Compagnie Financière Tradition

23

Annual report

CHAIRMAN'S MESSAGE

In 2023, global inflation fell, interest rates continued to rise and growth slowed. Central-bank monetary tightening, which was necessary to combat inflation, had the anticipated effects. Although GDP growth was stronger than expected in 2023 at around 3%, tighter financial conditions, weak trade and lower confidence levels adversely affected economic output. In addition, the geopolitical environment remained worrying in both Eastern Europe and the Middle East.

Although recession was a concern at the start of the year, western economies were generally spared that fate in 2023. Growth remained firm in the United States, where the economy received significant fiscal support and a major boost to productive investment in the shape of the Inflation Reduction Act (IRA).

In Europe, Germany saw a minor recession as its industrial model started to look less solid than before, and this contributed to the slowdown in Europe.

Stock markets held out well against rising interest rates, although higher rates badly affected the value of real-estate assets. Wide gaps opened up between China, the United States and the eurozone in 2023 in terms of both inflation and economic growth, to the point where official interest rates could soon start to diverge.

In the financial markets, bonds put in a solid performance after a disastrous 2022. Despite rapid monetary tightening, geopolitical tensions and a banking crisis, equities ended the year higher overall.

Inflation is now falling – rapidly in the eurozone and more slowly in the United States – opening the path to potential rate cuts in 2024. However, the effect of recent rate hikes will continue to drag down demand, particularly in Europe where both consumers and businesses are more cautious, whereas the United States is engaged in a spectacular effort to upgrade its manufacturing base in response to China's major ambitions.

Against this backdrop, the Group's consolidated revenue (including share of joint ventures) for the full year was up 9.5% at constant exchange rates to CHF 1,053.9m against CHF 1,028.6m in 2022.

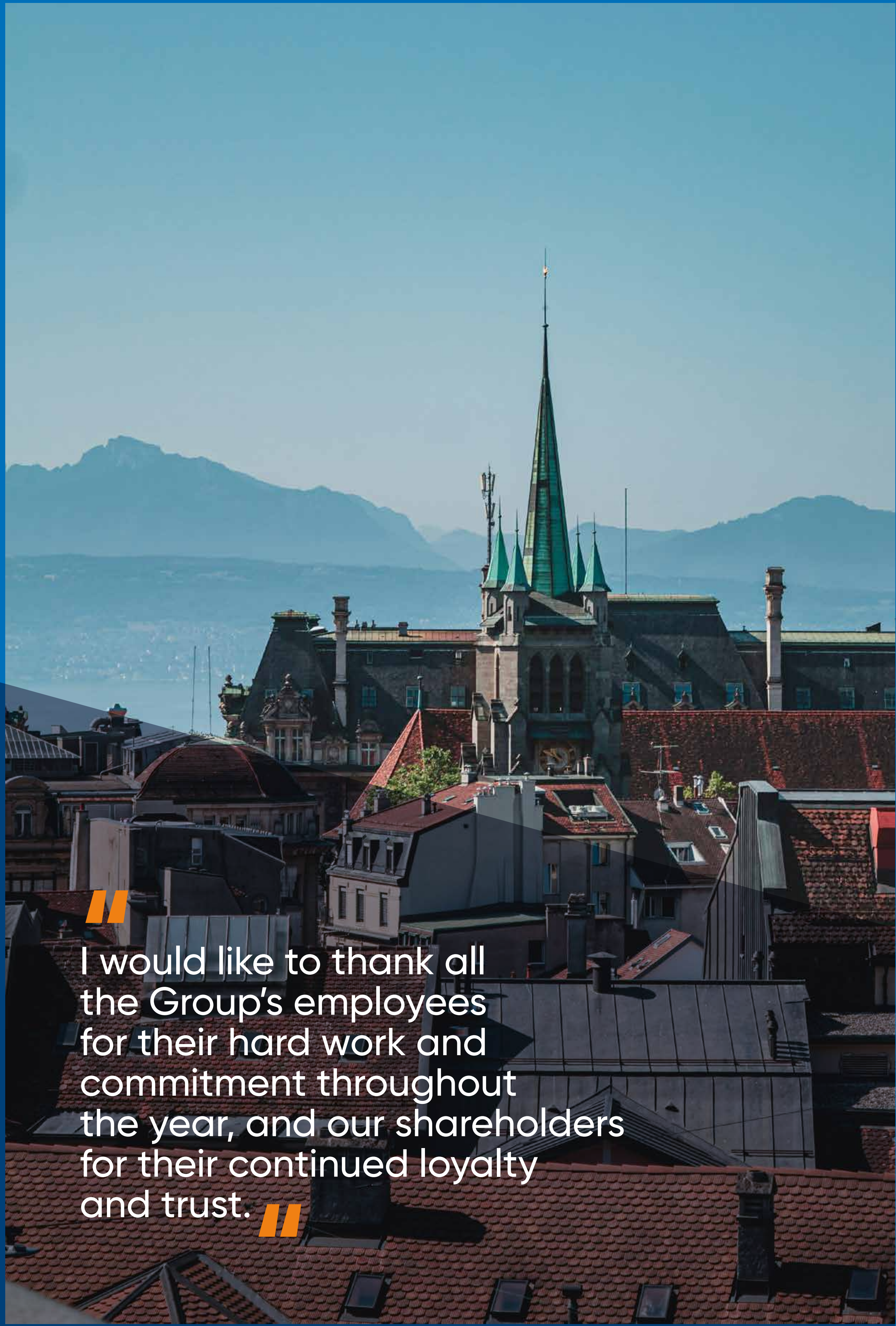
Operating profit (including share of joint ventures) was CHF 127.7m against CHF 117.4m in 2022, an increase of 17.1% at constant exchange rates, with an operating margin of 12.1% and 11.4% respectively.

Consolidated net profit was CHF 101.1m compared with CHF 97.4m in 2022 with a Group share of CHF 94.4m against CHF 89.1m in 2022, an increase of 15.9% at constant exchange rates.

