA1 table)

	Volume (in CHF million)			Average interest rate reset period (in years)		Longest repricing maturity assigned to non-maturity positions (in years)	
	Total	of which CHF	of which other significant currencies [1]	Total	of which CHF	Total	of which CHF
POSITIONS WITH A DEFINED INTEREST RATE RESET DATE							
Due from banks [2]	3,122.2	2,620.0	453.2	0.22	0.22		
Due from customers	139.7	139.7	–	0.51	0.51		
Financial investments	2,069.7	1,000.4	1,061.7	2.44	3.07		
Receivables from interest rate derivatives [3]	5,596.5	486.4	3,681.1	0.10	0.15		
Amounts due in respect of client deposits	(169.4)	(66.5)	(100.2)	0.13	0.19		
Payables to interest rate derivatives [3]	(5,505.8)	(2,073.0)	(2,347.1)	0.10	0.05		
POSITIONS WITH AN UNDEFINED INTEREST RATE RESET DATE							
Due from banks	531.8	226.5	215.8	0.08	0.08		
Due from customers	665.9	334.7	290.2	0.08	0.08		
Payables on demand from personal accounts and current accounts	(7,902.9)	(4,167.2)	(3,394.2)	1.01	1.01		
Other payables on demand	(259.6)	(22.3)	(166.3)	–	–		
Payables arising from client deposits, terminable but not transferable (savings)	(197.0)	(132.3)	(61.7)	1.01	1.01		
Total	**1,908.9**	**(1,653.7)**	**(367.5)**	**0.58**	**0.74**	**1.01**	**1.01**

[1] Significant currencies are those that make up more than 10% of assets or liabilities of total assets (i.e. USD and EUR).
[2] Including CHF 2.1 billion reverse repurchase agreements transacted with Swiss National Bank.
[3] FX swap positions having two legs, they are recorded both under receivables from interest-rate derivatives and payables to interest-rate derivatives (off-balance sheet items).

The IRRBBA1 Table follows FINMA prescriptions and therefore cannot always directly be linked to IFRS classification. Additional reconciliation information has been provided on a voluntary basis in order to assist in interpreting the mandatory disclosure numbers.

in CHF million	Assets	Liabilities	Total
RECONCILIATION WITH THE CONSOLIDATED BALANCE SHEET			
Positions included in Table IRRBBA1	12,125.8	(14,034.7)	(1,908.9)
Out of scope of IRRBB disclosure[1]	3,282.6	(453.9)	2,828.7
Adjustments for derivative financial instruments (incl. notional amount)	(5,448.6)	5,427.4	(21.2)
Total	**9,959.8**	**(9,061.2)**	**898.6**

[1] Items out of scope of IRRBB disclosure are mainly related to Cash and balances with central banks.

Supplementary regulatory disclosures - interest rate risk in the banking book (unaudited)

in CHF million	ΔEVE (changes in the net present value)		ΔNII (changes in the discounted earnings value)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Parallel shift up	46.3	46.8	79.8	103.6
Parallel shift down	(40.6)	(40.5)	(80.6)	(64.3)
Steepener shock	2.6	1.8	–	–
Flattener shock	5.0	5.8	–	–
Rise in short-term interest rates	19.8	20.1	–	–
Fall in short-term interest rates	(18.4)	(18.7)	–	–
Maximum	(40.6)	(40.5)	(80.6)	(64.3)
Tier 1 capital	**772.7**	**649.3**		

4 Quantitative information (continued)

Information on the economic value of equity and net interest income (IRRBB1 table)

The Group is required to disclose the measured change in economic value of equity (EVE) and changes in net interest income (NII) under the standard interest rate scenarios prescribed by FINMA. The change in net interest income (pre-tax) is disclosed as the difference in future interest income over a rolling 12-month period.

As at 31.12.2023, the most adverse scenario was the "Parallel shift down" as it resulted in a change of net present value (Δ EVE) of CHF -40.6 million, representing an effect of -5.3% of Tier 1 capital. This effect remained nevertheless below the regulatory threshold of 15.0%.

4 Quantitative information (continued)

Information on the economic value of equity and net interest income (IRRBB1 table) (continued)

Change in economic value of equity (EVE)
Change in economic value of equity has been computed with the assumptions of a run-off balance sheet, where existing banking book positions amortise and are not replaced by any new business. Floating rate instruments are only impacted for the period until the next interest rate reset date, whereas for the fixed rate instruments the entire maturity is impacted. The impact on each position is calculated stressing the effective interest rate.

The changes in the net present value (Δ EVE) between 31 December 2022 and 2023 are relatively limited and explained mainly by the change in the Group's balance sheet composition.

Change in net interest income (NII)
Change in net interest income is computed assuming a constant balance sheet, where maturing and repricing cash flows are replaced by new cash flows with identical features. The stress test is based on all cash flows from fixed and floating rate instruments as well as assets and liabilities at sight. The impact is measured for a one-year period. Floating-rate instruments are impacted after an interest rate reset date while fixed interest rate instruments are impacted for the remaining time after the expiration up to one year. At sight assets and liabilities are impacted for the duration of one year. The assumptions reflect the expected behaviour of counterparties to modify or to cap the interest rate conditions (asset side) as well as the Group's optionalities to update its commercial policy with respect to interests served on client accounts (liability side) without affecting substantially other revenue categories. A parallel shift-up scenario may also differ according to commercial policy and competition.

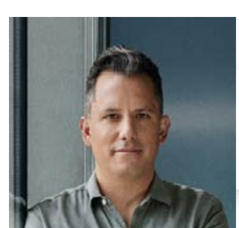
The changes in the discounted earnings value (ΔNII) between 31 December 2022 and 2023 are mainly explained by the changes in the interest rate environment.

SUSTAIN-
ABILITY
REPORT

Why we are committed to Sustainability

The 2023 report marks the fourth year of non-financial disclosures for Swissquote, provided as an integral part of our Annual Report. In line with our commitment to transparency towards all our stakeholders, this report includes comprehensive insights about our approach to sustainability and information prepared in accordance with GRI Standards. It also contains disclosures in accordance with the Task Force on Climate-related Financial Disclosures (TFCD) framework. The limited assurance report scope has also been extended in 2023 to cover Selected Non-Financial disclosures and Indicators. This Sustainability Report serves as the report on non-financial matters newly required by Articles 964a-c of the Swiss Code of Obligations.

"Because Swissquote is committed to delivering long term sustainable performance, it is increasingly important to consider ESG factors. I expect more and more our stakeholders to assess the success and relevance of our strategy in a more holistic approach. This means taking into consideration both financial and non-financial information not only to evaluate our performance, but also to assess our risk profile and evaluate the opportunities available to Swissquote. "

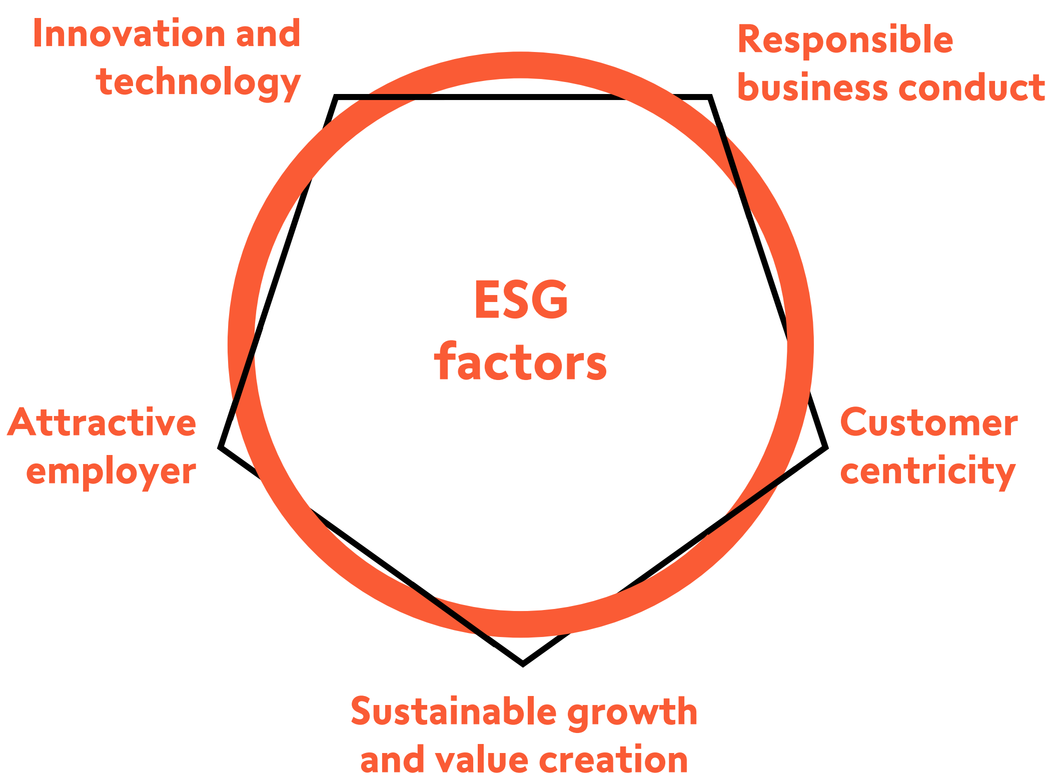


YVAN CARDENAS
CFO

OUR UNDERSTANDING

We strive to deliver long-term risk-adjusted sustainable value and exemplify how to apply sustainability criteria in our strategic decisions and operations.

To us, this signifies challenging convention through innovation and technological advancement, ceaselessly pioneering new and intuitive banking solutions to democratise financial markets and offer equitable access to financial opportunities to all. We establish and maintain relationships based on trust and conduct our business responsibly and transparently. We champion our customers, providing them with innovative products and services. We tailor user experiences to enhance and facilitate banking and investment decision-making. We actively engage with our clients to better understand their needs, motivations and aspirations. We value our employees highly and work hard to cultivate an inclusive culture that reflects their talent. In our journey towards sustainability, we are mindful of the environment and pursue sustainable growth that creates value for all our stakeholders.



GENERAL INFORMATION

Sustainability is an integral part of Swissquote's strategy. Swissquote's Board of Directors is ultimately responsible for all environmental, social and governance (ESG) decisions and supervises the achievement of the objectives set to the Executive Management and indirectly employees eligible for cash bonuses, which include ESG-related objectives. The Board consists of eight members and has two board committees that make recommendations to the Board on specific matters. While there is no dedicated ESG committee, it is worth noting that:

– As part of its activities, the Audit & Risk Committee follows climate-related risks, in particular with respect to disclosures in the Sustainability Report.
– The Nomination & Remuneration Committee follows up on the achievement of annual objectives set to the Executive Management and indirectly employees eligible for cash bonus. These objectives comprise ESG-related objectives.

An overview of the Board and its committees, including their functions and responsibilities, can be found in the Corporate Governance Report on page 146 and following. None of the Board members undertakes activities, holds mandates or has vested interests other than described in Section 3.1 on page 147 and following. For more information on activities and vested interests of the Board, see Corporate Governance Report, page 155, **GRI 2-15**.

In early 2023, all members of the Board of Directors attended a training session on ESG, which also included a refresher on the double materiality assessment. This training session also covered topics such as ESG demand drivers, the role and responsibilities of the Board of Directors with regard to ESG, discussions on Swissquote's sustainability journey and a look at the practices of peers, **GRI 2-17**. The Board delegates the duties of implementing the business strategy, including sustainability matters, to the Executive Management, which reports back to the Board of Directors during the Board meetings or otherwise as appropriate, **GRI 2-13**. A cross-departmental working group overseen by the Executive Management is in charge of assisting with the implementation of the strategy and meets at least annually. It comprises members of the management and employees from various departments such as Finance, Human Resources, Legal, Controlling and Risk, Asset and Liability Management and Treasury, Marketing, Product Strategy, IT & Security, Software engineering, Data Management, Building & Support, and Investor Relations. The Executive Management oversees the progress made on the sustainability strategy.

The Chair of the Board ensures that all relevant matters are part of the Board meeting agenda and subject to an appropriate follow-up (at least annually). Relevant matters include, among others, strategy, business, financial risks, risk management, compliance matters as well as sustainability (including environmental risks). ESG-related topics and risks are presented to the Board mainly during the Annual Conference on Risks (unless otherwise commended by the circumstances) and the Strategy Board meeting, **GRI 2-12**. Depending on the topic of concern, the corresponding department will prepare dedicated reporting to the Board including negative impacts and remediation measures, if applicable. For example, employee-related topics are part of the reporting from the Human Resources department to the Board of Directors, **GRI 2-25**. For more information on the governance structure and composition, nomination and selection processes, together with details on the Chair of the Board, see Corporate Governance Report, pages 163-164, **GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12**.

The purpose of Swissquote's remuneration policy is to encourage the delivery of long-term sustainable growth and performance to shareholders, promote our vision and strategy and foster the achievement of our sustainability goals. The policy is designed to attract and retain qualified employees and reward achievements as well as long-term performance. It is also elaborated with due care to the Group's success and stage of development and align the interests of the Board and the Executive Management with those of shareholders.

The objectives set by the Board of Directors to the Executive Management as well as indirectly employees eligible for cash bonus are classified in three categories: financial objectives, growth objectives and ESG objectives (15% weight). These objectives are derived from the materiality assessment, which is a cornerstone of the Group's sustainability strategy. For more information on the remuneration policy and how it is determined, see Remuneration Report pages 184-216, **GRI 2-19, GRI 2-20**.

In line with our commitment to transparency, our Code of Conduct, Supplier Code of Conduct, Whistleblowing policy as well as some key Sustainability policies are publicly available in our website, under the Corporate documents section.

MATERIALITY ASSESSMENT

Swissquote has determined the most critical priority topics based on the relevance of the impacts of its business activities on sustainable development and on the long-term success of Swissquote in the marketplace. These two pillars lay the foundation for our sustainability strategy and reporting and inform the concept of "double materiality" that serves as the basis for the 2023 Sustainability Report.

In 2023, we conducted a comprehensive materiality assessment to sharpen and prioritise the sustainability topics important to Swissquote and our stakeholders. As a first step, we conducted a context analysis that involved reviewing our company structure, governance, strategy, and business model to map out our value chain and upstream/downstream supply chains as well as identifying the most important stakeholder groups along these chains.

Our next step was to compile a list of potentially relevant topics with respect to which Swissquote could have positive as well as negative impacts. Relevant sources included the GRI Standards, the Investment Banking and Brokerage Sustainability Accounting Standard of the Sustainability Accounting Standards Board (SASB), topics of importance to our peers, topics monitored by ESG rating agencies and our own established sustainability topics. The list also considered relevant matters as per regulatory requirements under the Swiss law (Code of Obligations Art.964a and following), including environmental, social and employee matters, human rights, as well as anti-corruption. We then clustered the topics through categorising and grouping.

In a third step, we identified, described, and prioritised the potential impacts of each topic, examining them from the outside-in (relevance on long-term success) and inside-out (impacts on sustainable development) perspectives. This enabled us to consider potential and actual, as well as positive and negative impacts along the value chain. We decided to involve our employees for this year's materiality assessment. Specifically, we took a two-way approach to assessing the potentially material topics. On the one side, we asked a sample of our employees to rank the impacts of each topic. On the other side, Swissquote's management was tasked with assessing the potentially material topics from both a financial materiality (outside-in) and impact materiality (inside-out) perspective. The results were displayed in a matrix with four levels of relevance, and the threshold was set to include levels two to four in the materiality scope, while level one was determined not to be material enough.

Next, we discussed and validated the draft materiality matrix in a workshop with representatives from various departments of Swissquote (including the CFO and representatives from Finance, Legal, Human Resources, Marketing, Investor Relations and Building & Support). As part of the workshop, representatives took the respective perspectives of external stakeholders to consider their views and to evaluate the matrix from various angles. The changes were incorporated and used to fine-tune the materiality matrix. The final materiality matrix was reviewed by the Executive Management and approved by the Board of Directors on 10 November 2023. Additionally, the Board of Directors approves the Sustainability Report as part of the entire Annual Report before it is published, **GRI 2-14, GRI 3-1**.

The materiality assessment is reviewed on a yearly basis.

The 15 identified material topics form the basis of our sustainability management and reporting. They are presented herein in our materiality matrix, **GRI 3-2**.

Our Materiality Matrix GRI 3-2

OUTSIDE-IN: RELEVANCE FOR LONG-TERM BUSINESS SUCCESS	LOW	MEDIUM	HIGH	VERY HIGH
VERY HIGH		Customer experience Financial performance Talent recruitment, development and retention	Business continuity and IT resilience Compliance, governance and ethics Data privacy and security	Innovation and access to finance
HIGH		Compensation and benefits Transparency and credibility in the market	Diversity, equity and inclusion Product governance Prudent investment approach	
MEDIUM		Energy use and climate resilience Protection of human rights Social engagements		
LOW				

INSIDE-OUT: IMPACT RELEVANCE OF OUR BUSINESS ACTIVITIES ON PEOPLE, PLANET AND ECONOMY

STAKEHOLDER ENGAGEMENT

We prioritise our stakeholders' perspectives and strive to integrate them across our business strategy. We identified our most important stakeholder groups and how we engage with them. They are defined as those who either contribute to the successful business activity of Swissquote or are influenced by our business activity, **GRI 2-29**.

Our Approach to Stakeholder Engagement

Stakeholder Group	Examples of Stakeholder Engagement	Key Topics and Concerns Raised
Clients	– Annual global satisfaction survey – Biannual Net Promoter Score® measurement – Additional targeted surveys – Direct point of contact for business and institutional customers – Focus groups – Personal and email communication – Physical and online events – Social media – Swissquote Trading Day and marketing events – Webinars and educational contents	– Data privacy and client confidentiality – Platform usability and reliability – Safeguarding of assets – Pricing – Time to analyse markets – Understanding market trends to trade successfully – Service/support – Independence – Expertise of their broker/bank
Investors	– Biannual financial results presentation – Investor roadshows (monitor dialogue) – Annual General Meeting – Engagement programme	– Business growth/financial performance – Transparent and long-term strategy – Management of risks – Reliable, timely, high-quality information – Sustainability criteria
Employees	– Quarterly engagement survey – Additional selected surveys – Q&A sessions with Executive Management – Department-level discussions – Full Annual Management Meeting – Staff Meetings – Annual performance appraisal	– Fair remuneration – Enjoyable environment – Career planning and development – Recognition – Work-life balance – Safe workplace
Regulators	– Regulatory reporting – Regular contacts – Engagement in industry associations such as CMTA – Involvement in consultations	– Compliance with applicable laws and regulations – Proper business conduct – Application best practices – Management of conflict of interests – Proactive reporting
Local communities	– Sponsoring of local events – Participation in university and association committees – Giving to charitable organisations	– Paying taxes – Philanthropy – Attractive employer

Swissquote engages with a variety of business partners to successfully create value, including financial counterparties such as banks, stock and crypto exchanges, brokers, introducing brokers, prime brokers, liquidity providers and market makers, data feed providers, software engineering firms, software and IT infrastructure providers, landlords of office spaces and other professional service providers such as advertising, sponsoring, consulting and law firms. For a comprehensive overview of Swissquote's value chain, reference is made to Section I and II of the consolidated financial statements on page 26 and following **GRI 2-6**. The influence of Swissquote on its stakeholders in the value chain is limited mainly due to the relative size of our operations. On the upstream side, we have identified only a limited impact on our main business partners. On the downstream side, we have identified two main customers groups we are serving: retail and institutional. Reference is made to the following chapters (especially the section on Product Governance) for details on how we provide the customer groups with innovative solutions to integrate ESG criteria in their investment decisions (e.g., ESG bonuses on Lombard loans, Swissquote's ESG tools).

How we respond to the needs and concerns of our stakeholders is outlined in the following sections.

CLIENTS ›› Product Governance, Innovation and Access to Finance, Customer Experience, Transparency and Credibility in the Market, Data Privacy and Security, Business Continuity and IT Resilience

INVESTORS ›› Financial Performance, Compliance, Governance and Ethics, Prudent Investment Approach

EMPLOYEES ›› Compensation and Benefits, Talent Recruitment, Development, and Retention, Diversity, Equity, and Inclusion

REGULATORS ›› Compliance, Governance and Ethics, Energy Use and Climate Resilience, Protection of Human Rights

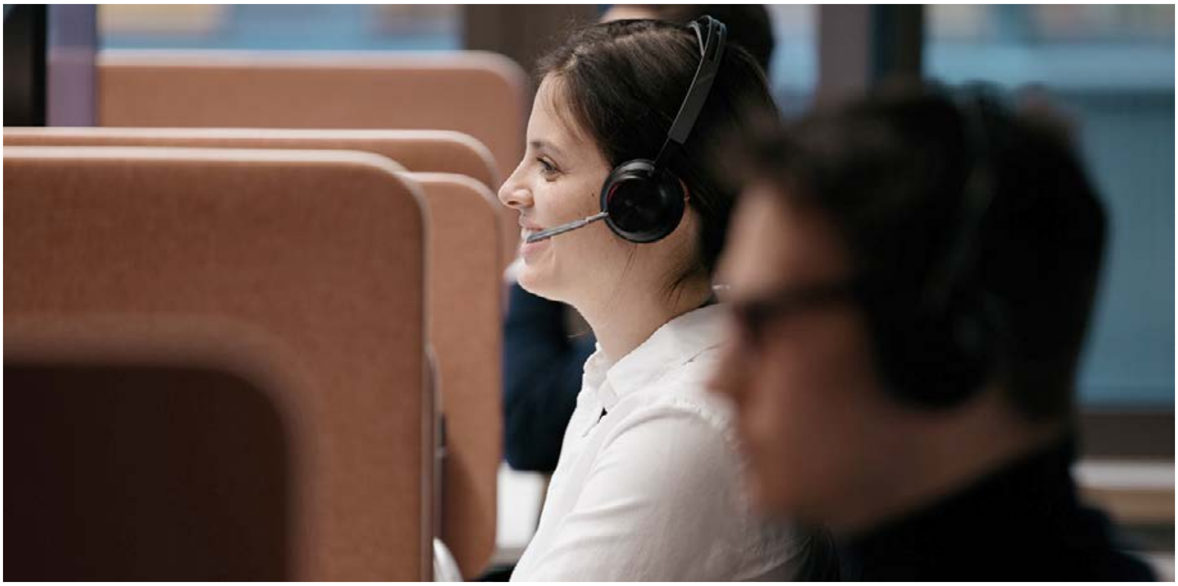
LOCAL COMMUNITIES ›› Social Engagements, Energy Use and Climate Resilience

Memberships, Associations and Commitments to External Initiatives

Swissquote actively participates in various associations and other organisations and commits to external initiatives, including:

- Swiss Bankers Association (SBA);
- Association des Banques et Banquiers Luxembourg (ABBL);
- Asset Management Association Switzerland (AMAS);
- Swiss Structured Products Association (SSPA);
- Capital Markets and Technology Association (CMTA);
- Commission Vaudoise pour la Formation Bancaire (CVFB);
- Association Vaudoise des Banques (AVB);
- OpenWealth Association;
- Groupement des Compliance Officers de suisse romande et du Tessin (GCO) ;
- Swiss Risk Association (SRA) ;
- Partnership for Carbon Accounting Financials (PCAF);
- Institutional Investors Group on Climate Change (IIGCC).

We are committed to the standards, self-regulations or codes of conduct of those associations, **GRI 2-28.**



How we focus on customer centricity

In a competitive and mature industry, we seek to differentiate and always put the “client first” to keep Swissquote as the bank of choice for our customers. We seek to champion our customers at all times.

CUSTOMER EXPERIENCE

To maintain our leadership position as a Swiss online bank and continue expanding globally, we are relentless about understanding our customers’ desires, needs and aspirations. We believe in building enduring relationships by getting to know our customers and delivering outstanding products and customer service. Relevance of Customer Experience (impacts, risks, opportunities)

Swissquote focuses on a client-first approach, placing the client's needs, challenges and ambitions at the core of our agenda. By deeply understanding our clients and delivering superior products coupled with exceptional service, we not only inspire our clients but also nurture a network of Swissquote ambassadors, establishing enduring, trusted relationships.

With this firm commitment to client satisfaction and continuous striving to democratise financial markets we ensure that information, technology, and products are accessible to all and that every investor is empowered to make educated online investment decisions. Swissquote offers multi-asset class opportunities to all our customers including small-scale private investors as well as a wide range of online information, products, and services and thus aims to create value for society. A lack of services offered by Swissquote could result in inaccessibility to information, technology, and products and services.