At the Annual General Meeting to be held on 21 May 2024, the Board will be seeking shareholder approval to pay a cash dividend of CHF 6.00 per share.

I would like to thank all the Group's employees for their hard work and commitment throughout the year, and our shareholders for their continued loyalty and trust.

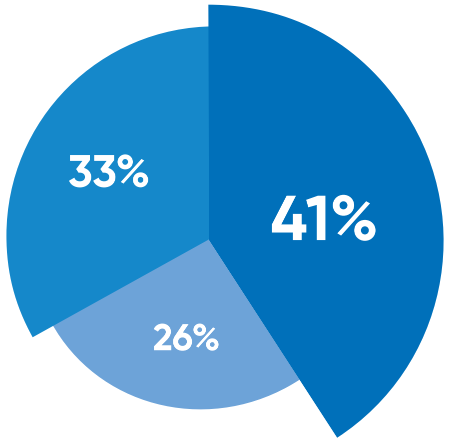
Patrick Combes

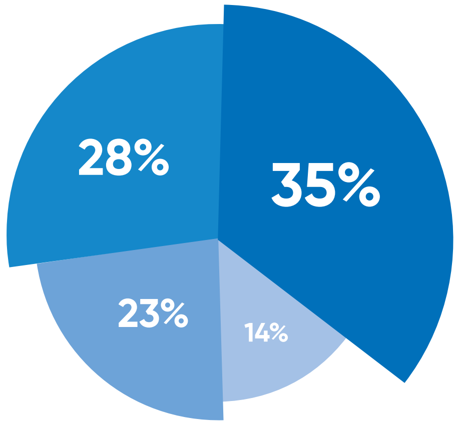


KEY FIGURES

REVENUE
BY PRODUCT SEGMENT

Currencies and interest rates
Securities and security derivatives
Commodities and other



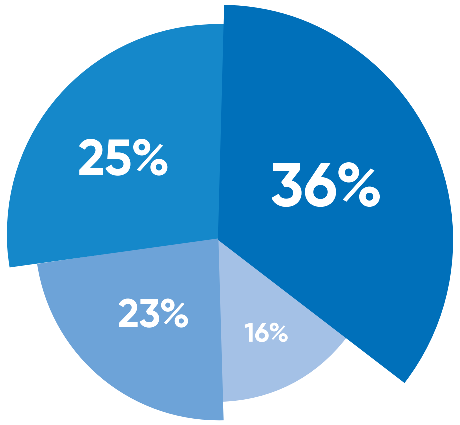


REVENUE
BY GEOGRAPHIC REGION

Americas
United Kingdom
Asia-Pacific
Continental Europe

HEADCOUNT
AT 31 DECEMBER 2023
BY GEOGRAPHIC REGION

Asia-Pacific
United Kingdom
Americas
Continental Europe



REVENUE
CHFm

Reported
982.4 +10.6%*
2022: 947.4

Including share of joint ventures
1,053.9 +9.5%*
2022: 1,028.6

OPERATING PROFIT
CHFm

Reported
105.5 +19.7%*
2022: 94.2

Including share of joint ventures
127.7 +17.1%*
2022: 117.4

PROFIT BEFORE TAX
CHFm

127.2 +16.1%*
2022: 120.1

NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS
CHFm

94.4 +15.9%*
2022: 89.1

EQUITY/ SHAREHOLDERS' EQUITY
CHFm

426.0/405.1
2022: 442.5/416.8

Return on equity in 2023: 23%
(2022: 22%)

* At constant exchange rates

1

MANAGEMENT REPORT

8>
<62

INFORMATION FOR SHAREHOLDERS

Compagnie Financière Tradition SA shares closed out 2023 12.9% higher at CHF 118.0, bringing the Company's market capitalisation to CHF 882.4m at 31 December. Its two benchmark indices, the Swiss Market Index (SMI) and the SPI EXTRA, ended 2023 up 3.8% and 3.7% respectively.

SHARE PRICE

Shares began the year at CHF 104.5 and then trended upwards, hitting a closing high of CHF 123.0 on 16 June. They then gradually drifted down until November before rallying sharply and closing the year at CHF 118.0, with an average daily trading volume of around 1,300 shares.

STOCK MARKET DATA

In CHF (except number of shares)	2023	2022
Number of shares at 31 December	7,746,385	7,654,385
Market capitalisation at 31 December	882,436,000	774,842,000
52-week high	123.0	114.0
52-week low	104.0	100.0
Year-end closing price	118.0	104.5
Average daily volume in number of shares	1,300	768
PER[1] at 31 December	9.4	8.7
PTB[2] at 31 December	2.2	1.9

[1] Price Earnings Ratio.
[2] Price to Book – attributable to Company shareholders.

CONSOLIDATED OPERATING PROFIT PER SHARE

CHF
14.2
2022: 12.5

NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS PER SHARE

CHF
12.7
2022: 11.8

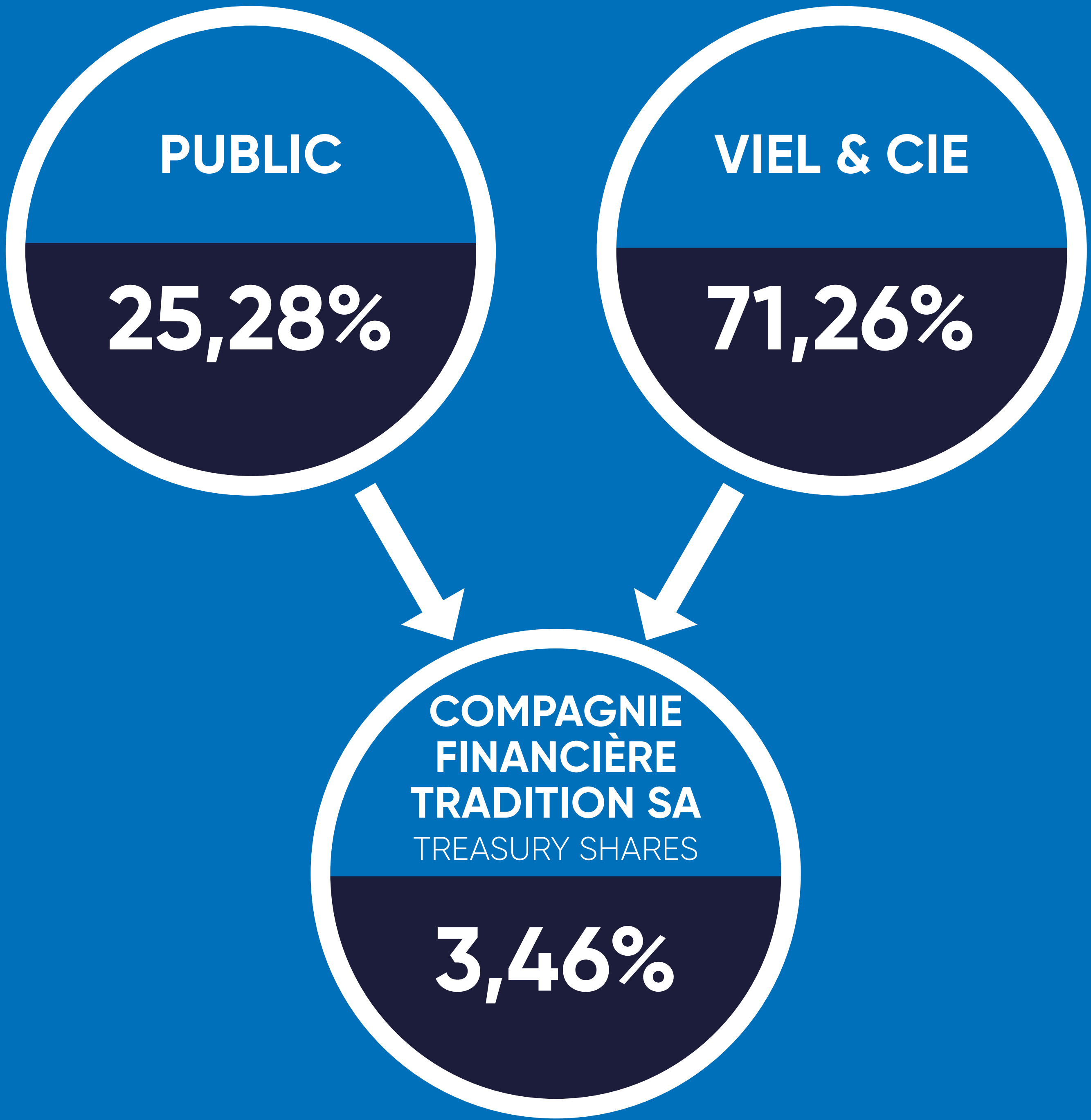
DIVIDEND PER SHARE

CHF
6.0
2022: 5.5*

* Cash dividend, plus a distribution of one treasury share for every 100 shares held

SIMPLIFIED GROUP STRUCTURE

AT 31 DECEMBER 2023



FACT FILE

The financial year runs from 1 January to 31 December.

ISIN Code:
CH0014345117.
Unit of trade:
1 action.
Nominal value:
CHF 2.50.

Shares are traded on the SIX Swiss Exchange and on the third compartment of the Frankfurt Stock Exchange.

CONTACTS

Compagnie Financière Tradition SA
Investor relations

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Tel.: 41 (0)21 343 52 87
Fax: 41 (0)21 343 55 00

www.tradition.com

Updated information on share price, press releases, financial calendar, key figures, and presentations may be found on the Group's website.

Contact us:
actionnaire@tradition.ch

TRADITION, A GLOBAL TRANSACTIONAL AND MARKET DATA PLATFORM HEADQUARTERED IN SWITZERLAND

Founded in 1959 in Lausanne, and listed on the Swiss Stock exchange since 1973, we are a leading global financial firm offering hi-touch, hybrid and electronic execution as well as information services. Our client base is comprised of the largest bank and non-bank financial institutions active in the financial and commodity-related markets, such as investment banks, commercial banks, hedge funds, asset managers, electronic market makers, and the largest corporations whenever directly active in hedging and trading activities, such as the energy sector. We constitute a conflict-free and highly efficient venue for our global network of clients to trade, offset positions and transfer risks amongst market participants.

Since 1996, when VIEL & Cie acquired a majority stake in Compagnie Financière Tradition SA ("CFT" or "Tradition"), we have significantly extended the size and footprint of our operations, primarily through organic growth, and become one of only a few truly global firms in our ever-changing industry.

TRADITION MARKETPLACE

Providing market intelligence and data, fostering price discovery, connecting liquidity

CLIENTS
7,500+

DESKS
300+

ASSET CLASSES
5

PRODUCT GROUPS
25+

PRODUCTS
200+

ANNUAL # OF TRADES
3 MILLION+

CURRENCIES
80+

OF TRADITIONDATA OTC DATA PACKAGES
230

A LEADING GLOBAL PARTNER FOR OUR 7500+ CLIENTS IN NAVIGATING FINANCIAL AND COMMODITY-RELATED MARKETS

We are a marketplace facilitating trading amongst financial institutions and other professional trading participants that are the most active in the markets. Our salesforce is comprised of around 1,500 brokers located in more than 30 countries. They execute more than 3 million transactions per year for their clients, representing notional volumes above 200,000 billion dollars. These trades vary in scale and liquidity, from the simplest to the most complex, the most liquid to the most illiquid. Our activities contribute to helping our clients navigate imbalances between supply and demand or situations of local or global market crisis. Due to our central position as a wholesale intermediary, and like other providers of market infrastructure such as exchanges or electronic trading venues, we provide a critical contribution to the efficient functioning of markets across a variety of asset classes. We are also actively contributing to the development of active and deep secondary markets, be it in emerging economies or for new instruments. The key to our success is our ability to understand the evolving needs of our extensive and long-established network of clients, together with a solid expertise in derivatives markets. This is underpinned by sustained investments in proprietary technology in order to provide customised trading protocols in all market conditions, from electronic and hybrid execution to high-touch broker services.