The strategic emphasis on customer centricity underscored by a dedication to meeting clients' needs and providing high-quality services, positions Swissquote as a dependable partner in the financial sector. These strong customer relationships, essential in competitive markets, ensure our resilience and profitability. Moreover, satisfied and inspired clients are likely to become enthusiastic promoters of Swissquote, contributing to our positive brand reputation and fostering continued business growth. On the contrary, a negative customer experience could undermine Swissquote's brand reputation and impact customer relationships, resilience and profitability. Unsatisfied customers might also file claims, which in turn can entail a financial risk for the company.

GOALS

- **Maintain our Net Promoter Score (NPS®)**
- **Grow our global client satisfaction rating**
- **Achieve a strong service level within our customer care department**
- **Be top of mind for trading in customer surveys (IPSOS)**

Measures in 2023

One of the means of measuring customer satisfaction is the Net Promoter Score (NPS®), an international standard indicator of customer loyalty, which is calculated as the difference between brand promoters and detractors. In 2023, we received our highest ever NPS® score, confirming that we have increasingly more promoters who are willing to recommend Swissquote. In particular, customers reported receiving high-quality products and services.

This progress was also reflected in the IPSOS brand study score, measuring our performance in correspondence with the objective to be top-of-mind for trading and for total awareness (i.e., proportion of people who are aware of our brand). As in 2022, Swissquote remains the top-of-mind online trading bank in Switzerland. Customers use our services because we build trust, stability, and security (rated 6.0 out of 7.0). They also commended our improved customer care service level and response time, which improved their scores significantly as compared to last year, especially for the Luxembourg branch. Our website swissquote.ch is perceived as the leading online source of financial information in Switzerland since 2016 and Swissquote ranked as the 2nd brand by closeness and 1st in matching expectations.

Customer retention is key in a competitive market, and customer experience is crucial. In 2023, we continued to focus on enhancing clients' experience by offering them a wider range of financial solutions at competitive pricing coupled with efficient, secure and easy-to-use platforms. For example, in 2023, we launched a new multi-currency debit card including crypto payments, an investments and savings solution (Invest Easy) as well as a pension solution for Swiss clients designed as a formula for long-term saving and investment with tax advantage (3A Easy).

The new look and feel of both our web and mobile trading platforms released in 2023 was designed to increase customer satisfaction and engagement with more intuitive and user-friendly interface. We wanted to offer our customers a smooth and enjoyable experience as they navigate through our platforms. As this was a significant and complex project, we rolled it out in phases to ensure a smooth transition and gather actionable feedback for continuous improvement. A key challenge was to minimise disruption with each batch release, while striving to ensure that all customers retain full access to essential trading features. We reorganised the app into distinct tabs in order to simplify navigation while still offering in-depth features for more seasoned traders. During the transition phase, we collected and integrated customer feedback, which was crucial to promptly addressing any potential issues and to ensuring the new design met our clients' expectations. We succeeded in overcoming these complexities by our dedicated efforts and thus proved once more our commitment to enhancing customer experience and ensuring our platforms remain intuitive, accessible, and responsive to our clients' needs.

Our focus and client service was reflected in an increase of more than 35,000 opened accounts at the end of 2023 compared with the end of 2022.

How We Manage Customer Experience

In an effort to champion the customer and in response to our customers' needs, we release new products and services on a regular basis while remaining committed to keeping our platform simple to use. In line with our ambition to democratise financial markets, we strive to provide customers with a broad range of training tools to help them join the trading universe easily and successfully. We also publish the Swissquote magazine six times a year to deliver stories that can guide investors' personal investment strategies.

We are dedicated to perfecting the customer experience. The efforts begin by knowing our customer and investing heavily in user research as a component of product and service design. Our team includes people in charge of understanding customer needs and designing the user journey. We regularly involve our customers in usability testing to measure efficiency, effectiveness, and user satisfaction levels. We include our employees into the research activities as well. Organising small group events, where our actual users directly interact with our products, is another valuable source of feedback as are various surveys we perform regularly. We have also magnified our attention on social media and use these channels to engage with current and potential customers, including collecting feedback and responding to interests and concerns. Additionally, we carefully monitor customer ratings and feedback provided through the Swissquote app and the Yuh app to ensure our products remain aligned with customer needs.

Our employees regularly receive these forms of feedback, and thus are able to respond to clients' needs and expectations.

We developed user personas or customer archetypes, which represent key traits of a large segment of our actual target audience as close to reality as possible. By continuously adjusting them, they remain relevant and we understand who our customers are and how they interact with and use our products, operating with context-specific behaviours and goals. We avoid biases by only including information that affect behaviour or thinking, from a user persona perspective.

Finally, we solicit customer opinions through client surveys and regular benchmarking (e.g., client satisfaction survey with IPSOS). On a biannual basis, we measure customer experience with the Net Promoter Score®, combining NPS® measurements with customer experience and satisfaction research to continually increase customer loyalty. This data as well as client satisfaction targets are reflected in a dedicated Marketing Scorecard used by the Marketing team to set annual goals.

Performance Indicators

	2023	2022
Total number of inbound calls	446,703	303,406
Average percentage of total inbound calls answered within the first 120 seconds	79%	91%
Average percentage of tradeline inbound calls answered within the first 120 seconds	94%	96%
NPS®	37	28

The decrease in service level observed in 2023 is mainly attributable to the sharp increase in incoming calls (+47% compared to 2022), which has put a strain on our customer care service at times. We have been working relentlessly on finding solutions to return to previous service level.

» Further details can be found in the section on Innovation and Access to Finance

DATA PRIVACY AND SECURITY

Protecting personal data, maintaining confidentiality and safeguarding privacy are among our most sacred duties. We protect our stakeholders' data with the highest level of information security.

Relevance of Data Privacy and Security (impacts, risks, opportunities)

The focus on safe and responsible management of sensitive data protects the privacy of stakeholders and ensures compliance with legal and regulatory requirements. It is an ongoing process, requiring continuous monitoring and adaptation to evolving threats. Data privacy protects from unauthorised access or disclosure and prevents data breaches or damage via encryption, access controls and data minimisation.

As an online financial group, Swissquote offers convenience, efficiency, and financial inclusion, but we also need to consider potential vulnerability as regards cyber security or mishandling of data, which may lead to societal and economic issues. The online banking model may motivate to riskier investment behaviour and reduced face-to-face contact can have psychological and societal consequences. Automation of banking services endangers traditional banking roles, while running of large data centres inevitably affects the environment.

Within the fintech industry, online banks often collaborate with other fintech companies or security firms. While these collaborations frequently lead to innovative solutions, we need to ensure that other firms' data security practices are compliant with our standards and that we operate on secured data transfer mechanisms and within strict contractual agreements to maintain privacy.

Proper data handling and analytics can enable us to gain insight into customer behaviour and preferences to improve customers' experience as well as personalise our services to increase customer engagement and satisfaction. However, we must ensure that data analysis is conducted with respect for customer privacy and regulatory requirements to avoid reputational and legal risks.

Ensuring compliant behaviour regarding data security and privacy protection enables us to protect the business, reputation, trust, customer loyalty, and credibility, thus supporting the long-term success of Swissquote as leading online financial provider. Robust data privacy and security measures can increase Swissquote's attractiveness to customers, gaining their trust and loyalty while data breaches or privacy violations can severely damage our online financial provider's reputation and can lead to decrease in customer numbers as well as revenue.

Continuous investment into technology, manpower, staff training and compliance efforts as well as cyber security features of products and services can increase our operational costs. However, efficient management of data privacy and security can, at the same time, reduce or avoid costs associated with data breaches or regulatory fines.

GOALS

- **Achieve zero incident regarding customer data security, privacy and protection**
- **Maintain and preserve our strong reputation**
- **Remain a trusted financial partner and warrant all the discretion and security required by our customers**
- **Obtain convincing results at the annual penetration tests audit performed by a third party**

Measures in 2023

To preserve our customers' rights regarding the control of their data, we developed and implemented a project focused on customer-oriented consent management to allow customers to choose their preferences regarding cookies and tracking capabilities with respect to their privacy. Customers can (especially in the General Data Protection Regulation context) demand that their electronic data are erased from our production environment.

Since artificial Intelligence (AI) is increasingly affecting the global economy including the banking industry, Swissquote released internal guidelines on generative AI to utilise its potential while maintaining our commitment to data protection and privacy.

Another concern of our sector lies in cyber attack threats, from both criminal organisations and state-sponsored hackers. We believe that to achieve cyber resilience, security must be embedded in business processes. We use agile methodologies to prepare, prevent, respond, and potentially successfully recover from attacks. We update, strengthen, and extend our cyber security playbooks and cyber resilience incident response plans related to phishing and fraud. Finally, we rolled out new tools (SoCRadar and NetGuardians) to maintain our state-of-the-art customers' data privacy and security protection.

We understand that phishing attacks are becoming increasingly sophisticated, and it can be challenging to identify malicious e-mails. To streamline and ease the process of reporting suspicious messages to the IT Security team, we have introduced a new "Report Phishing" button in the employees' mailbox.

At our Swiss entity, we reviewed and aligned our standards and procedures on data privacy with the new Swiss Federal Act on Data Protection (FADP). The aim of the act is to modernise and strengthen personal data protection for individuals, aligning with technological advancements.

We carried out our penetration tests in 2023, one from the outside and one from Swissquote's internal network.

Finally, the Company updated its IT security strategy objectives the were approved by the Board of Directors.

How We Manage Data Privacy and Security

As a financial group regulated by the Swiss Financial Market Supervisory Authority (FINMA) and other global regulators, we adhere to strict security measures to safeguard our customers' data and privacy. Upholding these compliance standards is vital to our banking operations. At Swissquote, we have developed a robust framework to manage IT risks, addressing both intentional and unintentional threats to our IT systems. Moreover, our internal guidelines ensure the implementation of dedicated controls, procedures, and processes concerning:

- confidentiality of data processed by Swissquote;
- integrity of our IT systems;
- availability of our IT systems;
- compliance with applicable laws and regulations.

We operate in secure environments and restrict access to customer identifying data (CID) based on "need to know" concept, encrypt sensitive data during transactions processed over our websites, and verify customer identity before providing access. Furthermore, we retain personal data only as long as necessary for the intended purpose, which includes responding to queries, resolving issues, enhancing and introducing new services, and meeting legal obligations. Once personal data is no longer needed, we securely dispose of or delete it as outlined by our data retention policy.

We comply with all applicable local laws and regulations on data protection (e.g., the Swiss FADP, the European Union General Data Protection Regulation (GDPR)). For privacy or security concerns, customers can contact us at privacy@swissquote.com. We monitor the number of received complaints and each potential CID breach is analysed using a matrix that classifies events according to severity and indicates appropriate responses. High-severity cases would be escalated to the supervisory authorities.

In order to strengthen our management of data privacy and security risks we recruited additional IT security resources, created an internal fraud management team, mandated third party to perform annual penetration tests and external auditors carry out regulatory audit.

Our dedicated web page on data protection allows customers to understand our policies, procedures, and their data protection rights at any time. We release information on security warnings both on our website and on our social networks to inform and warn customers about potential fraud or phishing attempts. Such alerts, which may concern phishing or fraud, are also published in internal IT Security bulletin.

At Swissquote, we design our employee security information strategy around five axes:

1. Online training;
2. Internal newsletters;
3. Security bulletins;
4. Simulated phishing campaigns;
5. Web and social media communications.

We provide our employees with training on data security and privacy risks and procedures when they join and then at least every year. All employees undergo training on client data security that aligns with the requirements and expectations set out by FINMA (such as those detailed in FINMA Circular 2023/1 "Operational risks and resilience - banks"). While our IT Security team deals with all matters of data security, privacy, and cyber security, the Chief Operating Officer and Chief Risk Officer bear the ultimate responsibility for this area. Additionally, the Board of Directors, comprising several members with specialised skills and experience in Technology/IT/Cybersecurity, supervises these topics.

An external third party performs an ISAE 3402 review on the description of our systems and controls related to our role as an IT service provider organisation as well as examining the suitability of the design and operating effectiveness. This is essential for communicating about the controls we have in place to meet specific objectives and ultimately for helping to foster trust. Alongside annual external penetration test audits, our external auditors perform annual regulatory audits. Our internal auditors also conduct periodic audits on data security, privacy, and protection.

As an online financial group operating 24/7, we serve customers worldwide, which means we must comply with data protection laws and regulations from various regions. We navigate legal and regulatory complexities when conducting cross-border transactions and data transfers while striving to ensure our data privacy efforts.

Performance Indicators

In 2023, we did not experience any major incident regarding customer data security **GRI 418-1**.

» Further details can be found in the section on Compliance, Governance and Ethics

BUSINESS CONTINUITY AND IT RESILIENCE

Our Business Continuity and IT Resilience plans ensure uninterrupted continuation of Swissquote's critical business processes in the event of a major internal or external incident. They help to build our reputation as a reliable financial group that can maintain complete operations even during times of crisis.

Relevance of Business Continuity and IT Resilience (impacts, risks, opportunities)

Ensuring business continuity, for example in the event of cyber attacks and system or power failures, is vital to Swissquote's value proposition. We have prioritised the strengthening of the resilience of our IT infrastructure to guarantee uninterrupted operations and provide our clients with a secure and reliable service. A stable and resilient banking industry is also key to sustain growth in economies.

This commitment to business continuity and IT resilience fosters trust in financial transactions and reliable customer support and allows for product innovations and economic growth. Disruptions or loss of services can impact individuals and businesses, causing social and economic distress through financial losses.

Our business continuity and IT resilience measures, by fostering trust and loyalty among our customers and other stakeholders, positively impact our revenue and profitability as well as reputation. Such measures need to be ensured also with our third-party service providers. Seamless customer experience reinforces our position as a reliable and innovative financial institution, potentially expanding to a broader customer base. Reputed IT resilience and cyber security expertise can even lead to additional revenue streams, despite its associated costs related to technology, staff and training. Failure to plan for business continuity and IT resilience can also result in reputational, financial and legal damage.

GOALS

- **Always remain resilient and operational**
- **Apply Business Continuity Management best practices**
- **Comply with applicable regulations from FINMA and other relevant authorities**
- **Keep operating and limit losses in the event of an operational disruption, IT disaster or national emergency**

Measures in 2023

In 2023, we carried out a review of our Business Continuity Management System (BCMS) strategy, documents governing the Swissquote's business continuity, as well as our annual tests.

Additionally, Swissquote Bank started to work on complying with the new FINMA regulation (circular 2023/1 "Operational risks and resilience - banks"), which includes operational resilience as a major theme. This included identifying the company's critical functions.

How We Manage Business Continuity and IT Resilience

As an online financial service provider offering a full set of services every day, 24/7 and across the globe, we deal with highly sensitive financial and personal data. Business continuity and IT resilience help safeguard these data as well as fulfil expectations of our customers, thus forming core elements of our value proposition. We employ a variety of risk-mitigating measures to prevent such events, including investing in seamless processes, platforms and systems. Robust IT resilience strategies help in thwarting and recovering from cyber attacks.

Business continuity management (BCM) is an integral part of our corporate strategy at Swissquote. Our business continuity strategy covers a wide range of scenarios, with corresponding responses for events that could lead to a total or partial disruption of our operations. The aim is to maintain critical departmental functions and minimise the impact on our activities during incidents, crises, or disasters. Disruptive events can have multiple causes and our strategy prioritises managing the consequences and impacts rather than the causes themselves. We ensure to be ready for:

- Total or partial inaccessibility or loss of one of our buildings;
- Disruption or loss of IT infrastructure, applications, and/or communication systems;
- Loss of key personnel or essential skills.

Swissquote's Executive Management approves and oversees the key components of the annual BCM process. We conduct thorough risk assessments to ensure adherence to the implementation plan and update regularly our business impact analyses. External auditors, following a FINMA-approved audit plan, regularly review our BCM framework.

Our governance structure defines the roles and responsibilities for those involved in the Business Continuity Plan, from the Executive Management down to the staff level. We perform multiple tests annually to guarantee training efficacy and the Company's capability to meet its objectives, even during a disaster. Moreover, Swissquote's Business Continuity Plans undergo annual reviews and are certified by third-party audit.

In addition to these measures, we integrate stakeholder feedback from existing channels during our testing procedures. These tests help us identify and examine issues and potential capability gaps that Swissquote could face in implementing BCM concepts, including the Disaster Recovery Plan (DRP). They enable Swissquote to improve general recovery, crisis action plan, communication, and decision-making processes. Tests vary based on the criticality and the impact of a potential unavailability of resources or affected IT systems. A yearly schedule ensures that tests of critical processes are performed on a regular basis. We also carry out "tabletop" exercises to ensure that managers can appropriately handle simulated events reflecting real-life occurrences.

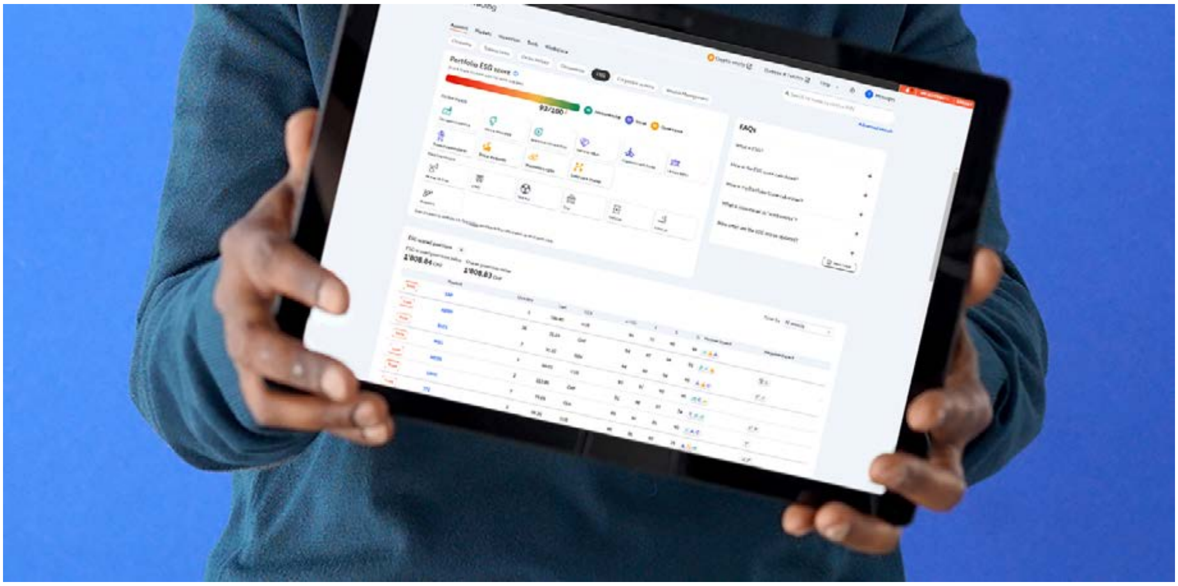
As a regulated Swiss financial institution, Swissquote is benefiting from a Business Continuity Management System. It is reviewed, tested and approved annually so as it reflects our business structure and expansion.

Performance Indicators

	2023	2022
Availability of the e-trading application	99.7%	99.6%

We did not face any material operating loss linked to an event of an operational disruption, IT disaster or national emergency in 2023.

Additionally, KPIs related to business continuity and IT resilience are monitored at Risk Committee level.



How we innovate to enhance our products

At Swissquote, we are never satisfied with the status quo. We continuously seek new ways of delivering value to our customers by developing, refining and evolving our products and services. This dedication to innovation is something our customers have come to expect from us and has become a defining characteristic for us.

PRODUCT GOVERNANCE

Swissquote continually develops new products to better serve our customers and provide value to stakeholders. By creating the most intuitive and innovative products possible, we empower investors and provide our clients with industry-leading technology and value while directly reinforcing our reputation for excellence.

Relevance of Product Governance (impacts, risks, opportunities)

Swissquote strives to create the most intuitive and innovative products and services possible, while integrating ESG considerations and safeguarding clients' best interests by inspiring them, providing high accessibility to financial markets and distributing different financial products. This includes alignment with requirements of MiFID II – the European markets in financial instruments directive – on product governance vis-à-vis identified target markets and clients' needs and financial capabilities.

We provide our clients with industry-leading value, while employing strong product oversight and governance to protect them and contribute to well-functioning financial markets that operate safely and responsibly. By integrating ESG considerations into our product offering, Swissquote also contributes to the availability of funds for companies effectively managing environmental, social and governance risks. Thanks to our ESG tool available on our trading platform, clients are able to invest based on their ESG values and ESG scores are displayed, thus further enhancing Swissquote's ESG positive impact. The negligence of a robust product governance could negatively contribute to the reputation of financial institutions and to the trust in ESG product declarations.

By embracing ESG integration, responsible lending, and robust product oversight and governance, Swissquote fosters a reputation as a reliable and conscientious financial institution. This approach appeals to socially conscious investors and clients, particularly those prioritising sustainability. This gives us a competitive edge that generates value for clients and shareholders alike. The absence of ESG integration could negatively affect our reputation as a responsible bank.

GOALS

- **Deliver an ambitious project roadmap on a yearly basis**
- **Increase agility to speed up the pace of product delivery and keep a high level of stability in our systems**
- **Implement client-oriented KPIs**
- **Integrate ESG factors in our products and services offering**

Measures in 2023

The Executive Management annually defines the project roadmap delivery goals. In 2023, we achieved the top three product goals (i.e., implementation of a new CRM, new mobile onboarding solution, and new digital wealth management solution). The newly created operation product team enabled us to cover needs from the front end to the back end of our organisation.

In an effort to advancing responsible investment and lending practices, Swissquote launched a Lombard loan programme that rewards securities with high ESG scores with enhanced pledge value. This initiative forms part of our broader challenge to weave ESG considerations more deeply into our risk policies and procedures, especially in the area of credit lending.

In 2023, we continued to develop a sophisticated internal communication framework to increase relevant internal product communication across departments and keep our employees and product stakeholders always informed and motivated about what we are building. The communication framework includes different communication channels and support mechanisms including product scorecards, client feedback, project status, market trends, newsletters, quarterly product reports, product talks and expert talks. It also serves for sharing success cases on how our teams collaborate on launching innovative and challenging projects. Our goal is to ensure that all Swissquote employees are aligned with our product strategy and have the tools and the knowledge to serve as trusted leaders in client needs and market insights. Swissquote is growing fast in terms of teams and employees. Therefore, we need to make sure that all our teams, from operations to product teams and business stakeholders, have the most important updates about the current products and projects and that they understand reasons and purpose of these projects. By implementing the above-mentioned internal communication channels, we saw an increase of motivation and interest of employees around our products.

Moreover, we have worked on how and how often we engage with our clients to better understand their needs, challenges and expectations. We have introduced multiple qualitative and quantitative channels, including focus groups, surveys, micro-surveys on specific products or new services, participation in an industry event for client interviews, as well as dedicated sessions with clients.

In 2023, we continued to offer 10 theme trading certificates having a theme related to various elements of sustainability (vegetarianism, recycling, gender equality, social responsibility, rainbow rights, green energy, sustainable energy, decarbonisation, eMobility and hydrogen).

Alignment across teams in a swiftly evolving environment is essential. We have concentrated on this aspect by strategically reorganising parts of our internal framework. To better align product strategy and business and improve agility and empowerment in our software development, we have created a new department – Product Strategy – reporting directly to the Chief Sales and Marketing Officer (CSO). This new department will focus on fostering innovation, supporting our business growth, and providing drive, clarity and direction for our software development.

We have also integrated product analysts, project managers and certain UX designers under the leadership of the Chief Technology Officer (CTO) to support communication fluidity, full software engineering lifecycle ownership and a better implementation alignment.

We created a department dedicated to Yuh, our finance and investment app offered through a joint venture with PostFinance, reporting directly to the CTO and staying in close contact with the Yuh leadership team.

How We Manage Product Governance

Over the last twenty years, Swissquote has grown from a Swiss stock-trading provider for retail clients to offering a broad range of products to retail, corporate, and institutional clients globally. To sustain this growth and enhance our agility, we have transformed into a product-focused organisation. By consolidating our unique offerings and strengthening our value proposition, we are pursuing an ambitious roadmap centred on client aspirations and requirements. Customer satisfaction remains our hallmark and driving force.

Swissquote's business comprises three product lines: Trade (including trading of securities, Forex & CFDs and crypto assets), Bank (Including our banking services, client management and onboarding) and Invest (including wealth & institutional business). Within these product lines we offer a wide range of services to different types of clients, along with Yuh, our joint venture with PostFinance aiming to provide suitable financial services for each type of customer given their risk appetite and financial capabilities.

We structure product strategy teams and development teams around our products as we prioritise our client-first culture and our value proposition during the whole product development process, focusing on making financial markets more accessible to clients. Thereby, we follow client-centric goals:

- Define the best products for our clients;
- Provide visibility of short/mid/long-term goals;
- Provide product "cockpits" to pilot products and measure results.

While enabling investors on their journey in financial markets, we strive to protect them and match the right tools to the corresponding level of knowledge. Our control systems make clients aware of risks that may arise (for example, before trading options clients pass a test to understand their knowledge of this more advanced and risky asset type).

Every year we build, together with all the operational internal stakeholders of Swissquote, a dedicated business operation roadmap which contains evolutions and maintenance planned for the coming year. In a rapidly changing economy and market conditions, the roadmap is regularly updated during the year to align with business needs and remain compliant with regulations.

Swissquote operates dual product organisation to support both product improvement and new product development. The model is complemented with a metric-based approach, in which each product team defines measurable objectives and tracks KPIs relevant to their product (e.g., product adoption rate, trading activity and client's growing needs). Lead-time, technical depth and yearly projects completions are some of the metrics relevant from the software standpoint. First phase of the product organisation is the product strategy department, aiming at building a long-term vision and development objectives to best match market, clients and stakeholders' expectations and needs. Product managers oversee every product of the three product lines and together with product designers and UX product researchers determine the long-term vision and goals as well as identify and prioritise short-term product evolutions. Their plan is presented to and validated by the Executive Management and the Board of Directors. Second phase consists of the software engineering platforms department, which is tasked to design, analyse, implement and maintain client-facing applications of the exhaustive products landscape of Swissquote. The department cooperates closely with the product strategy team to ensure high quality of products. Cooperation with other internal stakeholders ensures that also operating and policy constraints are considered.

Since 2023, we have introduced a new product section named "operational product", which focuses on helping to solve the operational issues and streamline the business process to gain efficiency in all the business departments. The most important topics, collected during a deep-dive interview process, will be directly integrated in the planning of the concerned development team in 2024.

The design and implementation phases of the product organisation are based on the Disciplined Agile Hybrid and at Scale framework approach driven by an internal methodology team who became experts on the matter. Disciplined Agile was acquired from Project Management Institute in 2019 and offers a unique and unparalleled value proposition to improving personal, team, and enterprise agility. Client-centric and operational goals are determined on a yearly basis by the software engineering department in cooperation with other internal stakeholders (e.g., from finance, business operation, controlling, legal, trading, asset and liability management). By adopting Disciplined Agile and incorporating sustainability principles into their software development processes, organisations can contribute to achieving a competitive advantage. The methodology team has been working on actions since 2023 to improve operational and product efficiency, accelerate innovation for sustainability, reduce risk in delivery, and achieve long-term success. A dedicated roadmap built on these goals clarifies priorities for business as well as development departments and provides visibility on the coming automation and improvements.

Within a due diligence process, we select suppliers and partners who are comfortable with our innovation philosophy and agile enough to adapt to our pioneering way of working. Product effectiveness relies on many internal stakeholders – business, technology and operational stakeholders as well as the Executive Management. For business, technology and operational stakeholders, the strategy teams give quarterly updates within regular "product talks", thus enhancing stakeholder engagement by making various teams more informed and motivated.

Performance Indicators

While developing software solutions, we monitor the progress towards project roadmap delivery using various key performance indicators (KPIs) such as stakeholder satisfaction.

	2023	2022
FTEs dedicated to technology	401	372
Average rating of the Swissquote Trading App in the App Store	4.4/5	4.4/5
Average rating of the Swissquote Trading App in the Play Store	3.4/5	4.1/5
Percentage of total theme trading AuM invested in "Sustainability & Impact Investing focus" certificates	15.6%	26.3%

The decrease in AuM invested in "Sustainability & Impact Investing focus" certificates is mainly due to a net cash outflow from customers.

In addition to the above-mentioned headcount, we also work with external software engineers (153 headcounts as of 31.12.2023[1]) GRI 2-8.

In 2023, the average App Store rating for the Swissquote Trading App held steady at a strong 4.4 out of 5, mirroring the previous year's high standard. The average Play Store is at 3.4 out of 5, a notable improvement from 2021, however a decrease as compared to 2022. The Play Store ratings decrease is linked to a recent update that revamped the Swissquote app with a new design and enhanced security. Despite improving user experience, the changes required customers to adapt to new habits. During this adjustment period, the ratings temporarily fell. Additionally, we introduced extra security checks, like two-factor authentication and biometrics, to safeguard against phishing and theft. These measures, though critical for protection, add a slight delay to platform access, affecting store ratings.

We were pleased to observe that in 2023 the conversion rate (i.e., clients that enter a section compared to clients that actually use this section to place a trade) associated with our online ESG tool is 27%, which is largely above the industry average of 5%.

We also measure the ESG score improvements of the trading activity and track the new ESG feature related to lending activities to ensure our offerings align with our sustainability commitments and market demands.

» Further details can be found in the section on Innovation and Access to Finance

INNOVATION AND ACCESS TO FINANCE

As a pioneer in the online financial services industry, innovation is central to our corporate identity and synonymous with our brand. We strive to challenge conventions via innovation and technology to democratise financial markets and make financial opportunities more accessible to all.

Relevance of Innovation and Access to Finance (impacts, risks, opportunities)

Swissquote is dedicated to advancing new ideas, products, and services to meet the changing needs of customers, with agility and convenience. This involves challenging conventions via innovation and technology to democratise financial markets and make investment opportunities more accessible to all. Innovation is key to achieving sustainable development and empowering communities.

Swissquote's culture of innovation benefits our direct clients and contributes to the broader democratisation and

[1] Subject to PwC assurance engagement

accessibility of financial markets, fostering impactful trading. Moreover, innovation enhances the health of the financial sector and can improve experiences for clients and stakeholders alike – a principal driver for us. On the flip side, a lack of innovation and access to finance may limit trading opportunities for clients and could have larger societal impacts.

Embracing innovation and democratisation not only enhances Swissquote's competitive edge but also paves the way for new business prospects. It reinforces our brand and aids in attracting and retaining both clients and highly skilled technical professionals. Additionally, innovative improvements in internal processes can result in cost efficiencies and increased profitability. The absence of innovation and financial democratisation could have negative consequences on Swissquote's overall business performance and profitability.

GOALS

- **Bring new, disruptive products to the market and differentiate ourselves through innovation**
- **Reinforce reputation as a pioneering organisation**
- **Democratise finance by providing free educational content and knowledge sharing**

Measures in 2023

In 2023, our strategic pillars have evolved, focusing on a mobile-first approach that puts global markets at our traders' and investors' fingertips in line with their needs. With the aim to transform into a universal digital bank, we introduced an innovative suite of daily banking services accessible via multiple channels. Simplification is key, and we are making wealth building more straightforward for mid-term and passive investors with easy investment solutions. Enhancing our trading platforms for better navigation and a unified customer experience is another goal, alongside empowering traders and investors with insightful market analysis and technological tools to enrich their trading experience. Additionally, we are harnessing our new crypto exchange, SQX, to enrich our offerings in the cryptocurrency space, including staking services for crypto holders.

Furthermore, we have introduced securities lending services, enabling clients to generate additional income from their portfolios under any market conditions and helping them diversify their revenue streams.

Strengthening Swissquote's digital banking evolution, a new debit card is available primarily as a virtual offering, with a physical card made from 85% recycled PVC. Such a step advances our journey towards becoming a universal digital bank with comprehensive daily banking packages.

In July 2023, we launched 'Invest Easy,' a simple, one-click investment and saving solution integrated with Swissquote's online banking platform. It offers four professionally predefined strategies tailored to individual risk profiles, competitive interest rates of up to 2% on cash deposits depending on currency, and low-to-no fees. With this new gateway to guided wealth building, we aim to simplify investment and make wealth building more accessible than ever.

With our newly launched Impact Investing certificate, we provide an opportunity for customers' portfolio to grow with competitive companies, while participating in the direct financing of social and environmental projects. 50% of dividends paid out are used to finance a sustainable project. The first project financed was Santé Solaire of Saloafrica.

In 2023, our efforts to nurture a culture of innovation was rewarded, having Swissquote and Yuh being ranked second and third of their category in the list of innovative companies 2024 published by PME, BILANZ Wirtschaftsmagazin and Statista.

To address the financial knowledge gap and inspire more women to invest, Swissquote has launched several initiatives aimed at empowering women investors. Notably, a trading event in Zurich was designed exclusively for women. Such initiatives led to an increase in the proportion of women active investors from 20% in 2022 to 22% in 2023. To complement this initiative, Swissquote has expanded its educational resources with a new free webinar dedicated to active ESG investing, showcasing our tools that align investment choices with personal values for sustainable impact.

At Swissquote we are reaching tens of thousands of people thanks to offering our services in up to ten languages. More than 80,000 people follow us on our YouTube channels, where we also live-streamed also the Swissquote Trading Day, organised in June 2023 in Geneva. Around 3,000 people gathered to talk to a wide range of experts about financial markets. Those free events and communication channels allow Swissquote to make financial information more accessible to all even in hard-to-reach areas and thereby improve financial inclusion. We believe sharing knowledge on finance free of charge is central to working towards reducing inequalities when it comes to access to finance.

How We Manage Innovation and Access to Finance

Swissquote has consistently positioned itself at the forefront of digital banking innovation, leveraging technology to meet the growing customer expectation for platforms that are convenient, easy-to-use, and available on demand. With over 25 years of innovation, we have built a reputation as a proven innovator, which is integral to our brand awareness and instrumental in attracting and retaining tech talent, who make up 38% of our workforce. By prioritising innovation, we not only maintain our competitive edge but also respond swiftly to market shifts. We strive not to pass additional costs of innovation to our clients by investing in automation and backend processes.

Swissquote develops innovative solutions by constantly exploring new technologies and understanding our customers' needs and behaviours to enhance their experience. In driving innovation, our product strategy is spearheaded by think tanks for ideation and development teams to implement innovation projects once a budget is allocated. Such people-centric approach to innovation relies on our ability to hire and retain the best talents and remain committed to our employees’ wellbeing.

Our innovation product strategy is supported by a robust product management framework. This framework ensures client satisfaction through continuous feedback, detailed KPIs analysis, market screenings for competitive alignment, and focused market research to evaluate the need for and effectiveness of our offerings. As we advance, Swissquote remains dedicated to continuous innovation, incorporating available technologies like artificial intelligence to serve client needs.

We continuously measure our effectiveness. Product managers define time-specific key result targets for each project, and by closely monitoring these KPIs, we gain insights into our clients’ responses to new products. At the same time, we collect clients’ qualitative (via a built-in feedback tool) and quantitative (via surveys) feedback and monitor the market and benchmarks in the product strategy team.

We believe that by providing free educational content we participate in democratising finance and financial inclusion.

Swissquote offers multi-asset class opportunities to all our customers including small-scale private investors as well as a wide range of online information, products, and services and thus aims to create value for society.

Performance Indicators

	2023	2022
Total number of online tradable securities	3,744,340	3,470,202

Our other performance indicators, guiding our innovation and access to finance strategic decisions, include product adoption rate, product usage, and trading activity rate on the platform.

» Further details can be found in the section on Customer Experience, Product Governance and Talent Recruitment, Development, and Retention

How we create value and conduct business responsibly

We are committed to conducting our business responsibly and transparently. Mutual respect is core to our identity and defines everything we do. At Swissquote, we consider this both a moral obligation and a differentiator; by building relationships based on trust and understanding, we are better positioned to serve our customers, now and in the future.

FINANCIAL PERFORMANCE

Swissquote aspires to grow as a company and to provide exceptional value to investors by pioneering new markets in the online financial services industry. By reinvesting in innovation and improvement of our operations and services, and as one of the best capitalised banks in Switzerland, we are well-positioned to lead the Swiss online banking industry and achieve our ambitions.

Relevance of Financial Performance (impacts, risks, opportunities)

Swissquote is dedicated to fostering sustainable growth, which is essential for maintaining our long-term economic value creation and contributing to economic progress for all stakeholders, in accordance to legal requirements.

Our commitment to sustainable growth aligns with shareholders' expectations for returns and guarantees financial stability for other stakeholders. With this consistent advancement, Swissquote reinforces confidence in the online banking sector and the overall financial ecosystem, whereas the opposite could harm Swissquote's financial stability with consequences for our stakeholders (i.e., clients, employees) and society at large.

Financial health is key to Swissquote's stability, profitability, and sustainable development. Moreover, it maintains stakeholders' trust and fortifies Swissquote's reputation as a reliable and expanding online financial services company. A poor financial performance could have effects on Swissquote's stability and on its reputation.

GOALS 2023

- **Maintain net revenues and pre-tax profit of CHF 495 million and CHF 230 million respectively**
- **Achieve a pre-tax margin above 45%**

MEDIUM-TERM

- **Increase net revenues and pre-tax profit**
- **Achieve a pre-tax margin above 50%**
- **Reach a margin on assets of approximately 100 bps**
- **Increase client assets with net new money acquisition**

Measures in 2023

In 2023, Swissquote achieved a set of record financial numbers, with net revenues and pre-tax profit respectively above CHF 530 million and CHF 255 million, exceeding initial guidance published of CHF 495 million and CHF 230 million. Our solid asset class diversification allowed strong results in challenging market conditions. Non-transaction-based revenues (e.g., net interest income and custody fees) were the main contributors to the growth. In a context of low market volatility, these non-transaction-based revenues surpassed the level of transaction-based revenues (e.g., brokerage income) for the first time. Client assets reached an all-time high of CHF 58 billion as of 31 December 2023, demonstrating the high quality of our customers' accounts, while net new monies reached the counter value of CHF 5 billion in 2023.

A challenge we address lies in appropriate distribution of income among our stakeholders, encompassing employees, investors, and the wider community. A new payout policy was therefore adopted to increase transparency and predictability for investors.

How We Manage Financial Performance

Our business strategy centres on the long-term growth of our operations, emphasising innovative products, client experience enhancement, and expanding to new markets. To achieve this, we balance profitability and capital efficiency, maintaining a long-term view perspective that allows for creating value for our financial group and stakeholders via sustainable growth.

As a qualitative, mid-capitalised company, we recognise our investors' expectations of substantial growth. We meticulously plan to fulfil these expectations while safeguarding financial stability for our clients, employees and other stakeholder groups.

We are here for the long run and use a comprehensive approach to financial performance, with the aim of sharing the value we generate across our diverse stakeholder groups. While we share profits with our shareholders through dividends, we retain a portion of the revenues to strategically reinvest in innovative services and products that disrupt markets and make financial trading accessible to everyone. Furthermore, we also incentivise our employees with equity-based compensation schemes, enhancing operations and profitability, and ensuring that we attract and retain talent.

As an online trading platform, Swissquote navigates the intricacies of macro trends, including geopolitical unrest and economic fluctuations, which can affect our customers' trading activities. We mitigate these influences by maintaining a balanced and diverse product portfolio and focus on increasing the asset-based portion of net revenues year over year. Net new monies growth is key for Swissquote to be able to reach the mid-term outlook 2025 and growth targets.

Our financial statements are biannually audited by external auditors. We consistently measure our financial results against our objectives, implementing adjustments as needed to remain on course. Upholding our status as a strongly capitalised bank according to Basel III is fundamental to our success. Hence, the allocation of created value duly reflects regulatory capital constraints by considering the reference capital.

Performance Indicators

For information about direct economic value generated, reference is made to the statement of financial position, income statement and statement of comprehensive income on page 20 and following GRI 201-1.

Swissquote receives CHF 75,978 as redistribution of the revenue from the CO_2 levy from the Swiss government. The CO_2 levy is a tax on fossil thermal fuels that is redistributed annually to the population and the economy. It aims to promote the reduced use of fossil fuels GRI 201-4.

» Further details can be found in the Remuneration Report and in the Financial Report

COMPLIANCE, GOVERNANCE AND ETHICS

Since our founding, we have built a reputation based on transparency and respect for our stakeholders. Integrity is in our DNA, and our partners, customers and employees expect this in everything we do.

Relevance of Compliance, Governance, and Ethics (impacts, risks, opportunities)

Swissquote is committed to conducting business with a high standard of compliance, responsibility, diligence, and integrity. We strictly comply with all applicable laws and regulations. Our employees are dedicated to uphold our Code of Conduct and corporate values in all dealings with clients, shareholders, colleagues, and other stakeholders, ensuring that we also steer clear of anti-competitive behaviour.

The entire Swissquote ecosystem benefits from robust corporate governance. Ethical, respectful, honest and transparent management and rigorous compliance with regulations align with the best interests of all our shareholders and stakeholders. Conversely, unethical conduct, legal infractions, corruption, or violations of human rights can adversely affect our employees, clients, suppliers, and have broader detrimental effects on the environment, society, and the economy.

Maintaining exemplary governance and transparency not only strengthens Swissquote's reputation but also contributes to our economic prosperity, allowing for the early detection of potential risks. On the other hand, allegations of corruption or unfair business practices can have negative impact on reputation and result in severe legal and financial repercussions.

More specifically, under Swiss criminal law, any private company may be held liable of acts of active corruption (bribery) that were committed by and can be attributed to its employees, related third parties or agents, unless the company can show that it has taken all the reasonable organisational measures that are required in order to prevent such an offence. In case of violation of anti-bribery or anti-corruption principles, Swissquote and/or its employees may face severe sanctions, which may include criminal conviction (custodial sentence and/or fine), the materialisation of civil risks and sanctions and business restrictions imposed by FINMA, in addition to a significant negative impact on Swissquote's reputation. All these negative consequences may also be applicable in case of breach of other laws and regulations, including laws combating money laundering and terrorist financing.

GOALS

» Aim for zero incidents that could harm our reputation and duly take into account those aspects when assessing the performance of the management

Measures in 2023

In 2023, we required that all Swissquote employees complete training on a range of topics, including client identification data, general data protection regulations, anti-money laundering, personal data protection, cross-border, and whistleblowing. For certain employees, we also introduced additional compulsory training in their specific areas of expertise GRI 2-24.

Swissquote did not identify any material non-compliance with applicable laws or regulations in its ESG efforts and was not subject to any significant fines or non-monetary sanctions in 2023. Furthermore, Swissquote was not subject to any legal action for anti-competitive behaviour, anti-trust or monopoly practices in 2023 GRI 206-1, GRI 2-27.

As legal and regulatory requirements related to sustainability become increasingly complex, including the recent implementation of non-financial reporting obligations in Switzerland, we acknowledge that maintaining compliance with all relevant regulations presents an ongoing challenge that Swissquote is prepared to address in the coming years. As from the year 2023, listed companies of public interest must publish a report on non-financial matters in accordance with Articles 964a and following of the Swiss Code of Obligations. Swissquote Group Holding Ltd is incorporated in Switzerland and falls under the definition of companies of public interest, so we have put effort into ensuring our non-financial reporting is compliant with revised Code of Obligations.

How We Manage Compliance, Governance, and Ethics

Swissquote takes pride in adherence to good corporate governance and ethical business practices, aligning with regulations on socioeconomic, environmental, anti-corruption, and anti-competitive standards. As an international finance group headquartered in Switzerland and listed on the SIX Swiss Exchange, we fully comply with the latter's Directive on Information relating to Corporate Governance and meet all applicable regional and national requirements, ensuring transparency, fairness, and stakeholder protection. Conducting business with integrity is essential to prevent regulatory risks and safeguard our reputation.
Our core values are:

- Champion the customer;
- Unite as one;
- Dare to be different;
- Do the right thing;
- In pursuit of excellence;
- Always say it how it is.

Our stakeholders expect unwavering accountability from us at all times – and our procedures and organisational structure are designed to address all concerns and anticipate any potential issues.

In alignment with both the letter and spirit of the laws and regulations, we identify and adopt best practices to secure compliance across our operations. Applying a comprehensive set of policies and rules, we identify, prevent, mitigate and, more generally, manage risks such as those related to conflicts of interest, money laundering, terrorism financing, corruption and market abuses. For instance, our procedure for video and online identification during digital account openings complies to anti-money laundering and "know-your-customer" standards set by FINMA.

Our commitment to sustainable development is reinforced by several internal or public policies and directives, which are all approved by the Board of Directors and/or the Executive Management:

- Code of Conduct;
- Supplier Code of Conduct;
- Whistleblowing Policy;
- Responsible Investment Guidelines;
- Anti-Bribery and Corruption Policy;
- Regulations relating to own-account transactions and insider trading;
- Anti-money laundering policy GRI 2-23.

We foster a culture of ethics and expect employees to abide by our Code of Conduct, which is, together with other key documents, presented during our induction programme for new employees. This programme includes a series of training modules aimed at onboarding and familiarising newcomers with our operations and Company principles. Behavioural expectations are outlined in our internal regulations along with the Standard Terms and Conditions that form an integral part of every employee's contract. Furthermore, Swissquote requires all employees to review, understand and acknowledge receiving policies on banking secrecy, money laundering, anti-bribery and corruption and insider trading GRI 2-24.

Swissquote has defined its anti-bribery and anti-corruption principles in its Anti Bribery and Corruption Policy (« ABC Policy ») a version of which is available online since early 2024. This policy is also applicable to the foreign entities of the Group to the extent that they do not have their own (more stringent) policies on the subject. As a matter of course, passive corruption (the acceptance of bribes) is equally not acceptable by Swissquote. The ABC Policy gives in particular clear guidance with regards to the determination of acceptable and prohibited behaviours, what action must be taken in case an advantage is offered and the sanctions that Swissquote may take in case of breach. To raise awareness among employees and reduce the corresponding risks, these elements, completed by a number of examples to illustrate the various cases, also form the content of a regular training session that is mandatory for all employees GRI 205-2 (subject to PwC assurance engagement).

Our Whistleblowing Policy was established to uphold our commitment to high ethical standards by encouraging Board members, employees, and contractors to report any actual or suspected misconduct to the line manager, the Group Head Human Resources, Group Chief Risk Officer, Group Chief Legal Officer to the Chair of Swissquote Audit & Risk Committee as applicable. This policy allows for anonymous submissions and guarantees confidentiality, coupled with a strict no-retaliation stance. Reports of whistleblowing, barring urgent cases that require direct attention of the Group Board of Directors, are briefed by Executive Management in their quarterly updates to the Group Board of Directors. All reported breaches of ethics are thoroughly investigated and met with appropriate corrective measures **GRI 2-16, GRI 2-26**.

The Controlling & Risk department conducts checks in line with ongoing risk assessments to ensure compliance with internal procedures, with significant findings reported to the Human Resources and Legal departments. Every employee at Swissquote is contractually obliged to comply with our standards and violations can result in disciplinary actions.

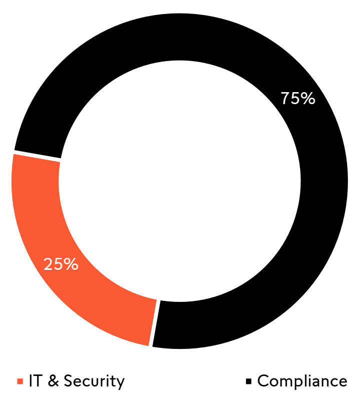
For external stakeholders seeking advice on particular directives or policies, we offer a platform (https://www.swissquote.com/en-ch/private/help/contact) with email contacts (e.g., investorrelations@swissquote.ch). Our employees can find relevant information via our "Inside Swissquote" intranet in a dedicated section on our Rules & Tools, which includes information on all relevant regulations, **GRI 2-26**.

The Board of Directors is ultimately responsible for all ESG decisions and supervise performance related to annual objectives for sustainability, gender diversity and wage fairness, **GRI 2-12**. Since 2021, our stakeholder engagement team, headed by the Chairman of the Board of Directors, conducts annual meetings with several of our major shareholders. These discussions cover a range of topics critical to Swissquote, including our strategy, remuneration policies, and Board of Director's perspective on these matters.

Performance Indicators

Our e-learning programme ensures that employees are well versed in all relevant laws, regulations, and internal policies. Swissquote's training agenda defines mandatory courses and frequencies for each employee. In 2023, all employees participated in trainings on client identification data, general data protection regulation, cross-border, anti-money laundering, and whistleblowing. Selected employees also received specialised training. Compliance trainings constitute 75% of all mandatory training, with new hires undergoing induction sessions. Annually, employees must acknowledge their understanding and acceptance of regulations on own-account transactions and insider trading **GRI 2-24**. In 2023, there were no identified incidents of corruption[2] **GRI 205-3**.

MANDATORY TRAINING BY CATEGORY, 2023



Swissquote was not subject to any legal action for anti-competitive behaviour, anti-trust or monopoly practices in 2023 **GRI 206-1**. In 2023, there were no financial and in-kind political contributions made directly or indirectly by Swissquote **GRI 415-1**.