A BUSINESS MODEL ENSURING BEST-IN-CLASS EXECUTION SERVICES

We are a one stop shop that fosters price formation and transactional liquidity. We match transactions between buyers and sellers in a wide variety of cash and derivatives, over-the counter (OTC), CCP-cleared and exchange-traded financial instruments, both in global and local markets. By providing transparency without detriment to liquidity, we help our clients source prices and counterparties.
Our clients have access to a global network, in-depth market intelligence, specialised knowledge of local markets and products, and large pools of liquidity. They benefit from the anonymity that reduces the market impact of placing orders. For this, brokers are organised in around 300 different desks, each representing a centre of expertise in a given market segment.
Operating on the basis of a pure agency model with no conflict of interest and no position-taking, our revenues primarily consist of commissions earned by matching trades, and only if a trade is matched. This very competitive business model based on high volume and low commission rates, compared to that of an exchange for example, implies that we keep a continuous focus on excelling in serving our client base. This translates into the best possible service and the tightest market prices for them.
This is also a highly scalable business model with a strong operating leverage when market volumes surge.
Since 2011, we have proactively developed global trading solutions with clients and, wherever possible, such as for Trad-X, an electronic trading platform for interest rate swaps, in partnership with them.
In December 2022, we announced the acquisition of MTS Markets International Inc. which operates BondsPro, an electronic credit trading platform. Our objective is to continue to extend our positioning and capabilities in electronic broking and to deliver efficiency and excellence in hybrid execution and high-touch broker services thanks to continuing investment in proprietary technology.
All of our activities operate within an extensively regulated framework.

TRADITIONDATA, FROM ANCILLARY TO CORE

There is a growing demand for financial market information fuelled by the combination of regulatory requirements and data analytics advancements. This has led us to develop TraditionData, a division dedicated to data commercialisation either directly or through data vendors. TraditionData has its own product specialists and universe of clients.
Initially viewed as an ancillary business, it is becoming core with significant growth opportunities. First, clients are looking for independent sources of reliable price and volume information for OTC markets, and the addressable market is expanding for real-time, end of day, historical data sets, and also analytics. Moreover Tradition and its peers are lagging behind the exchanges in terms of ability to monetise their data assets. Finally, TraditionData is still small in terms of percentage of total revenues compared to the benchmark in our industry.
This is a business with recurring revenues and a high level of margin.

WELL-POSITIONED IN FAST-CHANGING MARKETS AND GUIDED BY CORE VALUES AND KEY PRINCIPLES

With our sizeable market share, diversified revenue across time zones, and a strong balance sheet, we are well-positioned in our industry to continue anticipating the evolution of the markets, whether in terms of products, geographies, customers or regulation.

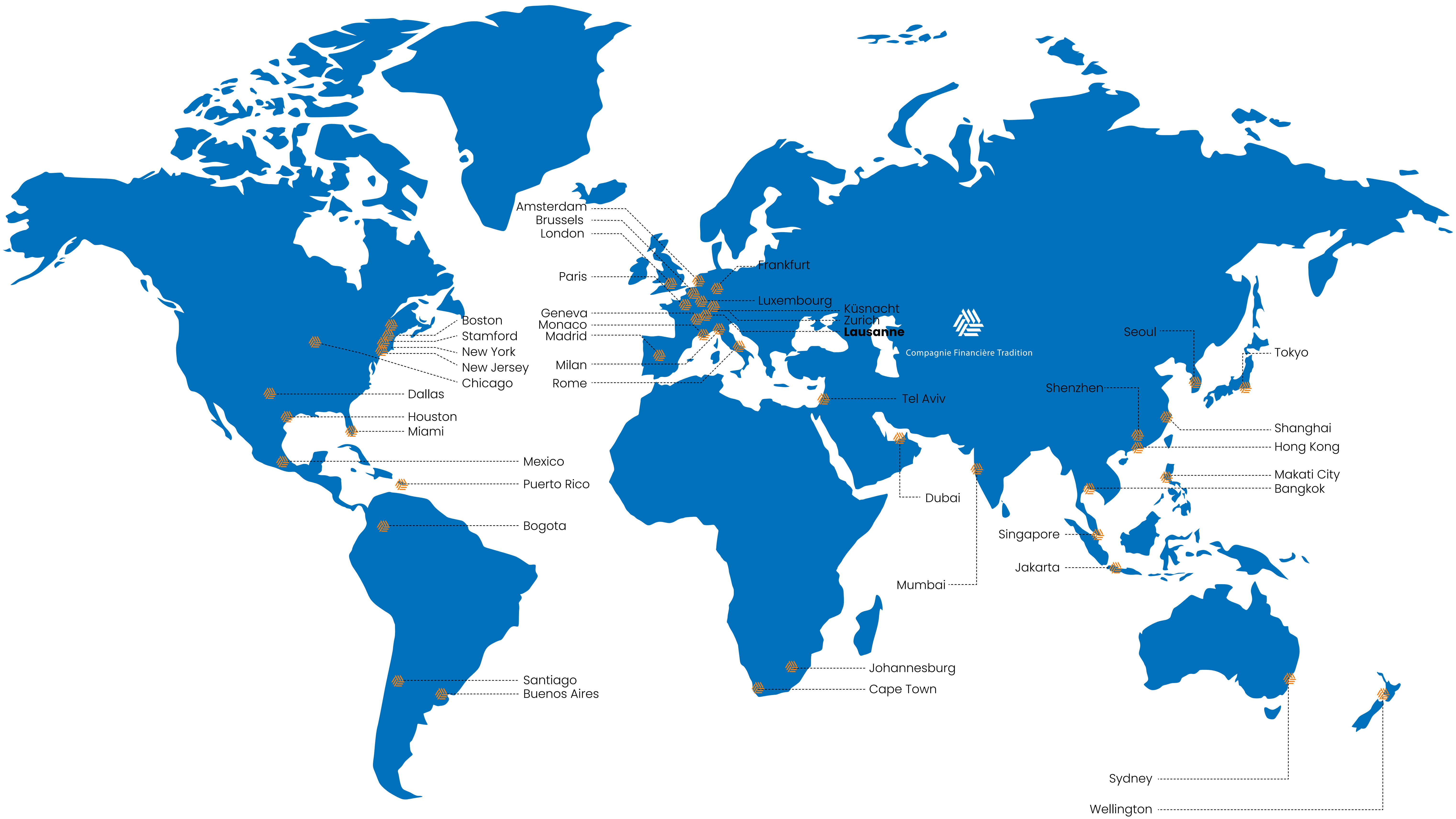
Our industry has historically been agile and quick to adapt to market cycles, competition, new geographies, product innovation, or structural changes driven for example by technology or regulations. There are new growth opportunities to be seized by global firms like Tradition that can leverage a combination of operational flexibility, extensive IT and compliance capabilities.
Tradition has a long-term commitment to industry leadership and will continue to represent one of the largest networks and deepest pools of liquidity.
We have an established track record of organic growth and responsiveness to the evolving needs of our clients. We have also demonstrated our ability to adjust to intense operating conditions when necessary, including after the Lehman crisis or, more recently, during the extraordinary context of the Covid-19 pandemic in 2020.