No significant risks related to corruption was identified through the global bribery and corruption risk assessment conducted in 2023 **GRI 205-1**.

We measure our effectiveness by both external and internal auditors' feedback, as well as the approval rate of the Remuneration Report at our ordinary General Meeting, which saw an increase to 91.03% in 2023 from 89.18% in 2022. For more detailed information, see the Remuneration Report.

» Further details can be found in the section on Data Privacy and Security

[2] Subject to PwC assurance engagement

PRUDENT INVESTMENT APPROACH

We work hard to safeguard our clients' financial interests. That includes the integration of ESG criteria and exclusion of controversial sectors in our own investment decisions to limit risk exposure while influencing positive short- and long-term impact on society and our environment.

Relevance of a Prudent Investment Approach (impacts, risks, opportunities)

Swissquote's strategy for safeguarding financial interests includes risk management strategies, regulatory compliance, and the integration of ESG criteria into our own investment decisions. These measures are designed to protect Swissquote's assets and boost long-term risk-adjusted returns for our stakeholders.

Following our mission to democratise finance and empower investors, we typically do not offer direct investment advice or asset management services (apart from Robo-Advisory and our Investment Inspiration tools). Additionally, despite our core activity not typically comprising of direct loans to corporations, we have incorporated ESG factors in our lending activities (see section Product Governance). Hence, our focus lies on the allocation of our own assets.

By channelling own assets into companies that champion social and environmental solutions through innovative technologies, products, and services, Swissquote can help fostering sustainable economic growth and societal progress. This strategic alignment of financial goals with responsible and impactful practices contributes to sustainable development as well as positive changes in society and the planet. The lack of a prudent investment approach could undermine Swissquote's leverage to contribute to sustainable development.

Prudent investing is key to safeguarding Swissquote's capital and essential for our long-term operational viability. Integrating ESG criteria can attract socially conscious investors, while prudent risk management and compliance can reinforce our reputation. Not considering these factors could have a negative impact on client trust, competitive advantage, sustainable growth, and increase risk exposure and financial instability for Swissquote.

GOALS

- **Adequately and vigilantly manage the various risks affecting our assets**
- **Apply best-practice risk management policies**
- **Integrate ESG criteria in our own investment process**
- **Increase allocation of own investment in thematic and impact investing by minimum 100% by 2030**
- **Measure and disclose the greenhouse gas (GHG) emissions associated with loans and investments following the PCAF methodology by 2024**

Measures in 2023

In 2023, Swissquote Bank Ltd ensured that our investment decisions were aligned with our Responsible Investment Policy, leading to an improvement in the average Refinitiv ESG rating of our own investments from B- in December 2022 to B+ by December 2023. Additionally, we integrated a greater number of green bonds into our portfolio (value of CHF 46 million at the end of 2023). Moving forward and in line with our new climate strategy, we will increase the allocation of own investment in thematic and impact investing by minimum 100% by 2030 compared to the level of CHF 46 million as at 31 December 2023. Thematic investments are investments in themes or assets specifically related to ESG factors. Impact investing seeks to generate a positive, measurable social or environmental impact alongside financial return. This objective therefore includes, but is not limited to, green investments such as green bonds. Also, we will continue to focus on climate and environmental risks that may impact our assets. In this regards, we implemented a new climate risk management framework defining Swissquote's process for managing climate-related risks and aiming to assess how climate-related risks impact other risk classes such as credit, market, liquidity and operational and reputational risks. In this context, we performed stress testing and climate-related scenarios analysis to evaluate the resilience of Swissquote's strategy. It is finally worth noting that we further improved our non-financial reporting, with new climate-related disclosures under the framework proposed by the Task Force on Climate-related Financial Disclosures (TCFD).

This year as well marked the broadening of our Responsible Investment Policy's scope, which now encompasses not only Swissquote's investment securities portfolio but also our sovereign debt portfolio (treasury bills and other eligible bills). All the securities in our sovereign debt portfolio had a Refinitiv ESG rating with a portfolio average ESG score of A- as of December 2023. To enhance transparency, we have made a public Responsible Investment Guidelines available on our website, disclosing our dedication to responsible investing for our own assets. The Responsible Investment Policy has refined the selection of potential bond investments, yet still provides ample variety to guarantee adequate diversification across sectors and company names in our portfolio.

We are proud to have joined the Partnership for Carbon Accounting Financials (PCAF) in 2023, an industry-led initiative whose mission is to facilitate the alignment with the Paris Climate Agreement by proposing a standardised methodology for financial institutions to assess and disclose their financed greenhouse gas emissions. In joining this partnership, the Company commits to measure and disclose the GHG emissions associated with our portfolio of loans, investments, (re)insurance underwriting, and other financial products and services within a period of three years using jointly developed GHG accounting methodologies.

In 2023, Swissquote also became a member of the Institutional Investors Group on Climate Change (IIGCC), the leading European membership body that supports and enables the investment community in driving significant and real progress towards a Net Zero by 2030 and a resilient future. These will be achieved through capital allocation decisions, stewardship and successful engagement with companies, policy makers and fellow investors.

With our newly launched ESG bonus on Lombard loans, the scope of assets now encompassing ESG considerations has been further broaden.

How We Manage Investments

For us, prudent investment means diligently working to secure long-term returns through investments in responsibly managed organisations. By focusing on high-quality issuers, we aim to mitigate credit deterioration while keeping an appropriate risk level.

As a publicly traded company with a Swiss banking licence with over 570,000 client accounts, we comply with all relevant rules and standards to protect our customer assets and shareholder equity, including full compliance to the Basel III framework.

Beyond Swiss laws and regulations for licensed banks, which mandate proper capital and liquidity reserves as well as risk diversification, our Board of Directors has established internal risk management guidelines shaping our investment strategy. These include:

- List of approved investment products that Swissquote can purchase on its balance sheet;
- Maxima and minima by credit rating and type of investment product;
- Diversification rules by country and industry;
- Liquidity buffers; and
- Rules to ensure an appropriate duration of our assets and liabilities.

Swissquote's Responsible Investment Policy for own assets formalises how we integrate ESG factors in making our own investment decisions. Together with the diversification rules, these guidelines ensure we are minimising investments in less sustainable companies and reduce sustainability risks that could have a financial impact. Our Asset and Liability Management and Treasury department, which oversees Swissquote's balance sheet, is responsible for compliance with this Policy as well as with risk management guidelines. Compliance with the Responsible Investment Policy is supervised by our Finance department, while compliance with risk management guidelines is daily monitored by our Controlling and Risk department. Compliance is audited by external auditors.

In particular, we use the following criteria in selecting products for Swissquote's securities portfolio:

- Select investment securities with a minimum Refinitiv ESG score of C+ (higher range of satisfactory relative ESG performance) or BBB from MSCI (average ESG performance) or qualified as Medium Risk or better by Morningstar Sustainalytics when available. The ESG score coverage shall be at least 80% (relative to the size of the investment securities portfolio);
- Exclude companies generating more than 5% of their revenues in controversial sectors (armaments, oil sands, coal, tobacco, genetic engineering, gambling and adult entertainment);
- Exclude companies listed on the exclusion list of the Swiss Association for Responsible Investments (SVVK).

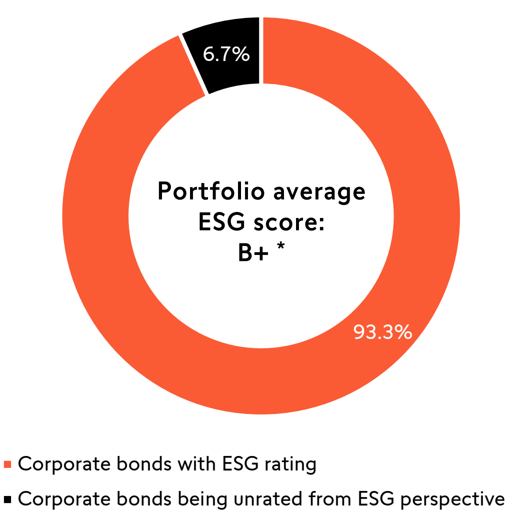
Since the Asset and Liability Management and Treasury department is charged with ensuring that the ESG strategy, as outlined by the Board of Directors, is properly implemented in our own investment decisions, we have implemented compulsory training on responsible investment for all departmental employees. Additionally, we have established control procedures to guarantee compliance with the Responsible Investment Policy.

» Further details can be found in the section on Product Governance and Innovation and Access to Finance

Performance Indicators

Swissquote's commitment to a prudent investment approach is reflected in comprehensive performance indicators. We actively screen and report on investments in excluded controversial sectors or companies as well as on investments in companies with ESG scores below our set threshold. The proportion of our investment portfolio with an ESG rating is continuously monitored, alongside the calculation and reporting of the portfolio's average ESG rating, ensuring our investment decisions align with sustainable and ethical standards.

INVESTMENT SECURITIES PORTFOLIO AS OF 31.12.23



* Good relative ESG performance as per Refinitiv ESG rating.

TRANSPARENCY AND CREDIBILITY IN THE MARKET

Credibility is everything in banking. Without credibility, there is no bank.

Relevance of Transparency and Credibility in the Market (impacts, risks, opportunities)

Swissquote is dedicated to achieving credibility by strictly adhering to rules and regulations concerning the labelling and marketing of products and services, while also striving for utmost clarity and transparency on the products and services offered to customers. As a regulated bank at two of our locations – supervised by the FINMA in Switzerland and the CSSF in Luxembourg – we ensure reliability and fulfil all required guarantees and capital requirements.

Consistently offering dependable products and solutions and communicating on them regularly enhances Swissquote's transparency for all stakeholders. This commitment to credibility has a broader impact on security and trust within the financial, fintech, and banking sectors, whereas an intransparent business conduct could reduce trust in the financial sector.

Transparent communication with our clients is also essential in preserving their trust and maintaining Swissquote's good reputation. Market credibility is integral to our long-term business prosperity, ensuring stability and fostering sustainable growth, while the lack thereof could have negative consequences for our reputation and financial health.

GOALS

- **Remain a profitable company and trustworthy partner for customers**
- **Maintain a strong equity capital ratio well above minimum requirements**
- **Propose continuity in the dividend payout ratio**
- **Apply best practice standards in financial and non-financial reporting**
- **Support meaningful regulation and appreciate being regulated by respectful regulators worldwide**
- **Unambiguous communication with stakeholders especially regarding terms & conditions and pricing policy applicable to customers**
- **Apply best practice remuneration and corporate governance rules**
- **Maintain ESG rating scores**

Measures in 2023

Building and maintaining trust with our clients, partners, employees, and investors is an essential aspect of our business strategy, as it plays a critical role in increasing loyalty, positive reviews, testimonials and ultimately, increasing revenues. Our efforts in applying best practice remuneration and corporate governance rules have been rewarded by our receiving a satisfactory zRating® score attributed by Inrate (corporate governance rating for Swiss listed companies with a maximum total of 100 points). In the 2023 zRating Study, Swissquote ranked 15th out of 169 listed Swiss companies and second in the financial services industry. Furthermore, Newsweek placed Swissquote as third in its "World's Most Trustworthy Companies 2023" list for the financial services category, ahead of all other Swiss companies.

Such public recognition is a testament of the hard work of Swissquote' employees, ensuring that we are true to our core values, especially "Champion the Customers", "Do the right thing", "Always say it as it is" and "In pursuit of excellence".

The main insights from our annual customer survey on credibility reveal that we are the Swiss leaders in brand awareness, and our continued media presence has earned the trust of not only beginners but also those transferring from other large players in the banking sector. More than ever, clients choose our services for the trust, stability, and security we have established. Additionally, the survey highlights that traders value the friendliness of our customer care combined with trustworthiness (and regulated operator status) and private data security. Swissquote received an overall average score of 6 out of 7 for the factor "trust".

How We Manage Transparency and Credibility in the Market

Swissquote stands out from traditional financial providers, forging a distinctive market position through creativity, software development, customer service, and investor empowerment. Our reputation for reliability and flexibility is allowing us to gradually transition from a second bank used for trading purposes to the preferred and sole banking partner for our customers. Our commitment to exceptional service and individual client needs is setting us on the course to becoming a universal digital bank with a comprehensive suite of products and services.

Transparency is paramount as we progress. By offering reliable, credible, and competitive products and solutions accessible to all, Swissquote is elevating quality and transparency for stakeholders and enhancing security and trust within the financial, fintech, and banking sectors.

At Swissquote, credibility is captured by one of the four founding principles of our value proposition:

- Swiss pedigree and top customer experience;
- Extensive and unique multi-asset offer;
- Trust and security;
- Tech leadership and innovation.

Our status of regulated banks, under the supervision of the FINMA in Switzerland and the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg, or regulated financial institutions in other jurisdictions where the Group is active with all the guarantees and capital requirements, establishes customers' trust. Annual extensive financial and regulatory audits by external auditors reinforce this trust.

We understand that long-lasting, trusted relationships are built on transparency. We communicate clearly and openly about relevant aspects of our business activities to our customers, partners, and other stakeholders. We use clear and unambiguous language.

Swissquote's role extends beyond banking; we are a public media vector with our online global financial platform, adhering to strict restrictions and information publication obligations. In response to these requirements, we engage our legal and compliance departments, extensively use ad hoc disclaimers, and apply a comprehensive set of policies and rules, we identify, prevent, mitigate and, more generally, manage risks such as those related to conflicts of interest, money laundering, terrorism financing, corruption and market abuses. Our Executive Management and the Board of Directors are briefed daily on media coverage, ensuring swift action if our reputation is at risk.

Performance Indicators

In 2023, we remained profitable and maintained a strong equity capital ratio well above minimum requirements. Further information is available in the financial risk management section of our Financial Report. In addition, the proposed payout per share significantly increased for 2023, in line with our new payout policy.

	2023	2022
Capital ratio in %	25.1%	24.8%
Net profit in CHFm	217.6	157.4
Payout per share in CHF	4.30	2.20

In 2023, Swissquote Group Holding SA maintained its MSCI ESG rating of AA[3] (on a scale of AAA-CCC), a zRating score of 74, and improved its Sustainalytics ESG Risk rating from "medium risk" to "low risk".

	2023	2022
Sustainalytics overall ESG risk score	Low	Medium
MSCI ESG ratings assessment	AA	AA
zRating® score	74	74

We are diligent in respecting all compliance and cross-border policies and fiercely protective of our strong brand reputation at the highest possible level. There were no incidents of non-compliance concerning product and service information and labelling or marketing communications in 2023 **GRI 417-2, GRI 417-3**.

» Further details can be found in the section on Innovation and Access to Finance

[3] The use by Swissquote Group Holding Ltd of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein do not constitute a sponsorship, endorsement, recommendation or promotion of Swissquote Group Holding Ltd by MSCI. MSCI services and data are in the property of MSCI or its information providers and are provided "as is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

How we uphold social responsibility

Our people are our most important investment and the reason behind our success. We trust, support, challenge, compensate and protect them. In return, they innovate and deliver exceptional as well as refreshing banking experiences for our customers. Similarly, we recognise the value of supporting the communities in which we do business and partnering with people and organisations in those communities to ensure that we pay it forward.

TALENT RECRUITMENT, DEVELOPMENT, AND RETENTION

Our employees are driven by a shared ambition to make trading opportunities accessible for all. We are an employer that makes employees feel at home, where individuality, initiative, and team spirit are valued. Our team's diversity in backgrounds, cultures, nationalities, and skills make us powerful innovators. Nurturing great talent is at the heart of our people management, with growth and career development opportunities as well as competitive compensation and benefits as essential motivators for our skilled professionals to excel.

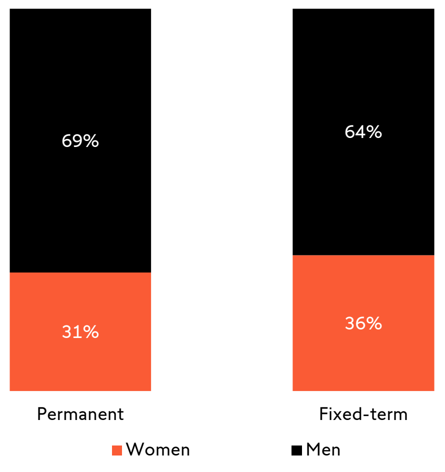
Composition of the workforce

Data covers locations in Switzerland, Luxembourg, and Dubai. 2022 data have been restated to include Dubai.
GRI 2-7

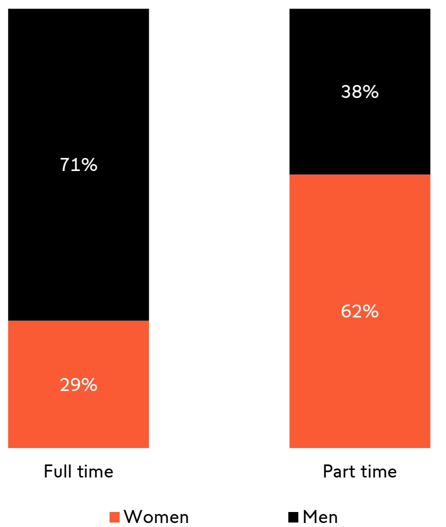
in FTE	2023[4]	share	2022	share
Total employees	**1,061**		**993**	
Employees*	1,033		975	
Apprentices, interns, trainees, externals	28		18	
Employees by employment contract*	**1,033**	**100%**	**975**	**100%**
Permanent	987	96%	944	97%
Fixed-term	46	4%	31	3%
Employees by employment type*	**1,033**	**100%**	**975**	**100%**
Full time	954	92%	886	91%
Part time	79	8%	89	9%
Employees in other locations	73		64	
Total employees at Group level	1,134		1,056	

* excluding apprentices, interns, trainees

BY EMPLOYMENT CONTRACT, 2023



BY EMPLOYMENT TYPE, 2023



[4] Subject to PwC assurance engagement

Relevance of Talent Recruitment, Development, and Retention (impacts, risks, opportunities)

Swissquote is committed to attracting and developing talented employees, a journey that begins with our recruitment initiatives and extends through comprehensive education and training programmes. By focusing on competency building and career progression, we aim to leverage our employees' strengths and potential.

Talent development and ongoing education empower Swissquote's employees to become masters of their craft, grow their careers and improve their general wellbeing. We believe in our duty as an employer to train and develop competencies not only for our company but also for the economic landscape. Similarly, we recognise the value of supporting communities, in which we do business.

Talent development and retention allows Swissquote to secure the skills our teams need for long-term business success and competitiveness in the market. By retaining employees, Swissquote can reduce talent acquisition costs, experience higher morale, and strengthen the company culture, institutional knowledge, and long-term leadership.

GOALS

- **Encourage current employees to refer candidates from their network**
- **Support professional growth and internal mobility**
- **Attract and retain talents to enhance performance and capacity for innovation**
- **Closely monitor turnover for a healthy balance between institutional knowledge and industry best practice**
- **Increase engagement and commitment to maximise job satisfaction**
- **Maintain reputation as a competitive and attractive workplace and online reputation as an attractive employer**
- **Maintain an Employer Value Proposition (EVP) which people can identify with and that improves employees' engagement**

Measures in 2023

In 2023, we have further developed Workday, our tool to access employees' personal and professional data, by integrating talent and learning modules. We followed deployment of these modules with a dedicated training session on identifying and retaining talent provided to all managers as well as with a newsletter explaining functionalities of this software to all employees.

We remain focused on developing and implementing departmental career paths, while maintaining one global culture. Satisfied employees are increasingly likely to recommend employment at Swissquote, that is why we see referral as key metrics of employees' satisfaction. We are delighted that, despite observing a decrease in proportion compared to the previous year (2023: 16% versus 2022: 21%), it is still the third most used recruitment channel. In early 2024, we released a new online platform to support referral and internal mobility, aiming at further boosting the number of referrals made as well as enhancing employees' career internally. This tool will give employees more information about open positions, simplify the application process and help enhance internal mobility.

In early 2023, we communicated our redefined Employer Value Proposition (EVP) to all employees. As part of the EVP, we follow the motto for Swissquote: "We are all in". Visual campaigns on social media included a manifesto movie starring more than 70 employees and illustrating the three pillars of our EVP – innovation, friendliness and growth. As Swissquote faces high competition in the European technology talent market, further compounded by the scarcity of German-speaking professionals, such initiatives are crucial.

Internal campaigns messaging our value proposition as well as thorough induction presentation are indispensable for integrating our international teams into one culture and providing equal level of information to all. We relocated our Bucharest Tech Hub, opened in 2022, into a premium location at the heart of the city and promoted benefits of this unique workplace with professional photo session for the team.

We have created a new "GreenIT" module within our internal Tech Talent Academy for young graduates to raise awareness about the environmental footprint of digital services and encourage newcomers to participate in the green IT effort in their daily work. We have also hosted an annual JOM event in Switzerland (Journée Oser tous les Métiers – "A day to dare all professions") open to employees' children aged 10 to 12 and dedicated to removing existing gender barriers to accessing different professional career paths.

Collecting employee feedback on a regular basis is key to ensuring our employees have ownership in our cultural evolution and business growth. We take feedback outcomes into account while implementing various elements of work experience, such as seating arrangements, food preferences or commuting choices. We conducted a pulse employee survey in order to evaluate the level of satisfaction and motivation of our employees. The questions were based on our EVP, evaluating if our employees are “all in” (i.e., pride and motivation) and assessing the overall atmosphere at our company. Employees were also asked how they evaluate Swissquote’s level of innovation, and how satisfied they were with their own development at Swissquote. 629 participants took part in the survey and the average grade was 3.9 out of 5. The best grade was given to the atmosphere in their team. The results of the survey were presented to the staff in early 2024 and actions will be taken accordingly in the future.

In the future, such surveys will be conducted on a quarterly basis to ensure employees’ feedback is collected and action taken where appropriate.

Our revamped employer image and branding resonated also outside of the Company. In 2023, we ranked as the best employer in the financial industry in the annual survey by Handelszeitung and PME Statista. In the Universum ranking, the leading employer branding specialist among students globally, we have reached the 21st position for most attractive employer in Switzerland for IT students, jumping by 14 places in a year.

How We Manage Talent Recruitment, Development, and Retention

At Swissquote, our employees are united in making trading accessible to everyone. We strive to nurture a workplace that values personality, initiative, and above all team spirit. Developing top talent is central to our approach to people management.

Recruitment, onboarding, development and retention lie within the responsibility of our Human Resources department, specifically the Talent Acquisition and Management team. However, all managers play vital role in developing and engaging our employees.

Key commitments in the area encompass Swissquote’s values. They are backed by various instruments and processes, including the departments’ career paths (i.e., role description which are built upon our vision, mission and responsibilities), duties and responsibilities of the hierarchical ranks, competencies referential and the Employer Value Proposition.

Excessive turnover is often attributed to a misalignment between a company’s direction and its employees' goals, or when employees perceive a lack of opportunities for professional advancement. We succeeded in maintaining our turnover at a reasonable level by using three specific measures: employing thoughtful hiring informed by various feedback analyses, taking actions based on those analyses when required and finally, offering numerous pathways for growth, both vertically and horizontally. Thus, we are able to offer competence building, formal appraisals and feedback, as well as provide employees with career development opportunities across different functions and locations. Accordingly, we focus on five training areas for employees:

1. General (on Swissquote, its history, values and global information);
2. Compliance;
3. IT security;
4. IT development;
5. Management.

Our human resources specialists analyse employee records to identify opportunities for development or progression within departments or for internal mobility. At our banks in Switzerland and Luxembourg, for instance, the appraisal process is a regular, year-long dialogue that concludes with a year-end review. All employees and their direct supervisors collaboratively set individual and team objectives each year. Managers ensure these goals not only reflect the individual's job description and level but also align with our broader strategy, letting everyone add their strengths to the organisation’s collective achievements. These objectives are regularly assessed, leading to a formal annual review where managers evaluate employees’ performances in relation to their responsibilities and objectives.

All newcomers participate in our induction programme that includes four modules: learning about the Company, our internal tools, the world of finance and Forex. Every year, we address specific themes in addition to the annual mandatory training.

Each new manager undergoes the Management Toolbox Training, which acquaints them with our expectations and covers smart objective setting, providing constructive feedback, labour law, and recruitment. Furthermore, in recent years we have extended the training on personality typologies for managers, focusing on communication and collaboration challenges. In 2024, we aim to offer refresher courses for our all our managers.

We formalised, in collaboration with a sample of managers, our management career paths in the Software Engineering department and are now extending it to other departments. These career paths aim to train, develop and retain the best talent at Swissquote, proving that our talent development efforts evolve as we grow and expand.