Tradition is also founded on long-established core values and key principles that have governed us from the outset.

- A commitment to the highest standards of transparency as a listed company since 1973 and a bond issuer since 2013;
- Strategic decisions taken with a long-term view as a family-owned Group, consistently focused on responsible action, sound financials, and delivering sustainable returns to the shareholders;
- Talent attraction and retention across the extensive network of local offices, hence diverse and highly skilled teams of employees, a key success factor for delivering a best-in-class service to our clients and ensuring a continuing competitive edge in an evolving marketplace;
- A commitment to reputation, good corporate citizenship, risk management in all its forms, business conduct and ethical behaviour in a highly regulated industry.

A DIVERSIFIED GEOGRAPHICAL PRESENCE

"A global network of offices with in depth-market intelligence hence a highly specialized knowledge of local markets by local teams for local customers"


Amsterdam
Brussels
London
Paris
Frankfurt
Luxembourg
Küsnacht
Zurich
Lausanne
Compagnie Financière Tradition
Geneva
Monaco
Madrid
Milan
Rome
Boston
Stamford
New York
New Jersey
Chicago
Dallas
Houston
Miami
Mexico
Puerto Rico
Bogota
Santiago
Buenos Aires
Tel Aviv
Dubai
Mumbai
Johannesburg
Cape Town
Seoul
Tokyo
Shenzhen
Shanghai
Hong Kong
Makati City
Bangkok
Singapore
Jakarta
Sydney
Wellington

CORPORATE GOVERNANCE

"Compagnie Financière Tradition SA is committed to the highest standards of corporate governance.
A balance between management and control promotes the long-term success of the Group's business. To ensure transparency in shareholder relations, the Company adopted and implemented a number of measures in compliance with the provisions of the SIX Exchange Regulation "Directive on Information Relating to Corporate Governance"."

Compagnie Financière Tradition SA is committed to the highest standards of corporate governance. A balance between management and control promotes the long-term success of the Group's business. To ensure transparency in shareholder relations, the Company adopted and implemented a number of measures in compliance with the provisions of the SIX Exchange Regulation "Directive on Information Relating to Corporate Governance" (DCG), the latest version of which entered into force on 1 January 2023.

CAPITAL

The Company's capital consists of a single class of fully paid-up bearer shares, with a nominal value of CHF 2.50 each. The shares are registered with the SIX SIS SA central securities depository. All duly registered shares carry the right to a dividend. The amount of the authorised capital and conditional capital, as well as the changes in share capital over the past three years are presented in the notes to the financial statements on pages 146 and 147. Share options awarded to Group employees are disclosed on pages 110 and 111.
Compagnie Financière Tradition SA had no dividend-right certificates or participation certificates at 31 December 2023, and the Company had no convertible loans outstanding at that date.
There is no restriction on the transfer of Compagnie Financière Tradition SA shares.
In order to optimise the Group's capital allocation, the Board of Directors embarked on a share buyback programme of up to 300,000 shares, which began in August 2023 and will run until May 2026 at the latest. Implementation of the programme is subject to market conditions and regulatory approvals. The buyback is being carried out via a second trading line on the SIX Swiss Exchange. Shares repurchased under the programme are expected to be cancelled subject to shareholder approval.

GROUP STRUCTURE AND MAJOR SHAREHOLDINGS

Compagnie Financière Tradition SA is a holding company which controls and consolidates the operating entities of the Tradition Group. The Group is organised and managed on a regional basis by regional operational managers. A simplified Group structure is presented on page 12 and the basis of consolidation is set out on pages 131 to 134. The Group's major shareholders are shown on page 146. To our knowledge, no other shareholder held over 3.00% of the voting rights on 31 December 2023. To the Company's knowledge there were no shareholder agreements and there were no cross-shareholdings exceeding 5.00% of the voting rights or share capital at that date. Reporting information submitted to the SIX Swiss Exchange concerning shareholdings may be found at https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

GENERAL MEETING AND SHAREHOLDERS' PARTICIPATION RIGHTS

In accordance with Article 18 of the Articles of Association, each share carries the right to one vote. The Company's Articles of Association do not provide for any restriction on shareholders' statutory rights, other than in respect of attendance at a General Meeting. Article 17 stipulates that "a shareholder may only be represented at the General Meeting by his legal representative, another shareholder attending that Meeting in possession of an instrument of proxy, or by the independent voting representative". Article 19 provides that the General Meeting may transact business irrespective of the number of shareholders present or shares represented, subject to statutory requirements and the cases contemplated under Article 20. The resolutions and elections put to the vote of the General Meeting are decided by an absolute majority of the votes attached to the shares represented. If a second ballot is required, a relative majority is sufficient.
Article 19 also provides that in the case of an equality of votes, the Chair will have the casting vote. As a general rule, the vote is decided on a show of hands; elections are decided by a poll unless the General Meeting resolves otherwise. Article 20 provides that "A resolution of the General Meeting shall require the affirmative vote of no less than two-thirds of the votes attached to the shares represented and an absolute majority of the nominal values of the shares represented at a General Meeting where no less than 51% of the nominal value of all shares is represented, for the purpose of: (1) an alteration to the Company's object, (2) the extension or restriction of the circle of corporate operations, (3) the introduction of voting right shares, (5) an authorised or conditional increase in share capital, (6) an increase in share capital using existing equity, against investments in kind or with a view to a itakeover of assets and the granting of special advantages; (7) the limitation or disapplication of a pre-emptive right; (8) the transfer of the registered office of the Company; (9) decisions reserved to the General Meeting under the Merger Act, subject to cases where a more restrictive majority is required by that Act, (10) the dissolution of the Company."
In accordance with Article 16 of the Articles of Association, the General Meeting elects an independent voting representative each year. When selecting an independent voting representative, the independence criteria set out in Article 689c of the Swiss Code of Obligations (CO) must be observed. For 2023, the General Meeting elected Christophe Wilhelm, attorney and founder of the law firm Wilhelm Gilliéron Avocats SA, Avenue de Rumine 13, 1001 Lausanne. Compagnie Financière Tradition SA has no contractual ties with that firm.

Pursuant to Article 699(3) CO, shareholders who together represent at least 5% of the share capital may request the convening of a General Meeting.
According to Article 14(2) of the Articles of Association, an Extraordinary General Meeting must convene within forty days following the request to call a meeting.
As a rule, the General Meeting is convened at least twenty days prior to the appointed date, by notice published in the Swiss Official Gazette of Commerce. The notice convening the meeting must indicate the items of business on the agenda, as well as any motions of the Board of Directors and shareholders who have requested the convening of the meeting or an item of business to be included on the agenda, and, in the case of elections, the names of the candidates standing for election.

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

BOARD OF DIRECTORS

The Board of Directors of Compagnie Financière Tradition SA comprised eight members at 31 December 2023. At the General Meeting of 25 May 2023, seven Directors were re-elected to office for a term of one year and Christian Baillet was elected to office for a term of one year.
Except for the Chair, Patrick Combes, the other members of the Board are independent directors.
They did not previously hold office in any governing bodies of Compagnie Financière Tradition SA or any of its subsidiaries. They did not have any business relations with Compagnie Financière Tradition SA and its subsidiaries at 31 December 2023, other than a consulting services contract with Eric Solvet.
A detailed career history and the terms of office of each of the directors are shown on pages 35 to 38. In accordance with Article 23 of the Articles of Association, Directors are elected individually for a one-year term which commences at the Annual General Meeting at which they are elected and terminates at the end of the Annual General Meeting the following year. They are eligible for re-election. The Chair of the Board of Directors is also elected by the General Meeting, from among the members of the Board. The Chair's term of office expires at the end of the next Annual General Meeting and they are eligible for re-election (Article 24 of the Articles).
The Board of Directors exercises the powers and duties conferred on it by law (Article 716a CO), the Articles of Association and the Company's Rules of Procedure. The Articles of Association are available on our website at https://www.tradition.com/about-us/articles-of-association.aspx, and the Rules of Procedure are available at https://www.tradition.com/about-us/board-of-directors.aspx (both in French only).
In particular, the Board takes all decisions in all areas that are not reserved to the General Meeting or any other governing body. It manages the Company at the highest level and exercises strict oversight at all times over the Management and persons empowered to represent the Company, to ensure they comply with the law, the Articles of Association, the regulations, and issued instructions. The Board of Directors may at any time appoint and dismiss the persons responsible for managing and representing the Company. It may at any time and with immediate effect, withdraw their right to represent the Company in dealings with third parties, subject to their rights under an employment contract.
The Board of Directors has the following non-transferable and inalienable powers and duties (Article 28 of the Articles):

- exercise the highest level of management of the Company and issue the necessary instructions;
- establish the organisation;
- establish the accounting and auditing principles and the financial plan;
- appoint and dismiss the persons responsible for managing and representing the Company;
- exercise strict control over the persons responsible for managing and representing the Company to ensure, in particular, that they comply with the law, the Articles of Association, the regulations, and issued instructions;
- prepare the annual report, the Company accounts and the consolidated accounts;
- prepare the General Meeting and implement its resolutions;
- determine the method of payment of the dividend;
- establish and close subsidiaries and branches;
- inform the Court in the event of over indebtedness.