Career pathways can often look non-linear, and good managers are invaluable in supporting employees' journeys. On top of informal mentoring and providing all Swissquote employees with professional development opportunities, we established a Tech Talent Academy to provide interested young graduates with the know-how and training to pursue careers in software engineering. Our 2023 cohort included 15 junior software engineers receiving a three-month training programme.

Nurturing and developing talent extend also to the young entering their first job. In recent years, we have enhanced our apprenticeship programmes in Switzerland. We employ 25 apprentices in total across three key sectors: commercial, banking, and informatics. Eight out of the 25 apprentices joined Swissquote in 2023. At the conclusion of their apprenticeships, the majority are offered a permanent position in our team. We offer the apprentices a couple of introductory days to familiarise themselves with the company and financial industry. The apprentices have the opportunity to discover various departments within the company by spending a few months in each department over their three years of apprenticeship. Each apprentice has a supervisor who ensures that the learning process runs smoothly, acts as an intermediary between the school and the work, and provides regular feedback and evaluations **GRI 404-2**.

We prioritise open and constant communication and hold at least two staff meetings a year to present Swissquote's financial performance and status as well as offer a Q&A session with our CEO, CFO and CSO. We consistently seek feedback through engagement surveys to monitor employee satisfaction. These include regular management surveys, which help us identify ways to better support our teams, and surveys on their general wellbeing, such as employee satisfaction surveys. Our employees can also provide feedback via special surveys. For instance, in our bank in Luxembourg, we annually benchmark our initiatives against those of local banks using the Luxembourg Bankers Association (ABBL) survey. Globally, we run various surveys on topics like food options, organisational changes, and special events to fine-tune our services and empower our employees to shape our company culture. A page on our intranet is dedicated to share feedback from these surveys, providing main insights as well as informing about the related actions (when possible) that will be taken.

Performance Indicators

At Swissquote, we measure our success in talent management through several key performance indicators. We track the increase in applications submitted via our website, engagement levels through response rates on LinkedIn, the participation rate to internal surveys and the percentage of roles filled by referrals and internal promotions. These metrics, along with our Talent Assessment Matrix and turnover rates – especially among key employees – provide insights into our recruitment's effectiveness and our strategies for talent development and retention. Participation in internal surveys and exit interview analyses further inform our continuous efforts to enhance the work experience and uphold Swissquote as an employer of choice.

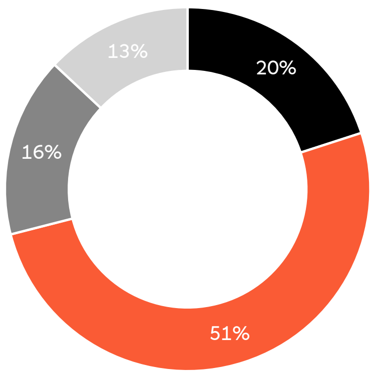
In 2023, the average annual training hours per full-time employee (FTE) for employees with management function was 12.4 hours, while the average annual training hours per FTE for employees without management function was 7.5 hours[5] **GRI 404-1**. Every employee also has a performance appraisal at least once every year to discuss performance, career perspectives and objectives[5] **GRI 404-3**.

The turnover increased to 14% in 2023 (2022: 10%) (number of employees with a permanent contract that left the company after their trial period, in relation to the average number of employees with a permanent contract between beginning and end of the year)[5]. In 2023, the company did not undergo any large-scale redundancy at any location where we have offices **GRI 401-1**.

Over 2022 and 2023 the organisation spent over CHF 500,000 per year on training (e.g., management courses, seminars, certified trainings or tools).

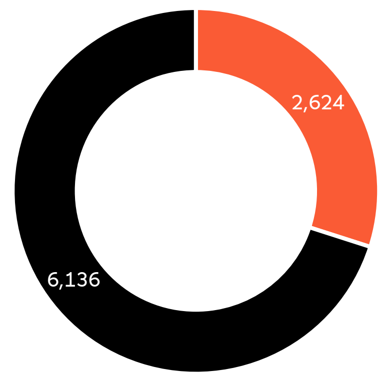
[5] Subject to PwC assurance engagement

RECRUITMENT CHANNEL, 2023



- Internal transfers and promotions
- Direct applications
- Referrals
- Others (e.g., conversion of temporary positions, sourcing)

TOTAL HOURS OF TRAINING, 2023



- Employees with management function
- Employees without management function

COMPENSATION AND BENEFITS

We expect our employees to make a significant contribution, and we reward them accordingly. This includes fair and competitive compensation, generous benefits, an enjoyable work environment, prioritising work-life balance and a focus on health and wellbeing.

Relevance of Compensation and Benefits (impacts, risks, opportunities)

Swissquote is dedicated to providing fair and competitive compensation and benefits, while ensuring physical and mental health and safety measures to employees.

Our commitment to offering attractive compensation and benefits and a supportive work environment plays a key role in fostering employee satisfaction, motivation, and overall health. By aligning our remuneration policy with market standards, crucial especially within the financial industry, we aim to attract and retain a diverse and skilled workforce, thereby enhancing employee engagement and wellbeing. On the other side, unsatisfying compensation structures and the lack of benefits could negatively impact employee wellbeing.

Compelling compensation structure and prioritising employee health and safety enable Swissquote to attract talent, retain valuable employees as well as enhance knowledge, and maximise employee engagement and performance, while a lack thereof could have negative consequences for Swissquote's operational and financial performance.

GOALS

- **Confirm fair and competitive compensation with regular benchmarks**
- **Foster monetary as well as nonmonetary benefits**
- **Ensure alignment of pay with performance**
- **Encourage a healthy work-life balance**
- **Support remote working through home office policy**

Measures in 2023

In 2023, we provided complete transparency to employees regarding the calculation of the annual bonus and the factors influencing its level. This clarity offers greater insight into the Company's strategy and vision, underscoring the significance of each employee's role in Swissquote's success.

The human resources landscape in the fintech industry is highly competitive. We have to compete for acquiring talent both with the financial industry and start-ups and scale-ups companies active in technology. Our employees regularly receive alternative job offers, compelling us to look abroad, especially for scarce engineering profiles. These international candidates have then even more abundant choices and flexibility to relocate into different countries. Therefore, maintaining attractiveness as an employer is crucial to our success.

We are committed to fostering a healthy and secure work environment, recognising the stress and pressure today's society places on individuals. To address this, we are developing stress management initiatives for both employees and managers, set to launch in 2024, with a pilot session already conducted in 2023. Annually, we organise flu vaccination campaigns and we offer paid leave for blood donations as well as medical appointments. We have also set up a nursing room in our headquarters' offices to give mums-to be and new mums the opportunity to rest, as well as to use a breast pump for nursing mothers in a calm environment equipped with an armchair, a sofa and a refrigerator to store breast milk. In our headquarters, we facilitate workers' access to voluntary health promotion by offering subscriptions to fitness and sport activities at preferential prices **GRI 403-6**.

Furthermore, in 2023, we have partnered with the CVCI (Chambre vaudoise du commerce et de l'industrie) to provide all employees access to a free hotline for discussing conflict or harassment situations they may encounter and to receive support. Swissquote has also signed the CVCI's "Charte de prévention et gestion des conflits internes" demonstrating our proactive stance on such critical workplace issues.

How We Manage Compensation and Benefits

Compensation and benefits serve as foundation in cultivating skilled team members who are inspired to do their best work. We employ salary grids to ensure equal and fair treatment, thus preventing disparities in compensation.

Alongside fair and competitive compensation, each employee is eligible for an annual bonus, known as the profit award, which is determined by the employee hierarchical level and the achievement of collective objectives. Additionally, all employees with at least one year of service are entitled to participate in our employee share or option plan, which awards free shares or options based on the position. Our seniority recognition programme includes additional days of vacation and cash bonuses. While we reward individual performance via personalised pay reviews, we also embrace the fact that we are one company and share both profit award and employee share or option plan uniformly among employees.

We are convinced that employees are more engaged when their private life and career are in harmony, which is why we emphasise work-life balance. This includes offering flexible working hours if feasible, part-time roles (including at senior management levels), and sabbatical leave options. Even before the pandemic, we permitted employees to work remotely at least once a week; this has since increased to two days a week when operationally feasible. Additionally, we provide the option to work remotely for several days per year from another country within the European region.

In our management training courses for new managers, we focus on mental health awareness and maintaining a safe work environment. For instance, our e-learning training module teaches managers to recognise early signs of burnout and potential mobbing among team members. This approach aims to prevent any decline in mental health and work conditions, safeguarding our employees' wellbeing and engagement. In our offices in Luxembourg, employees have access to employees assistance programmes to help support their well-being and mental health.

At Swissquote Bank Ltd, all employees are eligible to fully paid parental leave (16 weeks paid leave for women and

2 weeks paid leave for men). Additionally, employees that need to take time off to take care of a sick child can take up to 14 weeks of paid leave (up to 80% of salary).

While being competitive in every aspect can be a challenge given our size, we have successfully cultivated an inspiring work environment where conventional norms are challenged and ideas flourish. In addition to financial remuneration, Swissquote provides a variety of programmes and benefits that enhance our appeal as an attractive employer. Our offerings range from fitness subscriptions, diverse sports activities, and bike-sharing options to vouchers for goods and services, onsite cooking facilities, food services, dedicated prayer spaces for employees of all faiths, electric car charging stations and an in-house pub. We do not prescribe any dress code regulations and create a deliberately vibrant social atmosphere with an active social calendar.

At Swissquote, we prioritise health and safety and require all employees to complete an e-learning training module on health and safety measures, including accident prevention, emergency procedures, workstation ergonomics, health awareness, work-life balance, and emergency contacts. At Swissquote Bank Europe Ltd annual reminders of the health & safety rules and guideline are provided to employees eo ensure awareness of the protocols. Additionally, at Swissquote Bank Ltd, employees can become volunteer firefighters and first responders. We perform annual evacuation drills in our headquarters and offices in Luxembourg and Dubai to enhance preparedness, followed by feedback sessions. Each open office space has one trained employee responsible for coordinating safe evacuations. We use the software system Workday to record working hours, track overtime for proper compensation when appropriate, and monitor absenteeism. All of these elements are important in our efforts to preserve employees' wellbeing and maintain work-life balance.

Global remuneration policy is decided by the Board of Directors (for instance, decisions on annual bonus, global budget allocated to pay review, etc.), while distribution of merit increases are validated by the Executive Management. The Human Resources department is responsible for the correct implementation and provides relevant recommendations or modifications proposals.

At Swissquote, our Pay for Performance policy clearly links remuneration with work performance, tying compensation to the achievement of strategic business objectives and overall performance. Designed in line with best practices, the policy is structured to prevent incentives for risk-taking that exceed our risk appetite. All permanent employees are eligible for an annual pay review, which considers individual performance, career progression, and external factors such as allocated budget and salary benchmarks. The pay review process ensures that personal performance and achievements are acknowledged and rewarded, reflecting the value each employee brings to the Company. These processes and decisions are made collaboratively between the Human Resources department and the respective department's director. Furthermore, managers are requested to provide information on team members' performance data directly in the software Workday, ensuring that each individual's situation is addressed and reviewed during the process.

The regular engagement surveys we run to monitor employee satisfaction include queries on employee satisfaction with our compensation and benefits policy. Additionally, we regularly monitor compensation trends to ensure that our employees are competitively, fairly, and equitably paid. Each year, we benchmark compensation levels. For example, in our bank in Luxembourg, we conduct a biennial compensation and benefit review to compare our approach to that of the local market.

Performance Indicators

Within our compensation and benefits framework, we measure the effectiveness of our actions against key indicators. We assess the reasons for employee departures, evaluate the take-up of our employee share and option plans, the percentage of salary reviews and the distribution of salary reviews according to performance, and monitor the percentage of employees promoted.

Swissquote operates a defined benefit plan in Switzerland and defined contribution plans in foreign locations. For pensions in Switzerland, Swissquote goes beyond minimum legal requirements. We pay 60% of the total contributions to the occupational pension fund, exceeding recommended saving rates by age group. We also provide complementary plans to cover salaries above the legal maximum and offer additional savings opportunities, all organised in close consultation with our employee representatives. Besides, every year the employee can choose if they want to increase their personal contribution to mirror Swissquote's contribution, hence providing additional incentive to the employees **GRI 201-3**.

With the exception of the profit award and Employee Share and Option Plan, we provide all benefits to permanent and temporary employees. Part-time employees enjoy the same benefits as full-time employees **GRI 401-2**.

While in Luxembourg 71% of our employees were part of a collective bargaining agreement in 2023, our employees in other locations are not held to that or other similar policy. GRI 2-30.

Further details can be found in the section on Diversity, Equity and Inclusion and in the Remuneration Report

DIVERSITY, EQUITY AND INCLUSION

We embrace diversity along every line: gender, age, (social) origin, culture, ethnicity, language, sexual orientation, religion, marital status, thinking and working style, experience, skills, and disabilities. The more perspectives we have, the better decisions we make for our diverse customers around the globe.

Relevance of Diversity, Equity and Inclusion (impacts, risks, opportunities)

Swissquote is committed to promoting diversity, equity, and inclusion across our workforce, ensuring equal opportunities and fair treatment, and diligently protecting employees from any discrimination.

By promoting diversity, we not only combat discrimination but also serve as an inspiration and a role model in society. As a fintech company, mixing finance and technology, we recognise that diversity fuels success and provides added value. Greater diversity means more perspectives and fewer missed opportunities, enabling our employees to become active contributors more quickly. We raise awareness internally and externally about the benefits of pursuing technical roles, focusing on recruiting more women to foster an adequate diversity and steer us towards a more inclusive future.

An inclusive company culture that offers equal development opportunities to all ensures Swissquote benefits from an ideal talent pool, with employees from varied backgrounds contributing to our success. The broader the range of perspectives at Swissquote, the more effectively we can make decisions for our diverse customer base globally. Without following an approach that fosters diversity, equity and inclusion, Swissquote would only be able to draw from a smaller talent pool and could experience reputational damage.

GOALS

- **Offer equal opportunities to all our employees**
- **Monitor and obtain external assurance on gender equal pay (Fair-ON-Pay certified)**
- **Promote and support diversity in the organisation**
- **Support people with disabilities via intentional outreach and workplace modifications**

Measures in 2023

We aim to provide a work environment that meets the fundamental needs of all employees. To better understand gender equality within our Swiss entities, we conducted a survey for all employees. In 2023, we focused on this topic by establishing the Women in Tech community that gathers regularly (with an average of 30 participants) to discuss relevant topics and offer the human resources team recommendations for attracting more women in tech roles. The community's goal is to enhance the professional experiences of women at Swissquote, boost their engagement, and inspire by elevating the visibility of women in Tech as role models both internally and externally. This year, we added an equal employer disclaimer to our job descriptions to underscore our dedication to diversity and inclusion.

Actions implemented in 2023 also included collaborating with external partners like "Girls in Tech", a global community offering tech women workshops, events, mentoring programmes and hackathons. We also supported educational initiatives such as "Robots are Girls' business" and "Coding Club for Girls" to encourage young girls in technology. We participated in various diversity-focused events such as "Future is Diverse" and "Women's contact day" as well as invited women speakers to DevTalks, a major tech conference. We also invited influential tech speakers like Stefania Chaplin to lead workshops and serve as inspiring figures for our company.

Enhancing gender equality is a key initiative for us as Swissquote faces a significant hurdle in recruiting women for technical domains, such as developers or roles in informatics, as well as specialised banking roles like eForex trading and quantitative analysis.

How We Manage Diversity, Equity and Inclusion

Swissquote is actively working to continue excluding biases in our recruitment process to enhance company-wide diversity. We advertise vacancies on both European and global platforms and assemble diverse hiring teams to promote equal opportunities. Our inclusive culture supports remote work and part-time options for all, including in managerial roles.

To advance gender equity, we have chosen EDGE, the leading global standard for workplace diversity, equity, and inclusion, providing a structured framework for assessment. EDGE certification is built on five pillars: equal pay, recruitment and promotion process, leadership development, flexible working, and organisational culture and involves an independent audit performed by a third party. The equity is assessed via both quantitative and qualitative measures, evaluating statistical data, policies and practices, including a standardised employee survey. In 2023, we conducted a survey with our employees to evaluate their satisfaction on the five previously mentioned pillars and had a participation rate of 55%. We noticed that our employees were very satisfied with the flexibility offered. At the same time, the survey highlighted that the related procedures on flexible working should be clarified, and consequently, we issued a policy on this topic in early 2024. We have developed a concrete action plan for the next two years, focusing on the five pillars with policies on gender diversity, defining career paths, and developing training to promote gender equality.

In accordance with our Standard Terms and Conditions and Code of Conduct, Swissquote upholds a respectful workplace that is free from discrimination and harassment and champions equal opportunities, compensation, and treatment. These principles are embedded in our policies, including our whistleblowing policy, which is accompanied by a robust reporting and escalation process to promptly tackle any incidents of intolerance, discrimination, or harassment. We also worked on a Diversity and Inclusion Plan in 2023 that was published on our website in early 2024. This policy details our dedication to fair treatment, non-discrimination, and fostering an environment of equal opportunity.

The key responsibility for Diversity, Equity and Inclusion lies with the human resources team and the Board of Directors sets appropriate Diversity, Equity and Inclusion objectives for the company.

Performance Indicators

To guide our strategies to promote Diversity, Equity and Inclusion at all levels of our organisation, we monitor our employee turnover with a special focus on women, examine the proportion of women in each sector, evaluate their representation in different management positions and track the percentage of promotions given to women.

Swissquote Bank Ltd has been certified by Fair-On-Pay since 2020, which helps demonstrate our voluntary compliance with the requirements of the Swiss Federal Office for Gender Equality that ensure that women and men in similar jobs are compensated equally. Managed by an auditor, the certification process confirmed that we continue to ensure equal pay. Since 2020, the residual gap observed has been below 5%. Swissquote has conducted all the required steps mandatory by law, including conducting the analyses, having reviewed the analyses by auditors and communicating to its employees and, as such, fully complies with the Swiss Federal Act on Gender Equality. Looking forward, we are committed to refining our processes for the upcoming EDGE audit in 2025, ensuring continued adherence to equitable pay standards[6] **GRI 405-2.**

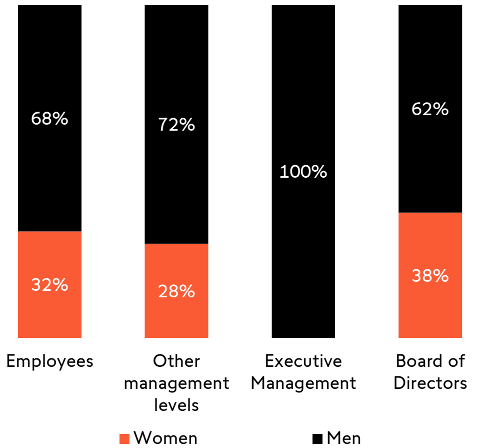
No incident of discrimination has been reported during the reporting period **GRI 406-1**.

» Further details can be found in the section on Talent Recruitment, Development, and Retention and Compensation and Benefits

[6] Subject to PwC assurance engagement

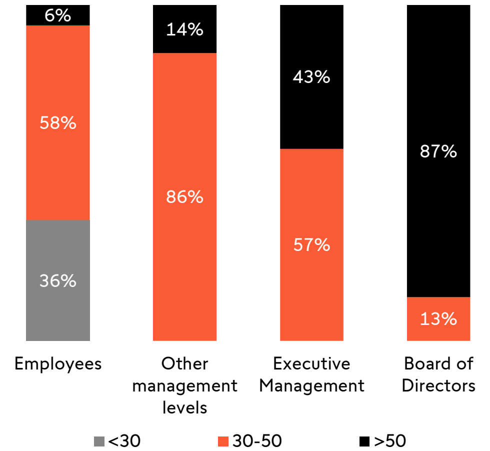
DIVERSITY BY GENDER, 2023[7]

GRI 405-1



DIVERSITY BY AGE GROUP, 2023[7]

GRI 405-1



Other management levels refers to vice-directors, directors and managing directors.

PROTECTION OF HUMAN RIGHTS

We firmly uphold human rights, integrating respect and dignity of every individual into all aspects of our company culture, from employee relations to client interactions and investment strategies.

Relevance of Human Rights (impacts, risks, opportunities)

Swissquote is dedicated to advancing and protecting human rights across all facets of our business, from internal operations to investment decisions. Our commitment is to honour the fundamental rights and dignity of all individuals, be it within our workforce, among our clients or other stakeholders.

In our steadfast commitment to human rights, we foster an equitable and respectful work environment and integrate these values into our financial practices. This dedication not only reinforces human rights in the broader economy but also reflects our culture in every business interaction.

By protecting human rights throughout our operations as well as in financial activities, we foster a supportive workplace culture, while attracting and retaining both employees and clients, safeguarding our sustainable growth, and preventing potential reputational damage and legal issues.

GOALS

No association with violation of human rights

[7] Subject to PwC assurance engagement

Measures in 2023

When talking about human rights we refer to the definition of the International Bill of Human Rights, which also covers freedom of children from social and economic exploitation.

In 2023, we have assessed the operations of Swissquote and have come to the conclusion that they do not involve material risks of violating human rights due to the nature of the industry we are active in and the countries we operate in.

To integrate the protection of human rights in our own asset investment decisions, we are excluding companies generating more than 5% of their revenues in controversial sectors as well as companies listed on the exclusion list of the Swiss Association for Responsible Investments (SVVK). Additionally, we verify that we exclude all instruments issued by countries listed on the exclusion list of the SVVK from our investments in sovereign debt instruments. Indeed, Switzerland's federal government has issued a comprehensive military or repression goods embargo against these countries due to violation of international law, namely human rights.

Finally, our assessment conducted for 2023 established that Swissquote falls below the quantitative thresholds stipulated by the Swiss Code of Obligations Art. 964j-l and related Ordinance. Swissquote is thus exempt from the Swiss due diligence and reporting obligations on minerals and metals from conflict-affected areas and child labour.

How We Manage Human Rights

At Swissquote, we take pride in our robust corporate governance and ethical business practices, including adherence to socioeconomic and environmental regulations. We are dedicated to upholding human rights, as embodied in the Swiss Federal Constitution and the European Convention on Human Rights, across all our operations.

Protecting human rights and respecting each individual is integral to being recognised as a serious and trustworthy company, both for our employees and clients. This principle is in particular reflected in one of our core values: “Do the right thing.” At Swissquote, we perceive integrity as our crucial value. With an outstanding professionalism we always abide by the regulation of our industry and do the right thing in our interactions with all stakeholders.

Our commitment to human rights spans across our operations, targeting three main stakeholder groups: our employees, our suppliers, and our clients. The Code of Conduct for employees reflects our dedication to integrating ESG standards into strategic planning and everyday activities, while our publicly accessible Supplier Code of Conduct sets forth similar rules and principles, requiring our suppliers to reject all forms of forced or child labour. For our clients, we offer ESG investment tools to evaluate social implications of their investment and choose stocks aligned with the human rights principles.

Our Board of Directors bears the ultimate responsibility for the ESG strategy, supervising the Executive Management's performance against the annual sustainability goals. The Board of Directors also guides the Executive Management and its interdisciplinary ESG working group.

Performance Indicators

In 2023, none of our investments in sovereign debt were issued by countries listed on the exclusion list of the SVVK.

» Further details can be found in the section on Compliance, Governance, and Ethics, and Prudent Investment Approach

SOCIAL ENGAGEMENTS

Positive social impact is a hallmark of businesses built with purpose and sustainability. We are committed to contributing and supporting the communities where we do business.

Relevance of Social Engagements (impacts, risks, opportunities)

Swissquote's community initiatives aim to enhance local relations and development, including fostering education and innovation, cultural enrichment as well as charitable donations and investments in infrastructure and services in local communities.

Our engagement with local and regional communities can promote a rich cultural life, foster the development of talent, and contribute to sustainable development.

At Swissquote we take pride in being a good corporate citizen and thus creating a positive feedback loop that starts with creating shared success and comes back to us through positive reputation, supportive communities, loyal customers, and motivated employees.

GOALS

- **Foster education and innovation**
- **Improve livelihood of citizens in our communities and support local NGOs**

Measures in 2023

In 2023, we continued to support local sports clubs with more than CHF 800,000 in grants to local groups, such as the Zurich Lions Hockey Club and the Servette Hockey Club, who won the Swiss National League championship 2022/2023. Swissquote also supported various local educational and cultural entities such as SimplyAct in the organisation of their FoodSave banquet in the purpose of raising awareness of food wastage in schools or an international firefighter competition in Gland, Switzerland. A blood donation has been organised in the headquarters' building in cooperation with the Red Cross. More than 70 employees subscribed to this event. Annually, we provide free advertising space in our magazine to the "Make a Wish" charitable foundation during each Christmas season. We have also participated in other local communal initiatives by financially supporting a running event, the installation of an ice skating rink, a party for the Swiss national day and "meet your local producer" events.

In 2023, Swissquote launched its first Impact Investing certificate, targeting companies with strong dividend yield potential and robust ESG credentials. Half of the generated dividends fund sustainable development initiatives focused on health, education, economic progress, or renewable energy, directly impacting underprivileged communities. As investment increases, so does the number of projects supported. The first project sponsored is Santé Solaire of Solafrica, a Swiss not-for-profit organisation, with Swissquote donating CHF 30,000 to increase access to sustainable energy in economically disadvantaged regions. This initiative aligns with our commitment to social engagement and tangible contributions to global sustainable development.

Following the earthquakes that occurred in Turkey and Syria in early 2023, Swissquote has contributed with a donation of CHF 100,000 to Swiss Solidarity (La Chaîne du Bonheur) that is providing immediate aid to the populations directly affected by these disasters. Furthermore, we have leveraged our communication channels (i.e., websites, social media) to facilitate donations from our customers. This action helped to raise over 5,500 CHF through our "Together for Turkey and Syria" campaign.

We are also committed to supplying free menstrual health products and have therefore installed sanitary product distributors at the restrooms of our headquarters. Over the past year, more than 6,000 products were used by the employees. This action may be extended to further locations in the future.

In Luxembourg, our Corporate Social Responsibility Committee concentrates its actions around four pillars: Health and education, Environment, Community support and Fair economy. In 2023, the Committee supported 14 different actions, such as the participation of six employees in the charity run "Lëtz Go Gold" to raise money to fight childhood cancer, a donation to the Red Cross Luxembourg to support their actions with regards to the earthquake victims in Turkey, Morocco, and Syria as well as the collection of food and hygiene/wellbeing products for a homeless shelter opened during winter.

How We Manage Social Engagements

Our corporate citizenship efforts are centred on fostering education and innovation, alongside supporting causes important to our employees, such as local cultural enrichment, eco-friendly transportation, and poverty alleviation.

In Luxembourg, we established a Corporate Social Responsibility Committee dedicated to actively organising activities that support local communities, improve the workplace and employee wellbeing, and positively impact the environment. The Committee is composed of six volunteering employees from different departments, including representatives from management.

In Switzerland, our community engagement began in 2009 with a focus on education and innovation along with an annual donation of CHF 400,000 to the Swissquote Chair in Quantitative Finance at the École polytechnique fédérale de Lausanne (EPFL) and the Centre for Digital Trust (C4DT). The Swissquote Chair in Quantitative Finance is dedicated to advancing research, teaching and knowledge transfer in the field of quantitative finance and aspires to enhance knowledge and understanding of financial engineering between the academic community, the financial industry and policymakers. Housed at EPFL, the C4DT brings together 20 partners, 37 laboratories, civil society, and policy actors to collaborate, share insight, and gain early access to trustbuilding technologies, building on state-of-the-art research at EPFL and beyond.

Performance Indicators

In line with our commitment to our local community in Gland, we donated in 2023 CHF 18,858 to fund a Publibike electric bike station in Gland and an additional CHF 8,643 to gift annual Publibike Business subscriptions to 321 employees at our headquarters. We also donated over CHF 130,000 to Swiss not-for-profit organisations as well as CHF 400,000 to the EPFL. Finally, we continued to support various local initiatives throughout the year in Gland and region, donating a total of CHF 27,816 **GRI 203-1**.

We were pleased to see our commitment towards education materialise into a 100% conversion rate to fix hire for our Tech Talent Academy.

	2023	2022
Tech Talent Academy conversion rate to fix hire	100%	80%

Through the joint venture Yuh, Swissquote offers banking services to the population with a lower income (i.e., low fees, no hidden costs). Moreover, we are committed to provide free educational content and knowledge sharing **GRI 203-2**.

We are active in community engagement, impact assessments, and development programmes at our locations that make up more than 90% of our total workforce **GRI 413-1**.

» Further details can be found in the section on Talent Recruitment, Development, and Retention, and Innovation and Access to Finance

How we address environmental responsibility

Every business can help address climate change by reducing greenhouse gas emissions and waste. Taking care of the environment must be a high priority for every business and organisation – for and with our stakeholders. We want to do our part to fight climate change.

ENERGY USE AND CLIMATE RESILIENCE

Using renewable energy and using it efficiently is crucial to gaining climate resilience. We lower the carbon footprint of our operations as well as our investment portfolio. At Swissquote we give particular attention to all three "Rs" of circularity – we aim to reduce waste by digitalising paper flows, we reuse part of our equipment, and we recycle our office waste.

Relevance of Energy Use and Climate Resilience (impacts, risks, opportunities)

We are actively pursuing energy efficiency and renewable energy sourcing to diminish our carbon footprint, aiming also to lower our investment portfolios' emissions and to incorporate climate considerations into our risk management strategy.

Embracing renewable energy can result in more sustainable operations, reduced reliance on fossil fuels while also contributing to carbon footprint reduction, which plays a key role in mitigating climate change. Swissquote's initiatives in this area could serve as a catalyst for the broader financial industry, fostering awareness and education around sustainability and strengthening stakeholder relation, while enabling access to finance for impactful ventures may contribute to climate resilience. Our commitment to reducing waste, especially single-use plastics, further alleviates environmental strain and promotes climate resilience.

Our renewable energy sourcing and climate resilience initiatives can enhance Swissquote's reputation, potentially attracting environmentally conscious investors. Conversely, overlooking climate change mitigation and adaptation could result in missed opportunities for sustainable growth and increase the risk of regulatory and reputational challenges.

GOALS

- **Achieve net zero scopes 1 and 2 by 2030 by switching to renewable energy where possible and using Renewable Energy Certificates / Energy Attribute Certificates otherwise**
- **Complete our scope 3 emissions calculation**
- **Improve the energy efficiency of our headquarters buildings by 10% over 10 years between 2016 and 2026**
- **Increase our CO_2 savings by approximately 7 tons per year over 10 years between 2016 and 2026**
- **Choose renewable local energy sources whenever possible and consider this criterion an important decision trigger in future lease agreements.**
- **Promote usage recycling and reduce waste generated in operations**

Measures in 2023

In 2023, our IT procurement staff completed a day-long training on green IT procurement to integrate sustainability into their purchasing decisions. The session covered best practices, existing actions, action plan formulation, and interpreting sustainability ratings for IT hardware/software. Post-training, we have taken commitments like opting for reconditioned phones instead of new ones and organised regular follow-ups throughout the year.

Our Swissquote magazine is printed locally in Switzerland, and we use 100% biodegradable materials for wrapping.

We are also proud to have observed various bottom-up ESG-related initiatives set up by our employees throughout the year, such as the development of a script for Linux users, allowing our software engineering department to automatically shut down computers to reduce energy consumption.

We have also been replacing conventional lighting with LED lighting, which is more sustainable and uses less energy. Currently, over 70% of our overall lighting is provided with LED in our headquarters of Gland and we aim to increase that proportion over the coming years. Since 2023, we are sourcing 100% of the electricity we consume at our headquarters in Gland from a Swiss hydraulic source. During the reporting period, we collected data in order to extend the calculation of our Scope 3 emissions. In the current report, we are disclosing our Scope 3 emissions for the categories of purchased goods and services (Category 1), business travel (Category 6), employee commuting (Category 7) and, for the first time, capital goods (Category 2) and waste generated in operations (Category 5). We will continue to work on our GHG disclosures in the future and the scope and methodology will be refined over time. Throughout 2023, we have also focused on identifying a solution to replace the current gas heating system at one of the building in our headquarters by a less energy intensive solution, which we aim to install in 2024.

During 2023, we extended the scope of the digitalisation initiative launched in 2022 by covering additional internal processes.

In late 2023, the Board of Directors approved our climate strategy, which covers two main goals: managing climate-related financial risks and contributing to the transition to a more sustainable economy. The strategy was designed to guide the company towards the implementation of measures to achieve the previously stated goals. Notably, it contains an objective to achieve net zero scope 1 and 2 by 2030. Net zero scopes 1 and 2 means achieving a balance between emissions and removals of GHGs from the atmosphere for the scopes 1 and 2 GHG emissions as defined by the GHG Protocol Corporate Standard. Scope 1 emissions are direct emissions from owned or controlled sources while Scope 2 emissions are indirect emissions from the generation of purchased energy. We plan to reduce our Scope 1 and 2 emissions to near zero by 2030 by stepping up our efforts to improve energy efficiency and switching to renewable energy where possible and using Renewable Energy Certificates (RECs) / Energy Attribute Certificates (EACs) otherwise. Indeed, while we plan to engage with landlords in order to try to switch to renewable energy in the offices we rent and will consider energy source as an important criterion in future lease agreements, we will use RECs and EACs in the meantime. A detailed implementation plan will be prepared and disclosed in 2024. Lastly, mindful of their crucial importance, we are committed to complete our Scope 3 emissions calculation to include indirect emissions (not included in scope 2) that occur in our value chain by 2024.

Finally, in 2023, we have included climate risk in our traditional risk management framework by evaluating the financial impact of climate risk on traditional financial risk categories such as credit, market, liquidity and operational and reputational risks. In this context, we performed stress testing and climate-related scenarios analysis to evaluate the resilience of Swissquote's strategy. Further information are disclosed in our new Task Force on Climate-related Financial Disclosures (TCFD) report.

Environmental indicators

In comparison to 2022, we fully integrated our fifth location, Dubai, into the data evaluation in 2023. Therefore, the 2023 completeness of data was enhanced. Overall consumption of energy in 2023 was rather stable compared to 2022, despite a 7% increase in FTEs. Taking the increase in FTEs into account, our 2023 consumption was a stark 6% decrease in kWh of energy consumed per FTE. Greenhouse gas emissions were down 10% overall and decreased by 15% per FTE compared with 2022, **GRI 302-1, GRI 302-3, GRI 302-4, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5**.

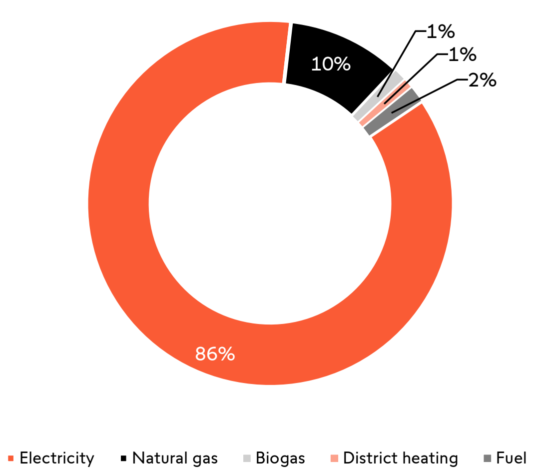
	2023[8]	2022	Delta
Total energy consumption in MWh	**3,542**	**3,514**	**1%**
Electricity	**2,927**	**2,979**	**-2%**
Electricity (purchased)	2,908	2,960	-2%
Of which energy consumption from renewable sources	*99%*	*99%*	*0%*
Electricity (self-generated and consumed)	19	19	0%
Of which energy consumption from renewable sources	*100%*	*100%*	*0%*
Heat	**561**	**491**	**14%**
Natural gas	359	361	-1%
Biogas	41	34	21%
Heat pump	129	58	122%
District heating	32	38	-16%
Fuels (petrol/diesel)	**54**	**44**	**23%**
Energy consumption in kWh per FTE	**3,338**	**3,539**	**-6%**
Total paper & waste consumption in tons	**276**	**260**	**6%**
Paper consumption (t)	162	154	5%
Waste (t)	114	106	8%
Paper & waste consumption in t per FTE	**0.260**	**0.262**	**-1%**

[8] Subject to PwC assurance engagement

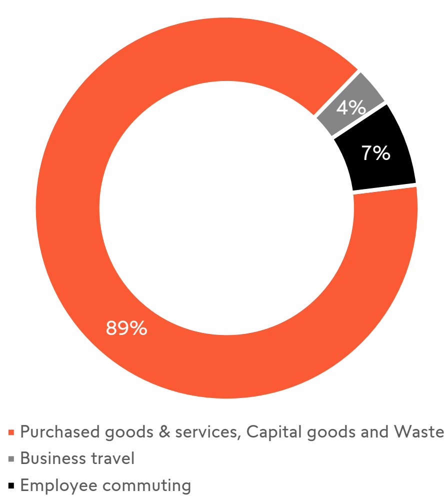
	2023[9]	2022	Delta
Greenhouse gas emissions in tCO2e	**14,930**	**16,501**	**-10%**
Scope 1	**79**	**77**	**3%**
Natural gas	66	66	0%
Fuels	13	11	18%
Scope 2	**34**	**29**	**17%**
Heat pump	12	4	200%
District heating	6	7	-14%
Electricity (purchased)	16	18	-11%
Scope 3 operational	**14,817**	**16,395**	**-10%**
Purchased goods and services & Capital goods	13,209	14,952	-12%
Waste generated in operations (waste only)	2	2	0%
Business travel	512	312	64%
Employee commuting	1,094	1,129	-3%
Greenhouse gas emissions in kgCO2e per FTE	**14,072**	**16,617**	**-15%**
FTE in locations covered by environmental indicators	1,061	993	7%

Data in the above tables is based on locations in Gland, Zurich, Bern, Luxembourg and Dubai. Greenhouse gas inventory is calculated in accordance with the Greenhouse Gas Protocol. Comparative data have been restated to take into account the extended scope and the calculation of emission is done according to the market-based method where information is available as it is the preferred option of the GHG Protocol.
Emission factors come from DEFRA, IEA, Exiobase and MobiTool. Reference is made to the Basis for preparation.

SHARE OF ENERGY CONSUMPTION, 2023



SCOPE 3 EMISSIONS BY TYPE, 2023



[9] Subject to PwC assurance engagement

How We Manage Energy Use and Climate Resilience

Our recycling guidelines are designed to enhance recycling efforts across our offices, reducing paper waste, while our Banking Applications team deployed a digital tool digitalising paper flows. The tool not only helps eliminate the need for printing as regards legal tracking flow, but it also facilitates remote work. All obsolete electronics are sent to SWICO for recycling, and old servers are sold for parts reuse. Finally, we collect most packaging materials, including plastic, cardboard, and expanded polystyrene for recycling.

Located within a five-minute walk from a railway station, our Swiss offices encourage eco-friendly commuting, and we are actively promoting soft mobility for easy access to the Gland site. Electric vehicle charging stations at our premises offer discounted electricity for employees.

We monitor and seek to make our energy consumption more efficient. Since 2016, we have set energy efficiency objectives for our headquarters buildings with the canton of Vaud in Switzerland. In the first seven years since then, we improved significantly and surpassed our 2026 target: increasing the energy efficiency of our headquarters buildings by 10% and reducing our CO_2 consumption by 7 tons every year compared to 2016, despite employing more people and growing our IT infrastructure.

Our environmental progress is confirmed by annual external audits, in line with our agreement with the Canton of Vaud, and for 2023, our environmental initiatives have been evaluated by external auditors at the fiscal year's end.

In 2023, the solar thermal collectors installed in 2013 produced 16 MWh of energy that was used to heat domestic water at our headquarters.

Finally, it is worth noting that sustainable construction features such as energy efficiency and water conservation are planned for the construction of our new headquarter office in Gland. In particular, the building is expected to use energy-efficient technologies such as LED lighting, solar panels, smart building management systems and heating pump. Ventilation will be switched off when spaces such as conference rooms are not used and air quality sensors will adapt ventilation rates to save energy while ensuring high air quality and healthy workspace. Also, rainwater harvesting, allowing usage of collected and stored water for building needs, will help promote water conservation. The new construction will also incorporate green roofs that will offer new habitats for plants and insects that may have lost theirs due to new construction, in order to preserve nature and biodiversity. These investments are expected to cost more than CHF 2.5 million. With the creation of a public park, more trees are expected to be on the site than currently. Concrete parking lots will be limited and built within the building footprint as separated construction would take up additional space instead of natural vegetated land.

Performance Indicators

For information about financial implications and other risks and opportunities due to climate change, see TCFD Report **GRI 201-2**.

	2023	2022
Percentage of digital workflow in client onboarding	89%	87%

» Further details can be found in the TCFD Report

About this Sustainability Report

The Global Reporting Initiative (GRI) provides the world's most widely used standards for sustainability reporting, offering a structured format to coherently and comprehensively share information about material issues and related performance metrics. We use the GRI Standards to transparently disclose our sustainability efforts.

This report has been published on 14 March 2024 and covers the calendar year 2023 (same as for the Financial Report). Swissquote commits to an annual reporting process, **GRI 2-3**. There are no restatements of information made from previous reporting periods except for environmental, diversity and composition of the workforce indicators presented on pages 257 and 272 as we extended the scope of our disclosures to include our offices located in Dubai **GRI 2-4**. Unless otherwise stated, the reporting scope comprises all Swiss and foreign undertakings on which we have sole or joint control. Reference is made to page 33 regarding the list of consolidated subsidiaries in the consolidated financial statements **GRI 2-1**, **GRI 2-2**.

This report includes the independent practitioner's limited assurance report provided by PricewaterhouseCoopers SA on Selected Non-Financial Disclosures referenced in Article 964b of the Swiss CO, as well as key indicators such as "Composition of the workforce" (on page 257), "Diversity by gender", "Diversity by age group" (on page 266), "Energy consumption" and "Greenhouse gas emissions" (on pages 272 and following). The rest of the content of the Sustainability Report has not been externally assured. Reference is made to the external third-party report on page 276 and following, **GRI 2-5**.

The Board of Directors of Swissquote Group Holding Ltd approved the Sustainability Report as part of the Annual Report at its meeting on March 13, 2024. The Sustainability Report serves as a report on non-financial matters in accordance with art. 964c para. 1 of the Swiss Code of Obligations.

The contact point for questions regarding the Sustainability Report is Nadja Keller, CEO Assistant/Media Relations, Swissquote, email: nadja.keller@swissquote.ch, **GRI 2-3**.

Independent practitioner's limited assurance report

on Selected Indicators and Non-Financial Disclosures in Swissquote Group Holding Ltd's Sustainability Report 2023 to the Board of Directors of Swissquote Group Holding Ltd, Gland.

We have been engaged by the Board of Directors of Swissquote Group Holding Ltd (the "Company") to perform assurance procedures to provide limited assurance on selected indicators 2023 (referred to hereafter as the "Selected Indicators 2023" and summarised in Table A) presented in the 2023 GRI Content Index as well as the selected non-financial Disclosures 2023 as referenced in the Swiss Code of Obligations index table on pages 287-289 applying article 964b paragraph 3 CO (referred to hereafter as "Selected Non-financial Disclosures 2023" and summarised in Table B) included in the section "Sustainability Report" of the Company's Annual Report 2023.
We do not comment on, nor conclude on any prospective information nor did we perform any assurance procedures on the information other than those stated above for the reporting period 2023.
The Selected Indicators 2023 and the Selected Non-Financial Disclosures 2023 were prepared by the Board of Directors of the Company based on its sustainability reporting guidelines, which are based on the "GRI Standards" published in 2021 by the Global Reporting Initiative, the Greenhouse Gas Protocol Initiative Corporate Standards (Revised Edition) (hereafter the "reporting Criteria") as well as the disclosure requirements of Article 964b of the Swiss Code of Obligations ("CO"). The reporting Criteria together with assumptions and estimates are presented and made available in the Basis for preparation section in the Sustainability Report 2023 on the Company's Group website [https://www.swissquote.com/en/group/investor-relations/sustainability].

Inherent limitations
The accuracy and completeness of the Selected Indicators 2023 and the Selected Non-Financial Disclosures 2023 is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data and non-exhaustive related legal and scientific definitions. In addition, the quantification of sustainability indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the emissions factors and the values needed to combine e.g. emissions of different gases. Our assurance report has therefore to be read in connection with the reporting Criteria in the Sustainability Report 2023 used by the Company, its definitions and procedures disclosed in that section.

Board of Directors' responsibility
The Board of Directors of Swissquote Group Holding Ltd is responsible for the preparation and presentation of the section in the Sustainability Report 2023 based on the reporting Criteria. This responsibility includes the design, implementation and maintenance of such internal control as the Company's Directors consider necessary to support the preparation and presentation of the Selected Indicators 2023 and the Selected Non-Financial Disclosures 2023 that are free from material misstatement whether due to fraud or error. Furthermore, the Board of Directors of the Company is responsible for the selection and application of the reporting Criteria, including making assumptions and estimates, and adequate record keeping.

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Independence and quality management

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) that are relevant to our audit of the financial statements and other assurance engagements in Switzerland. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers SA applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to express a conclusion with limited assurance on the Selected Indicators 2023 (Table A) as well as the Selected Non-Financial Disclosures 2023 (Table B) for the year ended 31 December 2023. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance engagements other than audits or reviews of historical financial information" and with ISAE 3410, "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Selected Indicators 2023 (Table A) as well as the Selected Non-Financial Disclosures 2023 (Table B) for the year ended 31 December 2023 are not prepared, in all material respects, in accordance with the related reporting Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Summary of the work performed

We performed the following procedures:

- Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement.
- Assessing the suitability in the circumstances of the Company's use of the reporting Criteria, applied as explained in the "Basis for preparation" for the preparation of the Selected Indicators 2023 (Table A) and Selected Non-Financial Disclosures 2023 (Table B).
- Assessment of the presentation of the business model and of the description of the main risks associated with all the consolidated entities' activities, including where relevant and proportionate, of the risks associated with their business relationships, their products or services, against the related reporting Criteria.
- Identification of risks of material misstatement in the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B).
- Inspecting relevant documentation related to the preparation of the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B) and their application against the related reporting Criteria.
- Interviewing representatives at Group level responsible for the data collection and reporting as well as other stakeholders involved in the reporting process.
- Performing tests on a sample basis of evidence supporting the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B).
- Reperformance of relevant calculations.
- Reconciliation of data sources with financial reporting data and other underlying records.
- Assessment of the presentation of the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

pwc

Conclusion

Based on the procedures we performed, and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Indicators 2023 (Table A) as well as the Selected Non-Financial Disclosures 2023 (Table B) as referenced in the Swiss Code of Obligations index table applying article 964b paragraph 3 CO for the year ended 31 December 2023 in the section "Sustainability Report" of the Swissquote Group Holding Ltd's Annual Report 2023 are not prepared, in all material respects, in accordance with the related reporting Criteria.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of the Swissquote Group Holding Ltd, and solely for the purpose of reporting to them on the result of our assurance engagement and no other purpose. We will not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion might be used, or to any other person to whom our report is shown or into whose hands it might come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the Basis for Preparation, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the Selected Indicators 2023 and the Selected Non-Financial Disclosures 2023, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the Board of the Swissquote Group Holding Ltd for our work or this report.