The Board of Directors defines the Group's strategy and establishes guidance. It adopts the annual budget within which the Executive Board operates.
The Board of Directors delegates all day-to-day management of the Company to the Executive Board (Article 30 of the Articles). At each of its meetings, the Board of Directors is briefed by its Chair on the Executive Board's management of the Company, which enables it to monitor the way in which the Executive Board discharges the responsibilities assigned to it. The Board of Directors meets when the half-year and annual accounts are closed, at each General Meeting, and as required by Company business. In 2023, the Board held four plenary meetings, which lasted an average of three and a half hours, and two meetings which lasted an average of about one hour. Director attendance at plenary meetings was as follows: Patrick Combes 100%; Christian Baillet 100%; Alain Blanc-Brude 75%; Jean-Marie Descarpentries 75%; Christian Goecking 100%; Marco Illy 100%; Robert Pennone 100%; Eric Solvet 100%. The Board of Directors and the Audit Committee submit to a self-evaluation process by completing a questionnaire designed to measure their performance.
The Audit Committee is composed of four members: Robert Pennone (Chair), Jean-Marie Descarpentries, Eric Solvet and Christian Baillet. All the members are independent and non-executive. They all have the required experience and knowledge in matters of accounting standards, finance, and auditing to carry out their remit. The role of the Audit Committee is to assist the Board of Directors in its task of overseeing the financial reporting process, the internal control of financial reporting, the internal and external auditing process, and Company procedures aimed at ensuring compliance with the law, regulations and the Swiss code of best practice.
The Audit Committee also reviews the performance, effectiveness and fees of the independent auditors, and ensures that they maintain their independence.
It examines the effectiveness of the cooperation of all the financial and risk management departments with the independent auditors. The Committee has the necessary powers and authority to carry out or approve investigations into all areas within its sphere of competence. Senior management attends its meetings as necessary.
The auditors are also invited to attend all meetings at which the Committee reviews the half-year and year-end accounts. They submit a detailed report on the auditing process, important matters relating to the application of accounting standards and reporting, and the results of the examination of the compliance system.
Minutes of the Audit Committee meetings are forwarded to the Board of Directors. The Committee held six meetings in 2023, which lasted an average of about three and a half hours.
The Group Chief Financial Officer chairs four Regional Audit Committees which also include the Group Chief Legal Officer and the head of compliance and operational risks. The London Regional Audit Committee is chaired by the independent chair of the Board of Directors of Tradition London Group; the Group Chief Legal Officer and Group Chief Financial Officer are also members.
The role of these Regional Audit Committees is to review the effectiveness of the internal control environment in the Group entities, particularly with regard to the closing of the annual and half-yearly accounts. The Regional Audit Committees submit periodic reports to the Group Audit Committee.
The Remuneration Committee is chaired by Robert Pennone and comprises two members – Robert Pennone and Christian Goecking, both independent and non-executive members. The Committee makes recommendations to the Board of Directors regarding compensation schemes and policies and, more specifically, the remuneration of Executive Board members, share option schemes, and other incentive schemes. It met once in 2023 for a one-and-a-half-hour meeting.
In accordance with, Article 733 CO, the members of the Remuneration Committee are individually elected each year by the General Meeting.
The Committees set up by the Board of Directors have an advisory role and no decision-making powers. Their responsibility is to make recommendations to the Board of Directors, which then takes decisions.
The Group Chief Legal Officer, William Wostyn, is Secretary to the Board of Directors and its committees. In accordance with Article 24 of the Articles of Association, the Board of Directors appoints a secretary, who may be chosen from outside the Board.
The Board of Directors and its committees are actively supported by the Executive Board, which attends meetings when invited. At these meetings the Executive Board briefs the directors on its management, business operations, and the most significant developments concerning the Company and its direct and indirect subsidiaries. Depending on the agenda set by the Chair of each of the Committees, one or more Executive Board members or department heads are invited to attend the meetings, to provide information required by the Committee members and answer questions. However, no Executive Board members attend the Remuneration Committee.
Outside these meetings, the Chair of the Board of Directors is kept regularly informed on the day-to-day management of the Company. In particular, a Management Information System (MIS), at the holding company level, allows regular and frequent monitoring of performance and comparison with targets. This monitoring is carried out on a daily, monthly, quarterly or annual basis, depending on the criteria, and includes all Group subsidiaries. It entails comparison with the previous year's results and, more particularly, with the current year's budgets and targets.
In addition, risk management and internal audit operations have been set up, which are described in more detail on page 31.

EXECUTIVE COMMITTEE

The Executive Board is composed of the regional managers of Tradition Group's operating entities (Americas, EMEA, Asia-Pacific), who are directly employed by the regional entities, as well as the Group Chief Financial Officer and the Strategic Marketing Director. They meet periodically as an Executive Committee, and exercise the powers conferred on them by the Rules of Procedure (https://www.tradition.com/media/315351/cft-rules_of_organisation-2021.pdf - French only).
The Board of Directors delegates all day-to-day management of the Company to the Executive Board. Each regional manager manages the Group's subsidiaries under their responsibility, applying the strategy and budget established by the Board of Directors, having regard to any restrictions on their delegation of powers.
All Executive Board members report regularly to the Chair of the Board of Directors on the day-to-day management of the Company, and provide him with timely information on all events and significant changes within the Group. This Committee is joined by the Group Chief Legal Officer (Secretary to the Board of Directors and the Executive Committee). The Board of Directors' strategy, as well as its development priorities and the action required to comply with its guidelines are communicated through the Executive Committee. It prepares the annual budget, which is then presented to the Board of Directors for approval, and ensures that it is complied with and monitored as part of regional operational management. A detailed description of the career paths of the Executive Committee members, including their education, career history, and positions within Compagnie Financière Tradition SA are disclosed on pages 41 and 42.
Members of the Executive Board do not hold any other positions in governing or supervisory bodies of major Swiss or foreign, private or public corporations, foundations or institutions. They do not exercise any management or advisory functions on behalf of major Swiss or foreign interest groups, and do not hold any official position or political office.
There were no management contracts between Compagnie Financière Tradition SA and any companies or persons outside the Group at 31 December 2023.

SHAREHOLDINGS OF DIRECTORS AND EXECUTIVE BOARD MEMBERS

Pursuant to Article 734d CO, shareholdings in the Company, conversion rights and share options held by Directors and Executive Board members and others in a close relationship with them at 31 December 2023 are disclosed on pages 157 and 158.

REMUNERATION OF DIRECTORS AND EXECUTIVE BOARD MEMBERS

Pursuant to Articles 734b and 734c CO, compensation paid, as well as guarantees, loans, advances or credit granted by Compagnie Financière Tradition SA or any of its subsidiaries to Directors, Executive Board members, and others in a close relationship with them, are disclosed in the remuneration report on pages 156 to 159.
Under Article 30bis of the Articles of Association, Directors and Executive Board members may hold the following maximum number of positions in governing or administrative bodies of legal entities required to be registered with the Commercial Registry, or with a similar registry abroad, and which are not controlled by the Company or do not control the Company:

- in Swiss or foreign companies whose shares are listed on the stock exchange: no more than five appointments;
- in Swiss or foreign companies whose shares are not listed on the stock exchange: no more than fifteen appointments;
- in other entities with an essentially nor-for-profit object: no more than ten appointments.