PricewaterhouseCoopers SA

Christophe Kratzer		Erol Baruh

Gland, 13 March 2024

Enclosures:

– Annex 1: Selected Indicators 2023 summarized in Table A
– Annex 2: Selected Non-Financial Disclosures 2023 summarized in Table B

"*The maintenance and integrity of the Swissquote Group Holding Ltd's website and its content are the responsibility of the Swissquote Group Holding Ltd's management; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the Swissquote Group Holding Ltd's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported Selected Indicators 2023, the Selected Non-Financial Disclosures 2023 or the Basis for Preparation since they were initially presented on the Swissquote Group Holding Ltd's website.*"

Table A
Selected Indicators 2023

Subject Matter Information	GRI Disclosures reference	Page
Composition of the workforce	2-7	257
Workers who are not employees	2-8	243
Communication and training about anti-corruption policies and procedures	205-2	249
Confirmed incidents of corruption and actions taken	205-3	250
Total energy consumption	302-1	272
Energy intensity	302-3	272
Greenhouse gas emissions, including scope 1, scope 2 and scope 3 (cat. 1, 2, 5, 6 and 7) and GHG emissions intensity	305-1 305-2 305-3 305-4	273
Employee turnover	401-1	260
Average hours of training that the organisation's employees have undertaken during the reporting period, by employee category	404-1	260
Percentage of employees receiving regular performance and career development reviews	404-3	260
Diversity by gender and by age group	405-1	266
Ratio of basic salary and remuneration of women to men	405-2	265

Table B - Selected Non-Financial Disclosures 2023

Subject Matter Information	Reference
General aspects	
Description of the business model (art. 964b, al. 2, ch.1 CO)	
Organizational details	GRI 2-1
Activities, value chain and other business relationships	GRI 2-6
Employees	GRI 2-7
Workers who are not employees	GRI 2-8
Statement on sustainable development strategy	GRI 2-22
Membership associations	GRI 2-28
Description of the main risks (art. 964b, al. 2, ch. 4 CO)	
Process to determine material topics	GRI 3-1
List of material topics	GRI 3-2
Management of material topics	GRI 3-3 (b)
Role of the highest governance body in overseeing the management of impacts	GRI 2-12
Delegation of responsibility for managing impacts	GRI 2-13
Environmental matters	
Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)	
Management of material topics	GRI 3-3 (c)
Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)	
Management of material topics	GRI 3-3 (d); (e) (i)
Key performance indicators (art. 964b, al.2, ch. 5 CO)	
Energy consumption within the organisation	GRI 302-1
Energy intensity	GRI 302-3
Direct (Scope 1) GHG emissions	GRI 305-1
Energy indirect (Scope 2) GHG emissions	GRI 305-2
Other indirect (Scope 3) GHG emissions	GRI 305-3
GHG emissions intensity	GRI 305-4
Employee-related matters	
Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)	
Management of material topics	GRI 3-3 (c)
Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)	
Management of material topics	GRI 3-3 (d); (e) (i)
Key performance indicators (art. 964b, al.2, ch. 5 CO)	
New employee hires and employee turnover	GRI 401-1
Benefits provided to full-time employees that are not provided to temporary or part-time employees	GRI 401-2
Average hours of training that the organisation's employees have undertaken during the reporting period, by gender and employee category	GRI 404-1

Programs for upgrading employee skills and transition assistance programs	GRI 404-2
Percentage of employees receiving regular performance and career development reviews	GRI 404-3
Diversity of governance bodies and employees	GRI 405-1
Ratio of basic salary and remuneration of women to men	GRI 405-2
Governance structure and composition	GRI 2-9
Nomination and selection of the highest governance body	GRI 2-10
Social matters	
Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)	
Management of material topics	GRI 3-3 (c)
Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)	
Management of material topics	GRI 3-3 (d); (e) (i)
Key performance indicators (art. 964b, al.2, ch. 5 CO)	
Direct economic value generated and distributed	GRI 201-1
Defined benefit plan obligations and other retirement plans	GRI 201-3
Infrastructure investments and services supported	GRI 203-1
Combating corruption	
Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)	
Management of material topics	GRI 3-3 (c)
Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)	
Management of material topics	GRI 3-3 (d); (e) (i)
Key performance indicators (art. 964b, al.2, ch. 5 CO)	
Communication and training about anti-corruption policies and procedures	GRI 205-2
Confirmed incidents of corruption and actions taken	GRI 205-3

GRI Content Index

Swissquote has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

		Page	Omission (Requirements omitted (RO), Reason (R), Explanation (E))
GRI 1 used	GRI 1: Foundation 2021		
Applicable GRI Sector Standard(s)	None		

General Disclosures

THE ORGANIZATION AND ITS REPORTING PRACTICES

		Page	Omission (Requirements omitted (RO), Reason (R), Explanation (E))
GRI 2: General Disclosures 2021	2-1 Organizational details	275	
	2-2 Entities included in the organization's sustainability reporting	275	
	2-3 Reporting period, frequency and contact point	275	
	2-4 Restatements of information	275	
	2-5 External assurance	275	

ACTIVITIES AND WORKERS

		Page	Omission (Requirements omitted (RO), Reason (R), Explanation (E))
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	26-30, 231	
	2-7 Employees	257	
	2-8 Workers who are not employees	243	

GOVERNANCE

GRI 2: General Disclosures 2021	2-9 Governance structure and composition	228	
	2-10 Nomination and selection of the highest governance body	228	
	2-11 Chair of the highest governance body	228	
	2-12 Role of the highest governance body in overseeing the management of impacts	228, 250	
	2-13 Delegation of responsibility for managing impacts	228	
	2-14 Role of the highest governance body in sustainability reporting	229	
	2-15 Conflicts of interest	228	
	2-16 Communication of critical concerns	250	
	2-17 Collective knowledge of the highest governance body	228	
	2-18 Evaluation of the performance of the highest governance body	157	
	2-19 Remuneration policies	228	
	2-20 Process to determine remuneration	228	
	2-21 Annual total compensation ratio	210	

STRATEGY, POLICIES AND PRACTICES

GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	13, 226	
	2-23 Policy commitments	249	
	2-24 Embedding policy commitments	248, 249, 250	
	2-25 Processes to remediate negative impacts	228	
	2-26 Mechanisms for seeking advice and raising concerns	250	
	2-27 Compliance with laws and regulations	249	
	2-28 Membership associations	232	

STAKEHOLDER ENGAGEMENT

GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	231	
	2-30 Collective bargaining agreements	264	

Material Topics

GRI Standard	Disclosure	Page	Omission (Requirements omitted (RO), Reason (R), Explanation (E))
GRI 3: Material Topics 2021	3-1 Process to determine material topics	229	
	3-2 List of material topics	229, 230	

CUSTOMER EXPERIENCE

GRI 3: Material Topics 2021	3-3 Management of material topics	233-235	
Own indicator	Net promoter score	235	
Own indicator	IPSOS score	234	
Own indicator	Inbound calls	235	

DATA PRIVACY AND SECURITY			
GRI 3: Material Topics 2021	3-3 Management of material topics	236-238	
GRI 418: Customer Privacy-2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	238	
BUSINESS CONTINUITY AND IT RESILIENCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	238- 239	
Own indicator	Availability of the e-trading application	239	
PRODUCT GOVERNANCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	240-243	
Own indicator	FTEs dedicated to technology	243	
Own indicator	App ratings	243	
Own indicator	Percentage of total theme trading AuM invested in “Sustainability & Impact Investing focus” certificates	243	
INNOVATION AND ACCESS TO FINANCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	243- 245	
Own indicator	Total number of online tradable securities	245	
FINANCIAL PERFORMANCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	246-248	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated	248	
	201-4 Financial assistance received from government	248	
COMPLIANCE, GOVERNANCE AND ETHICS			
GRI 3: Material Topics 2021	3-3 Management of material topics	248-250	
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	250	
	205-2 Communication and training about anti-corruption policies and procedures	249	
	205-3 Confirmed incidents of corruption and actions taken	250	
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	249, 250	
GRI 415: Public Policy 2016	415-1 Political contributions	250	
Own indicator	Mandatory training by category	250	
PRUDENT INVESTMENT APPROACH			
GRI 3: Material Topics 2021	3-3 Management of material topics	251-253	
Own indicator	Portfolio average ESG score	251, 253	

TRANSPARENCY AND CREDIBILITY IN THE MARKET			
GRI 3: Material Topics 2021	3-3 Management of material topics	254-255	
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	255	
	417-3 Incidents of non-compliance concerning marketing communications	255	
Own indicator	Capital ratio, Net profit in CHFm, Payout per share in CHF	255	
Own indicator	Sustainalytics ESG Risk rating, MSCI ESG rating, zRating	255	

TALENT RECRUITMENT, DEVELOPMENT, AND RETENTION			
GRI 3: Material Topics 2021	3-3 Management of material topics	256-261	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	260	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	260	
	404-2 Programs for upgrading employee skills and transition assistance programs	260	
	404-3 Percentage of employees receiving regular performance and career development reviews	260	
Own indicator	Recruitment channel	261	

COMPENSATION AND BENEFITS			
GRI 3: Material Topics 2021	3-3 Management of material topics	261-264	
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	262	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	263	
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	263	

DIVERSITY, EQUITY AND INCLUSION			
GRI 3: Material Topics 2021	3-3 Management of material topics	264-266	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	266	
	405-2 Ratio of basic salary and remuneration of women to men	265	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	265	

PROTECTION OF HUMAN RIGHTS			
GRI 3: Material Topics 2021	3-3 Management of material topics	266-267	
Own indicator	Investments issued by countries listed on the exclusion list of the SVVK	267	

SOCIAL ENGAGEMENTS			
GRI 3: Material Topics 2021	3-3 Management of material topics	268- 269	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	269	
	203-2 Significant indirect economic impacts	269	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	269	
Own indicator	Tech Talent Academy conversion rate to fix hire	269	

ENERGY USE AND CLIMATE RESILIENCE

GRI 3: Material Topics 2021	3-3 Management of material topics	270-274	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	272	
	302-3 Energy intensity	272	
	302-4 Reduction of energy consumption	272	
GRI 305: Emissions-2016	305-1 Direct (Scope 1) GHG emissions	272	
	305-2 Energy indirect (Scope 2) GHG emissions	272	
	305-3 Other indirect (Scope 3) GHG emissions	272	
	305-4 GHG emissions intensity	272	
	305-5 Reduction of GHG emissions	272	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	274	
Own indicator	Percentage of digital workflow in client onboarding	274	

Swiss Code of Obligations index

Selected Non-Financial disclosures included in the section "Sustainability Report" of the Company's Annual Report 2023 for the period from 1 January to 31 December 2023 and referenced in the Art. 964b CO index table 2023 based on the GRI Standards, the Greenhouse Gas Protocol Initiative Corporate Standards (Revised Edition) and the disclosure requirements of Article 964b of the Swiss Code of Obligations.

Subject Matter Information	Section	GRI Disclosures reference
GENERAL ASPECTS		
Description of the business model (Art. 964b, al. 2, ch.1 CO)		
Organisational details	About this Report	GRI 2-1
Activities, value chain and other business relationships	Business model (Annual Report), Scope of operations of the Group and reportable segments (Financial Report), Stakeholder Engagement	GRI 2-6
Employees	Talent Recruitment, Development, and Retention	GRI 2-7
Workers who are not employees	Talent Recruitment, Development, and Retention	GRI 2-8
Statement on sustainable development strategy	About this Report	GRI 2-22
Policy commitments	Compliance, Governance and Ethics	GRI 2-23
Membership associations	Stakeholder Engagement	GRI 2-28
Description of the main risks (Art. 964b, al. 2, ch. 4 CO)		
Process to determine material topics	Materiality Assessment	GRI 3-1
List of material topics	Materiality Assessment	GRI 3-2
Management of material topics	Sustainability Report	GRI 3-3 (b)
Role of the highest governance body in overseeing the management of impacts	General information	GRI 2-12
Delegation of responsibility for managing impacts	General information	GRI 2-13
ENVIRONMENTAL MATTERS		
Policies adopted, including the due diligence applied (Art. 964b, al. 2, ch. 2 CO)		
Management of material topics	Energy Use and Climate Resilience	GRI 3-3 (c)
Measures taken to implement these policies (Art. 964b, al. 2, ch. 3 CO)		
Management of material topics	Energy Use and Climate Resilience	GRI 3-3 (d); (e) (i)
Key performance indicators (Art. 964b, al.2, ch. 5 CO)		
Energy consumption within the organization	Energy Use and Climate Resilience	GRI 302-1
Direct (Scope 1) GHG emissions	Energy Use and Climate Resilience	GRI 305-1
Energy indirect (Scope 2) GHG emissions	Energy Use and Climate Resilience	GRI 305-2
Other indirect (Scope 3) GHG emissions	Energy Use and Climate Resilience	GRI 305-3

GHG emissions intensity	Energy Use and Climate Resilience	GRI 305-4
Reduction of GHG emissions	Energy Use and Climate Resilience	GRI 305-5
Climate disclosures based on the recommendations of the TCFD	TCFD report (not assured)	
EMPLOYEE-RELATED MATTERS		
Policies adopted, including the due diligence applied (Art. 964b, al. 2, ch. 2 CO)		
Management of material topics	Talent Recruitment, Development, and Retention Compensation and Benefits Talent Recruitment, Development, and Retention	GRI 3-3 (c)
Measures taken to implement these policies (Art. 964b, al. 2, ch. 3 CO)		
Management of material topics	Talent Recruitment, Development, and Retention Compensation and Benefits Talent Recruitment, Development, and Retention	GRI 3-3 (d); (e) (i)
Key performance indicators (Art. 964b, al.2, ch. 5 CO)		
New employee hires and employee turnover	Talent Recruitment, Development, and Retention	GRI 401-1
Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits	GRI 401-2
Average hours of training that the organization's employees have undertaken during the reporting period, by gender and employee category	Talent Recruitment, Development, and Retention	GRI 404-1
Programs for upgrading employee skills and transition assistance programs	Talent Recruitment, Development, and Retention	GRI 404-2
Percentage of employees receiving regular performance and career development reviews	Talent Recruitment, Development, and Retention	GRI 404-3
Diversity of governance bodies and employees	Diversity, Equity and Inclusion	GRI 405-1
Ratio of basic salary and remuneration of women to men	Diversity, Equity and Inclusion	GRI 405-2
Governance structure and composition	General information	GRI 2-9
Nomination and selection of the highest governance body	General information	GRI 2-10
SOCIAL MATTERS		
Policies adopted, including the due diligence applied (Art. 964b, al. 2, ch. 2 CO)		
Management of material topics	Social Engagements, Prudent Investment Approach, Compliance, Governance and Ethics, Innovation and Access to Finance, Product Governance, Data Privacy and Security, Diversity, Equity and Inclusion	GRI 3-3 (c)
Measures taken to implement these policies (Art. 964b, al. 2, ch. 3 CO)		
Management of material topics	Social Engagements	GRI 3-3 (d); (e) (i)
Key performance indicators (Art. 964b, al.2, ch. 5 CO)		
Direct economic value generated and distributed	Financial Performance	GRI 201-1
Defined benefit plan obligations and other retirement plans	Compensation and Benefits	GRI 201-3
Infrastructure investments and services supported	Social Engagements	GRI 203-1
RESPECT FOR HUMAN RIGHTS		
Policies adopted, including the due diligence applied (Art. 964b, al. 2, ch. 2 CO)		
Management of material topics	Protection of Human Rights	GRI 3-3 (c)
Measures taken to implement these policies (Art. 964b, al. 2, ch. 3 CO)		
Management of material topics	Protection of Human Rights	GRI 3-3 (d); (e) (i)
Key performance indicators (Art. 964b, al.2, ch. 5 CO)		

COMBATING CORRUPTION

Policies adopted, including the due diligence applied (Art. 964b, al. 2, ch. 2 CO)		
Management of material topics	Compliance, Governance and Ethics	GRI 3-3 (c)
Measures taken to implement these policies (Art. 964b, al. 2, ch. 3 CO)		
Management of material topics	Compliance, Governance and Ethics	GRI 3-3 (d); (e) (i)
Key performance indicators (Art. 964b, al.2, ch. 5 CO)		
Communication and training about anti-corruption policies and procedures	Compliance, Governance and Ethics	GRI 205-2
Confirmed incidents of corruption and actions taken	Compliance, Governance and Ethics	GRI 205-3

Taskforce on Climate-related Financial Disclosures report

TCFD Recommendations	Answers:	Reference:
GOVERNANCE		
a) How Swissquote's Board oversees climate-related risks and opportunities	Swissquote's Board of Directors is ultimately responsible to oversee all environmental, social and governance (ESG) matters, including climate-related risks and opportunities. The Board of Directors as "a whole" is responsible for Sustainability matters. While there is no dedicated ESG committee, it is worth noting that: – As part of its activities, the **Audit & Risk Committee** closely follows climate-related risks, in particular with respect to any disclosures in the Sustainability Report – The **Nomination & Remuneration Committee** closely follows up on the achievement of annual objectives set to the Executive Management and indirectly employees eligible for cash bonus. These objectives comprise ESG-related objectives. The Board of Directors delegates the duties of implementing the business strategy, the climate strategy and the climate risk management framework to the Executive Management, which reports back to the Board of Directors when appropriate (but at least annually). The Chair ensures that all relevant matters are part of the Board meeting agenda and subject to an appropriate follow-up. Climate-related topics are mainly presented to the Board of Directors during the Strategy Board meeting and the Annual Conference on Risks (except if circumstances may require it differently). Any key sustainability and climate-related elements, which have a strategic component are submitted to the Board of Directors, reviewed and finally approved by this body. Additionally, at the beginning of each calendar year, the Board of Directors approves the Sustainability Report as part of the annual reporting process before it is published (and as the Board of Directors does for the financial reporting). The Board of Directors has decided that the Sustainability Report should include an external assurance report. In this context, the Board of Directors reviews annually any recommendations that could be raised by the auditors (management letter). The Board of Directors supervises performance related to annual objectives of the Executive Management and indirectly employees eligible for a cash bonus. The objectives set are classified in three categories: – Financial objectives (60%), – Growth objectives (25%) and – ESG objectives (15%).	For more information on the ESG oversight of the Board of Directors, see Corporate Governance Report pages 158 For more information on the remuneration policy, see – Page 193 – Page 199 For more information on the materiality assessment, see Sustainability Report page 229.

TCFD Recommendations	Answers:	Reference:
	The ESG objectives, which are by definition non-financial objectives, are derived from the materiality assessment and can typically, but not exclusively, cover climate-related objectives.	
b) How Swissquote's management assesses and manages climate-related risks and opportunities	The Board of Directors defines the Group sustainability strategy, including the climate strategy. The Executive Management is in charge of its implementation in accordance with guidance received from the Board of Directors and formally submits key sustainability and climate-related decisions for review and approval by the Board of Directors. The climate strategy covers two areas: – The management of climate-related risk, not only in order to protect own assets of the Group but also in order to help customers navigate through the challenges of climate-related risks. – The contribution to the transition to a more sustainable economy by favouring not only own capital allocation but also customers' capital allocation towards more responsible investments and reducing the climate impact of our operations. A cross-departmental working group is in charge of assisting the Executive Management with the implementation of the strategy. It comprises members of the management and employees from various departments such as Finance, Human Resources, Legal, Controlling and Risk, Asset and Liability Management and Treasury, Marketing, Product Strategy, IT & Security, Software engineering, Data Management, Building & Support, and Investor Relations. The Executive Management oversees the progress made on the climate strategy. In addition, Swissquote reviews and identifies the materiality of new and existing ESG topics with the support of consultants at least every third year or more often when commended by external events or circumstances. The process is coordinated by the Finance department and under the direct supervision of the Chief Financial Officer (CFO). The materiality assessment is submitted for review and approved by the Board of Directors. This climate risk management framework is built on the principle that climate-related risks are drivers of the existing risk categories (credit risk, market risk, operational risk and liquidity risk).The Controlling and Risk department, under the supervision of the Chief Risk Officer (CRO), ensures that sustainability and climate-related risks are integrated into our existing risk framework. In particular, all risk types are reassessed annually to include potential impacts of sustainability or climate-related risks. Finally, the Executive Management with the assistance of the Controlling and Risk department is in charge of the implementation of the "climate risk management framework", which was approved by the Board of Directors in 2023.	For more information on Swissquote's climate strategy, see "Strategy" in this report (page 291 and following)
STRATEGY		
a) Climate-related risks and opportunities (short, medium, and long-term).	Swissquote applies the TCFD recommendations to identify climate-related physical and transitional risks that may affect us over a short to medium term and a long to very long-term horizon. Considering the nature of its business and the internal framework in place, Swissquote is expected to be less affected by climate-related risks than other financial institutions that may have a traditional banking business model (especially those having large commercial lending/corporate loan business or that are active in trade finance). While we assess potential effects in the short to medium term as limited, we recognise the challenges that may arise from climate change and the importance of considering climate-related risks and opportunities to ensure the resilience of our business model in the long to very long-term.	

TCFD Recommendations	Answers:	Reference:

The time horizons that apply for Swissquote are as follows:

Time horizon	Definition
Short-term	One year
Medium-term	Two to five years
Long-term	Six to ten years, which covers the maximum duration of our investments so that portfolio can be fully adjusted within this timeframe if required.
Very long-term	Eleven years and beyond

RISKS

Swissquote's assessment shows that climate-related risk drivers can be captured by traditional financial risk categories. For that reason, the Group regularly assesses how to properly incorporate climate-related financial risks into the existing framework. The Group will also continuously develop its capacity and expertise in relation to climate-related financial risks. For the time being, the following observations and responses have been formulated:

There are mainly four of the traditional risk categories that could be impacted either by transition risks (policy changes, technology progress, changes in behaviour/client demand) or physical risks (acute risk of extreme weather events and chronic risk of different weather patterns). These categories are the following ones:

Credit risk:
- Transitions or physical risks might typically increase credit risk arising from our own balance sheet management activities (e.g., Investment securities and Lombard loans).
- In this context, some climate-related risk drivers have been integrated across own investing and Lombard loans activities of the Group.

Market risk:
- Overall, in line with its business model and risk management strategy, the net market risk exposure of the Group is assessed as low.
- That being said, physical risks might for example result in increased market risk in our balance sheet management, especially with extreme market movements.

Operational and reputational risk:
- Transition risks could materialise in increased regulatory risk from new climate-related regulations.
- In addition, damage to physical assets, employment and workplace security as well as business interruptions and system failures because of climate-related physical risks should not be under-estimated.
- The importance of assessing reputational risks and opportunities stemming from environmental (including climate-related) and social factors has become increasingly important for companies due to the rising awareness of climate change issues and the heightened attention they receive from all stakeholders (e.g., offering products with heavy environmental impacts).

Liquidity risk:
- Increased liquidity risk in the balance sheet management coming from potential stress/additional drawdown from customers in certain geographies or sensitive sectors in response to a climate-related risk event in the short to medium term.

Overall, while there is still progress to be made in refining the risk management approach to better integrate climate-related risks, our risk framework now takes into account the fact that climate change increases the probability of extreme scenario happening concurrently.

TCFD Recommendations	Answers:	Reference:
	OPPORTUNITIES Swissquote identified a few opportunities in its capacity of: – A standalone company: reducing our operational footprint could result both in an improvement of our profitability and a higher climate resilience of our organisation in the long to very long term. – An employer: attracting and retaining employees that are sensitive to climate and/or sustainability topics and thus appreciate Swissquote's climate policy and practices. – A commercial business model: improving our offering of innovative ESG products and services as well as proposing Theme Trading products related to sustainability and Impact investing. Indeed, certain assets perceivably positioned to benefit from climate change might have strong performance in the future. Hence, we aim at allowing our clients to seize climate-related investment opportunities.	
b) Impact of climate-related risks and opportunities on Swissquote's businesses, strategy, and financial planning	Swissquote's climate strategy was approved in 2023 and focuses on two axes: 1. Managing climate-related financial risks 2. Contribute to the transition to a more sustainable economy While the current strategy is described hereafter, it is worth mentioning that further initiatives will be elaborated in the future.	

Manage climate-related financial risks

Help our clients to navigate through the challenges of climate risks	Protect our own assets
– Offer innovative ESG products and services – Propose free educational content on ESG topics	– Integrate climate-related risk considerations into the Group Risk management framework ("Climate risk management framework")

Answers:	Reference:
Business: Swissquote's customers are typically self-directed clients who take their own investment decisions. Our objective is to help them navigate through the challenges of climate-related risks. By offering innovative ESG products and services such as ESG tools allowing them to assess companies from a non-financial angle, we enable our clients to have a more holistic view to make their investment decisions (e.g., display of ESG scores and detailed performance on greenhouse gas (GHG) emissions, filtering capabilities to avoid controversial industries such as fossil fuel). We aim to enable our clients to identify the climate-related investment opportunities thanks to the technology offered in our platform and the free educational content on ESG topics.	See notes to the consolidated financial statements, Section II: Scope of operations of the Group and reportable segments pages 27 – 30 of our Financial Report See note on Client assets and Assets under management of our Financial Report page 116
Strategy: Our specific business model and scope of activity imply limited credit and market exposure. When it comes to protecting our own assets, we have integrated climate-related risk considerations into our risk management framework. Overall, the strong diversification of our investments required by our Risk Management Policy and the exclusion rules for controversial sectors (e.g., coal, oil sands) defined in our Responsible Investment Policy ensure limited climate-related risks (i.e., no concentrations of investments that might be exposed to carbon-related risks).	
Financial/capital planning: Identifying, mitigating, and managing potential risks that climate change may pose is central to a proper financial/capital planning. Physical risks can result in material financial losses, impairing the creditworthiness of underlying invested assets. Transition risks can lead to unexpected technological developments and disrupt business models. Such elements are taken into consideration when assessing the level of buffers reflected the capital planning process.	

TCFD Recommendations	Answers:	Reference:
	Contribute to the transition to a more sustainable economy	
	Reduce the climate impact of our operations – Achieve net zero scopes 1 and 2 by 2030 by switching to renewable energy where possible and using Renewable Energy Certificates / Energy Attribute Certificates otherwise – Improve energy efficiency and promote usage recycling – Encourage use of public transportation / reduce business travel emissions – Complete scope 3 disclosures for own operations **Favour capital allocation towards responsible investments** – Offer Theme Trading products related to sustainability and impact investing – Encourage investment in sustainable products through our Responsible Investment Policy and responsible lending practices – Increase allocation of own investments in thematic and impact investing by minimum 100% by 2030 – Complete scope 3 Category 15 disclosures for financed emissions	
	Swissquote is committed to reducing the climate impact of its own operations. This is accomplished in particular by measures and capital expenditures that aim at improving energy efficiency and favour the usage of renewable energy. Further information is disclosed in the environmental part of our Sustainability Report.	See Energy Use and Climate Resilience section of the Sustainability Report (pages 270-274)
	As all financial institutions, we recognise the role we can play in favouring capital allocation towards responsible investments and catalysing the transition to a low carbon economy. The broad investment universe available in our platform allows investments in companies positioned to benefit from the challenges of climate change. We also offer Theme Trading products related to sustainability and impact investing. In particular, we offer our clients investment strategies focusing on relevant climate-related themes (e.g., recycling, green energy, sustainable energy, decarbonisation, eMobility and hydrogen themes).	
	In addition to the Responsible Investment Policy for own investments implemented in 2022, Swissquote became a member of the Institutional Investors Group on Climate Change (IIGCC) in 2023, whose mission focuses on bringing the investment community together to make significant progress towards a net zero and climate resilient future by 2030. Swissquote in particular committed to increasing its allocation of own investments in thematic and impact investing by minimum 100% by 2030. It is also worth noting that we have implemented responsible lending practices for our Lombard loan business (focusing on offering leverage to our clients based on the quality of their securities portfolio deposited with Swissquote). In particular, we incentivise clients making responsible investments by offering pledge rates bonuses on securities having favourable ESG scores.	Swissquote Responsible Investment Guidelines can be found in the Corporate documents under the Investor Relations section of the Swissquote website

TCFD Recommendations	Answers:	Reference:
c) Resilience of Swissquote's strategy (considering different climate-related scenarios, including a 2°C or lower scenario)	**Approach** For its first TCFD report, Swissquote focused on evaluating the impact of two specific selected climate-related risk scenarios, which influence both physical risk and transition risk levels. As a first step, the focus was made on the implementation of a qualitative scenario. We strive to further extend the scope of our scenario analysis in the coming years in order to refine our approach and better apprehend the impacts of climate change (i.e., add scenarios and more granular analysis over different time horizons). The future TCFD reports will be updated accordingly. Over short to medium term horizons, the financial impact of these scenarios is estimated as the potential impact on the consolidated equity. In other words, the financial impact indicates the share of the equity value that might be at risk of being lost in the context of the climate-scenario analysis. Climate transition, however, will evolve over decades. Therefore, analysis over a long timeframe aims at assessing the sensitivity of Swissquote's current business to the defined scenario. The result is hence not a precise forecast but is instead used to inform strategic decision-making (e.g., portfolio allocation). **Selected scenario:** The main selected scenario is called "Net Zero 2050" as defined by the Network for Greening the Financial System (NGFS). The "Current Policies" scenario was also analysed. The NGFS framework consist of six scenarios that are characterised by their overall level of physical and transition risks. These levels are driven by the level of policy ambition, policy timing, coordination, and technology levers.	Source of the scenario: NGFS: https://www.ngfs.net/ngfs-scenarios-portal/explore/$$

TCFD Recommendations	Answers:			Reference:
	SELECTED NGFS SCENARIOS	Net Zero 2050	Current Policies	
	BRIEF DESCRIPTION	Net Zero 2050 is an ambitious scenario that limits global warming to 1.5 °C through stringent climate policies and innovation, reaching net zero CO_2 emissions around 2050. Some jurisdictions such as the US, the EU and Japan reach net zero for all greenhouse gases by this point.	Current Policies assume that only currently implemented policies are preserved, leading to high physical risks. This scenario is typically used to consider the long-term physical risks to the economy and financial system on current path to a "hot house world".	
	°C POLICY AMBITION	1.4°C Net CO_2 emissions reach zero around 2050, giving at least a 50% chance of limiting global warming to below 1.5°C by the end of the century.	3°C+ Emissions grow until 2080 leading to about 3°C of warming and severe physical risks.	
	PHYSICAL RISKS	Relatively low impact on physical risks. As the effects of climate change are limited thanks to ambitious measures, the frequency of extreme weather events does not increase significantly (hence no major impact on insurance premiums and property values).	High impact on physical risks. If no further measures are introduced, 3°C or more of warming could occur by 2100. This would likely: - result in deteriorating living condition in parts of the world - lead to some irreversible impacts like sea-level rise - cause increase in exposure to the natural hazards covered in the NGFS suite such as river floods or tropical cyclones and direct damages on physical assets - impact global physical labour productivity, which is projected to decrease by 10% or more in a 3°C world, about three times higher than if warming were limited to 1.5°C. The impact is most pronounced in tropical regions with particularly high impacts in Africa and Asia. Physical risk to the economy could result from disruption to ecosystems, health, infrastructure and supply chains.	
	TRANSITION RISKS – POLICY	Immediate and smooth policy reaction with medium regional policy variation. This scenario assumes that ambitious climate policies are introduced immediately, leading to higher transition risks.	No policy reaction as only current policies considered, with low regional policy variation.	
	TRANSITION RISKS – TECHNOLOGY CHANGE	Fast change in technology. A proliferation of ecological technologies, such as renewable energy and energy-efficient systems, is expected.	Slow change in technology.	

TCFD Recommendations	Answers:			Reference:
	TRANSITION RISKS -CARBON DIOXIDE REMOVAL (CDR)	Medium-high use of carbon dioxide removal. CDR is used to accelerate the decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production	Low use of carbon dioxide removal.	

Purpose:
The Net Zero 2050 scenario was selected because it represents a significant level of change from a transition perspective (and in particular from a technology perspective).

Reaching net zero global CO_2 emissions by 2050 will require an ambitious transition across all sectors of the economy with a key focus on decarbonising the electricity supply, increasing electricity use, increasing energy efficiency, and developing new technologies to tackle hard-to-abate emissions. Therefore, this scenario is relevant to ascertain transition risk from our activities.

On the other hand, the Current Policies scenario was considered, as it does imply high impact on physical risks.

Observations:
The below table presents Swissquote's own exposures in the sectors identified by PACTA[9]: power, coal mining, oil & gas upstream sectors, auto manufacturing, cement, steel, and aviation with the shipping industry to be added soon. Collectively, these sectors account for about 75% of global greenhouse gas emissions. As shown below, while those sectors are expected to be the most impacted by transition risk in our scenario analysis, Swissquote only has very limited related exposure from its treasury activities.

Sectors as at 31 December 2023	Investments from treasury activities in KCHF	Percentage of total assets
Power	37,307	0.4%
Coal mining	3,042	0.0%
Oil & gas upstream sectors	7,321	0.1%
Auto manufacturing	41,066	0.4%
Cement	12,570	0.1%
Steel	2,103	0.0%
Shipping industry	14,530	0.1%
Aviation	464	0.0%
Other sectors expected to be more impacted by transition risk (e.g., agriculture and chemicals)	23,287	0.2%
Other sectors expected to be less impacted by transition risk	8,510,092	85.4%
Other assets (not in the scope of treasury activities)	1,308,007	13.1%
Total assets	9,959,789	100.0%

[9] Paris Agreement Capital Transition Assessment (PACTA) is an open platform to measure whether an investment portfolio aligns with the commitments of the Paris Agreement.

TCFD Recommendations	Answers:	Reference:
	In addition, deposits from clients exposed to geographies with higher sensitivity to climate-related risks are also analysed. In particular, Swissquote takes into consideration the top 50 countries with less readiness and more vulnerability to Climate events according to the Notre-Dame University's Notre Dame-Global Adaptation Index (ND-Gain). The results show that only a few clients are domiciled in the riskiest countries in terms of climate-related risks, representing total cash deposits of CHF 4.4 million (less than 0.1% of total clients' deposits). Swissquote's high-quality liquid assets (HQLA) level is well above the level of cash deposits of such clients. Hence, the Group would be in a position to face exceptional unexpected potential additional drawdown from clients located in those geographies in case of extreme weather events, which might occur in the analysed scenarios. Furthermore, the Group has limited exposure (less than CHF 46 million of own assets as at 31 December 2023) in insurance and real estate sectors, which are assessed as potentially more exposed to physical risks under the Current Policies scenario. Sovereign debt quality might as well be negatively impacted under this scenario, especially for countries particularly exposed to physical risks. As at 31 December 2023, the Group does not have sovereign debt exposure to the top 50 countries with less readiness and more vulnerability to Climate events according to the Notre-Dame University's Note Dame-Global Adaptation Index (ND-Gain). It is as well worth noting that Swissquote mainly operates from Switzerland and that none of the countries where the Group has offices is part of the top 50 countries with less readiness and more vulnerability to Climate events according to the Notre-Dame University's Notre Dame-Global Adaptation Index (ND-Gain). Moreover, less than 6% of the Group's employees are based in Africa and Asia (including Dubai), which are the regions that will be the most impacted by global labour productivity decrease under the Current Policies scenario. Also, the Group having rather mass affluent customers (average assets per account of around CHF 100,000), they are expected to be typically less affected than other populations by inflation and reduction of purchasing power, which could occur in the Current Policies scenario. While the effects of climate change scenarios are extremely difficult to predict and quantify at this stage, notably due to the lack of available data and models, we recognise the limitations of the work performed and will continue our efforts to refine our analysis in the coming years. Finally, these figures represent the current situation whereas climate-related risks and opportunities will continue to be taken into consideration in future allocation and decision-making. With very limited long-term exposure (less than CHF 105 million as at 31.12.2023 out of the total assets in the scope of treasury activities of more than CHF 8,652 million or approximately 1.2%), and no very long-term exposure, the Group keeps the flexibility to manage its own assets depending on future risk assessments.	

TCFD Recommendations	Answers:	Reference:
	Overall, the resilience of Swissquote's strategy through the above scenario is supported by the following elements: – The nature of our business (very limited corporate loan business, no trade finance activities). – Our climate strategy aiming to manage climate-related financial risks and contribute to the transition to a more sustainable economy. This includes related capital expenditure investments of above CHF 200,000 both in 2023 and in 2022. In addition, Swissquote holds a total amount of investments of CHF 46 million in green bonds (thematic and impact investing instruments) at the end of 2023. – The risk management framework in place, including the climate risk management framework, which ensures high diversification and low exposure in sector/geographic areas with higher climate-related risks, as well as limited duration of our own assets. – The location of our operations (Switzerland as the main backbone) as well as our business continuity and IT resilience practices which ensure resilience of our operations at all times, including in case of a climate-related disruption.	See Business continuity and IT resilience section of the Sustainability Report (pages 238-239)

RISK MANAGEMENT

a) Process for identifying, assessing, and responding to climate-related risks and opportunities	As mentioned in question b) of the Governance section, the Executive Management, with the assistance of the Controlling and Risk department, is in charge of the implementation of the climate risk management framework, which was approved by the Board of Directors in 2023.	
b) Swissquote's processes for managing climate-related risks	Swissquote's assessment is that climate-related risk drivers can be captured into traditional risk categories. In this context, the climate risk management framework aims to assess how climate-related risks impact other risk classes. The approach over short to medium-term horizons is described hereafter.	See c) of the Strategy section (page 295)
c) How Swissquote integrates processes for identifying, assessing and managing climate-related risks into overall risk management	This framework in particular defines the following process: 1. Risk identification: Assess climate-related risk factors and determine how they translate into traditional risk categories. In particular, all risk types are re-assessed annually to include the potential impacts of sustainability or climate-related risks. Both transition risks and physical risks as well as micro and macro factors were taken into consideration. Impacted risks are both financial (credit risk, market risk, liquidity risk) and non-financial (operational and reputational, including regulatory). 2. Monitoring & risk management: Monitor exposures and use stress testing to quantitatively determine potential impacts and confirm the resilience of the business model over short to medium-term horizons. 3. Reporting: Enable disclosure of climate-related risk metrics both internally (to the impacted departments, to the Executive Management and to the Board of Directors) and externally. Key elements of the impacted risk categories are presented hereafter: CREDIT RISK **Risk identification** Credit risk may arise if counterparties in our balance sheet (e.g., debt securities) or underlying collaterals (e.g., Lombard loans) have been impacted by climate-related risks. **Monitoring and risk management** – Assess and monitor exposure to sectors with higher sensitivity to climate-related risks. – Perform stress tests including increased default probability of counterparties which might be strongly impacted by climate-related risks.	

TCFD Recommendations	Answers:	Reference:

Reporting
Monitor analysis of sector exposures as well as stress test outcome.

MARKET RISK

Risk identification
Adverse climate events may trigger extreme market movements and price shocks.

Monitoring and risk management
- Assess and monitor exposure to sectors with higher sensitivity to climate-related risks.
- Assess sensitivity impact on trading and banking book from price shocks and market volatility. Climate-related risks are treated as a price trigger, in the same way as market events, for commodity prices, exotic currencies and emerging market interest rates.
- Perform stress tests considering extreme scenarios happening concurrently.

Reporting
Monitor analysis of sector exposures as well as stress test outcome.

OPERATIONAL AND REPUTATIONAL RISK

Risk identification
Climate change and extreme weather conditions could result in damage to infrastructure, adversely impacting business operations. Regulatory risk from new climate-related regulation as well as reputational risk might also occur.

Monitoring and risk management
Analyse potential events impacting business continuity (e.g., unavailability of staff, loss of a third party, energy shortage etc.) and monitor closely climate-related laws and regulations.

Reporting
Qualitative description of sensitivity, result of the Business Impact Analysis (BIA) and Continuity of Operations Plan (COOP) campaign and quarterly Laws and Regulations Reports.

See Business continuity and IT resilience in Sustainability Report (pages 238-239)

LIQUIDITY RISK

Risk identification
The bank could experience high stress liquidity outflow from customers that are domiciled or active in countries with a higher level of climate-related risks.

Monitoring and risk management
- Assess and monitor deposits from clients exposed to geographies and sectors with higher sensitivity to climate-related risks.
- Perform additional stress testing (increased drawdown for customers located in certain geographies or active in sensitive sectors) to assess the impact of climate-related risks on liquidity.

Reporting
Monitor analysis of sector and geographical exposures as well as stress test outcome.

Over long to very long-term horizons, Swissquote uses climate-scenario analysis to confirm the resilience of Swissquote's strategy. Reference is made to c) of the Strategy section regarding the planned extension of the use of scenario analysis and reporting in the coming years.

TCFD Recommendations	Answers:	Reference:
METRICS AND TARGETS		
a) Metrics used by Swissquote to assess climate-related risks and opportunities in line with the company's strategy and risk management process	In line with our Climate strategy, the following metrics are in particular used to assess climate-related risks and opportunities: – Measurement of scope 1, scope 2 and scope 3 emissions. We have started to disclose selected categories of scope 3 emissions in our 2022 Sustainability report, with the clear objective to further increase the scope and report a comprehensive picture over time. Starting 2023, the scope 3 emissions newly include Categories 2 (Capital Goods) and 5 (Waste Generated in operations) and hence present a more comprehensive vision of the emissions of our operations. In addition, we are in the progress of calculating remaining relevant scope 3 categories. In particular, we focus on Category 15 emissions according to the Partnership for Carbon Accounting Financials (PCAF) methodology, which we intend to disclose in our next reporting cycle. Indeed, Swissquote assessed financed emissions to be the largest source of total emissions as it is typically the case for the financial sector. – Own exposures in the sectors identified by PACTA, as well as in other sectors expected to be more impacted by transition risk (e.g., agriculture and chemicals). – Own exposures in top 50 countries in terms of climate-related risks. – Own exposures in insurance and real estate sectors, which are assessed as potentially more exposed to physical risks. – Amount of deposits from clients domiciled in top 50 countries in terms of climate-related risks. – Amount of own investments in thematic and impact investing. – Climate-related capital expenditure investments. – Percentage of total theme trading AuM invested in "Sustainability and Impact Investing focus" certificates. – Share of our customers' collateral (Lombard loan or other margin loans) particularly exposed to climate-related risks.	

TCFD Recommendations	Answers:	Reference:
b) Scope 1, Scope 2, and partial Scope 3 greenhouse gas GHG) emissions	We have measured scope 1, 2 and 3 emissions in accordance with the GHG protocol. Details on methodology are presented in the Basis for preparation document published at the end of our Annual Report and summarised below.	See Basis for preparation document (page 304) See Environmental section in Sustainability Report (pages 270-274)

	2023	2022	Delta
Total energy consumption in MWh	**3,542**	**3,514**	**1%**
Electricity	**2,927**	**2,979**	**-2%**
Electricity (purchased)	2,908	2,960	-2%
Electricity (self-generated and consumed)	19	19	0%
Heat	**561**	**491**	**14%**
Natural gas	359	361	–1%
Biogas	41	34	21%
Heat pump	129	58	122%
District heating	32	38	–16%
Fuels (petrol/diesel)	**54**	**44**	**23%**
Energy consumption in kWh per FTE	**3,338**	**3,539**	**–6%**
Total paper & waste consumption in tons	**276**	**260**	**6%**
Paper consumption (t)	162	154	5%
Waste (t)	114	106	8%
Paper & waste consumption in t per FTE	**0.260**	**0.262**	**-1%**

	2023	2022	Delta
Greenhouse gas emissions in tCO2e	**14,930**	**16,501**	**-10%**
Scope 1	**79**	**77**	**3%**
Natural gas	66	66	0%
Fuels	13	11	18%
Scope 2	**34**	**29**	**17%**
Heat pump	12	4	200%
District heating	6	7	-14%
Electricity (purchased)	16	18	-11%
Scope 3 operational	**14,817**	**16,395**	**-10%**
Purchased Goods and services & Capital goods	13,209	14,952	-12%
Waste generated in operations (waste only)	2	2	0%
Business travel	512	312	64%
Employee commuting	1,094	1,129	-3%
Greenhouse gas emissions in kgCO2e per FTE	**14,072**	**16,617**	**-15%**

TCFD Recommendations	Answers:	Reference:
c) Targets used by Swissquote to manage climate-related risks and opportunities; performance against targets	In line with our climate strategy, the following targets were defined: – Achieve net zero scope 1 and 2 by 2030 by switching to renewable energy where possible and using Renewable Energy Certificates / Energy Attribute Certificates otherwise. – Complete our scope 3 emissions calculation. – Improve the energy efficiency of our headquarters buildings by 10% over 10 years, between 2016 and 2026. – Increase our CO_2 savings by approximately 7 tons per year over 10 years, between 2016 and 2026. – Choose renewable local energy sources whenever possible and consider this criterion an important decision trigger in future lease agreements. – Promote recycling and reduce waste generated in operations. – Encourage use of public transportation and reduce business travel emissions. – Integrate ESG criteria in our own investment process, respecting minimum ESG score and excluding controversial sectors (e.g., coal and oil sands). – Increase allocation of own investments in thematic and impact investing by minimum 100% by 2030.	

Basis for preparation

Introduction

The 2023 Sustainability Report marks the fourth year of non-financial disclosures for Swissquote provided as an integral part of our Annual Report. In line with our commitment to transparency towards all our stakeholders, this report includes comprehensive insights about our approach to sustainability and key performance data in accordance with GRI Standards.

Reporting scope

Unless otherwise stated, the reporting scope comprises all Swiss and foreign undertakings on which we have sole or joint control. For the composition of the workforce and environmental indicators, the reporting scope comprises our offices in Switzerland, Luxembourg and Dubai based on materiality (i.e.: locations where FTEs exceed 3% of total employees at Group level) and we will gradually include our offices in London, St.Julian's, Bucharest, Hong Kong, Singapore and Limassol over the coming years as relevant. Reference is made to page 33 regarding the list of consolidated subsidiaries in the consolidated financial statements.

Data Collection Process

Key quantitative indicators disclosed in our Sustainability reporting include in particular the composition of our workforce, other human resources indicators such as employee turnover and average hours of training and environmental indicators.

For our human resources data, we use the Workday software, a specialised human resource information system (HRIS) tool. In particular, Workday enables us to gather core data from our colleagues, their working hours and performance. This tool allows us to track other human resources indicators such as turnover and training hours.

Regarding environmental data, our carbon footprint calculation is determined by using the Greenhouse Gas (GHG) Protocol standards. We currently report Scope 1, Scope 2 and some elements of Scope 3 emissions. Data are collected by the Group Finance department, including data from our Luxembourg and Dubai offices. Once controls have been performed to ensure quality and robustness, the data are transmitted to Sustainserv GmbH, a specialised global management consulting firm that assists Swissquote in Sustainability reporting and calculating our carbon footprint since 2020. It should be noted that methodologies used for emissions calculation are still evolving and some low level of uncertainty remain in reported data, especially as scope 3 categories are calculated using average CO_2 emission factors as disclosed thereafter. Therefore, scope and methodologies applied will be refined over time.

The perimeter of the carbon footprint includes data from heating, district heating, natural gas, fuels and electricity (energy), purchased goods and services, capital goods, waste generated in operations, business travels (air, rail and hotel), and employee commuting.

For Scope 1 emissions, we used DEFRA conversion factors for specific fuels of the same year as the consumption took place (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022/2023). The emissions from Scope 2 are reported according to the market-based approach when available and location-based method when not. 99% of our electrical consumption is reported according to the market-based method, in combination with the use of emission factors from IEA (https://www.iea.org/data-and-statistics/data-product/emissions-factors-2022/2023;

For Scope 3:

– Category 1 – Purchased goods and services & Category 2 – Capital goods: The locations providing Purchased goods and services & Capital goods data cover approximately 90% of our total FTEs. These CO_2 emissions are calculated using a spend-based method and EXIOBASE (v3.9 adjusted for inflation) is used to source emission factors. These two categories are grouped since the calculation method is identical for both categories and the nature of the goods generating emissions is also similar. Data used for the calculation of other operating and marketing expenses as well as capital goods are directly extracted from our procure to pay system (Dynamics 365 Business Central). All capital goods items as per financial statements are included in the Category 2 emissions calculation except for proprietary software and building under construction;

- Category 5 – Waste generated in operations: The locations providing Waste data cover approximately 90% of our total FTEs. This category only includes emissions from disposal of solid waste (and not wastewater due to lack of available data at this stage). These CO_2 emissions are calculated using a waste-type-specific method which involves estimating emissions based on total waste going to each disposal method and average CO_2 emission factors for each disposal method from DEFRA (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023);
- Category 6 – Business travel: These CO_2 emissions for flights and hotel nights are calculated using the distance-based method and CO_2 emissions factors are of the same year as the travel start year from DEFRA. For stays in countries not covered by DEFRA factors, we used factors according to https://www.hotelfootprints.org/. For rails emissions, the report provided by Swiss Federal Railways (SBB) for rail travel was considered;
- Category 7 – Employee commuting: These CO_2 emissions are calculated individually for all offices in scope using the respective commuting distance and commuting mode according to a detailed employee survey carried out in each country. Emissions factors are of the same year as the commute year from DEFRA for offices abroad and from mobitool v3.0 and v.2.0.2 for offices in Switzerland.

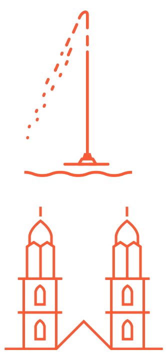
Reporting period

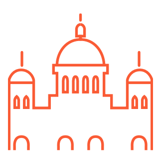
This report covers the period between 1 January 2023, and 31 December 2023.

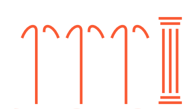
Independent practitioner's limited assurance report provided by PricewaterhouseCoopers AG

Please see PwC's limited assurance report included in the 2023 Sustainability Report for details on the limited assurance provided.

Global offices







1 **Geneva, Zurich**
Swissquote Bank Ltd

3 **Malta**
Swissquote Financial Services (Malta) Ltd

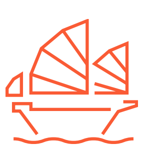
5 **Cyprus**
Swissquote Capital Markets Ltd

2 **Luxembourg**
Swissquote Bank Europe SA

4 **London**
Swissquote Ltd

6 **Bucharest**
Swissquote Tech Hub Bucharest S.R.L.

7 **Dubai**
Swissquote MEA Ltd,
Swissquote Bank Ltd Rep. Office



8 **Hong Kong**
Swissquote Asia Ltd,
Swissquote Bank Ltd
Rep. Office

9 **Singapore**
Swissquote Pte. Ltd

- eForex services
- eTrading services
- Robo-Advisory services
- Fund custody services

Global offices

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SWISSQUOTE IS NOT A TYPICAL SWISS BANK.

Our history, ambition and DNA comes from the world of creativity, software development and the empowerment of investors. These values still remain central to Swissquote.

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