The Articles of Association set out the provisions applicable to performance-based compensation and the granting of equity securities, conversion rights and options (Articles 30quater to 30sexies), additional amounts that may be paid to members of the Executive Committee appointed after approval of compensation by the General Meeting (Article 20ter), loans, credit facilities and pension benefits granted to Executive Board members and Directors (Article 30quinquies) and the vote on compensation by the Annual General Meeting (Article 20bis). Details of these provisions may be found on our website: https://www.tradition.com/media/219419/CFT_Statuts.pdf (French only).
Each year, the Remuneration Committee recommends the remuneration terms for Directors, and these are submitted to the General Meeting for approval. The Remuneration Committee meets at least once a year to discuss the components, principles and levels of compensation and informs the Board of Directors of its proceedings and resolutions at the next Board meeting.
They are presently defined in the form of directors' fees. The annual compensation for each director comprises a fixed fee of CHF 20,000, with the exception of the Chair who does not receive remuneration, and a variable fee of up to CHF 10,000 related to attendance at Board meetings during the year. Each Director serving on the Audit Committee receives additional annual compensation of CHF 20,000. Each Director serving on the Remuneration Committee receives additional annual compensation of CHF 10,000.
The maximum total remuneration for the Board of Directors is now approved by the General Meeting each year for the following calendar year.
The Chair of the Board of Directors defines the terms of remuneration for Executive Board members after consultation with the Remuneration Committee. Given the specific nature of the activities, the very limited number of comparable companies in this sector, and the quality and relevance of the information available, the use of "comparatives" is not appropriate.
Remuneration is set on the basis of direct negotiations with the executives concerned, the relative scale and weight of the activities they supervise, their ability to implement the Group's strategy taking into account both business development and profitability requirements, and the remuneration practices of leading competitors in the business sector in which the Company operates, insofar as they are known. These remuneration terms are then submitted to the General Meeting for approval. For operational members, they include a fixed salary as well as a performance-related payment linked to the operating performance of the subsidiaries they manage (without weighting relative to other objectives), or a discretionary bonus with a minimum guarantee where appropriate. Functional members receive a fixed salary and a discretionary bonus. The discretionary bonuses are set by the Chair of the Board of Directors, and may be quarterly or annual depending on the case. The Chair and Executive Board members do not take part in the deliberations of the Remuneration Committee, which determines the level of remuneration.
As a guide, in 2023, the variable part represented between 0% and 61% of total compensation. It consisted of a percentage of the operating profit of entities under the responsibility of the relevant operational members of the Executive Board.
These compensation components are paid in cash. The Remuneration Committee briefs the Board of Directors at least once a year on Executive Board compensation.
As part of our compensation structure, options may be awarded to Directors or Executive Board members on a discretionary basis with the aim of encouraging their contribution to the Company's growth over the long-term. Such awards have no fixed frequency and are decided by the Board of Directors after consultation with the Remuneration Committee.
No share options were awarded to Directors in 2023, while a total of 179,000 options was awarded to Executive Board members. The status of existing options is set out on pages 156 to 158. Further information will be provided in the annual report if and when new options are awarded.
Executive Board members may also receive benefits in kind, such as insurance premiums.
No Directors or Executive Board members received additional fees from Compagnie Financière Tradition SA in 2023, except for any services provided under a service contract.
The General Meeting approves total remuneration in accordance with the provisions of the Articles of Association. As the General Meeting approves the remuneration of Executive Board members in advance, provisions must be made for situations in which a person joins the Executive Board or is promoted after the remuneration has been approved. An additional amount, not exceeding 50% of the last approved budget, is available to fund such cases, in accordance with Article 735a CO. The Company did not use the services of external consultants when setting any of this remuneration.

TAKEOVERS AND DEFENSIVE MEASURES

The Articles of Association do not contain any "opting out" or "opting up" clauses. The employment contracts of operational members of the Executive Board, like those of senior executives of the Group, do not generally contain any specific provision with respect to a change in control of Compagnie Financière Tradition SA, with the exception of the employment contracts of two Executive Board members. These contracts contain a clause providing for the executives to retain office under identical employment conditions for the duration of their contracts in the event of a change in control of the Company, and, for one of them, a right to early termination of the contract upon three months' notice and an indemnity of no more than twelve months' salary.
The option schemes provide for early exercise in the event of a change in control of the Company, in which case the options may be exercised within nine months of the event.

INFORMATION POLICY

Key Events	2023	2024
Publication of the annual report	27 april	25 april
Publication of the half-year report	1st September	30 August
Date of the Annual General Meeting	25 May	21 May
Balance sheet conference date	24 march / 1st September	22 march / 30 August

Compagnie Financière Tradition SA releases consolidated revenue figures on a quarterly basis, and consolidated results on a half-yearly and annual basis. It also issues information concerning all events that may affect its share price, in accordance with the requirements of Articles 53 and 54 of the Listing Rules.
To register to receive push notifications, please visit our website at https://www.tradition.com/news/news/news-by-email.aspx. Our financial reports are available on our website at http://www.tradition.com/financials/reports.aspx; financial press releases may be found at https://www.tradition.com/financials/ad-hoc-announcement-pursuant-to-art-53-lr.aspx.
Permanent sources of information and contact addresses for Compagnie Financière Tradition SA can be found below and on the website www.tradition.com:

Compagnie Financière Tradition SA
Shareholder Relations
11, rue de Langallerie - CH- 1003 Lausanne
Tel: 41 (0) 21 343 52 87
Write to us: actionnaire@tradition.ch

BLACKOUT PERIOD

Under Article 8 of the Rules of Procedure, Directors and Executive Board members and persons closely associated with them, may not purchase or sell the Company's shares in the 10 trading days prior to the publication of the Group's interim and annual consolidated financial statements.

RISKS

GENERAL RISKS RELATED TO BROKING OPERATIONS OF COMPAGNIE FINANCIÈRE TRADITION SA AND SUBSIDIARIES

The Board of Directors is ultimately responsible for defining the Group's risk appetite, establishing risk management policies, and overseeing the Executive Board. It is assisted in these tasks by the Audit Committee, whose role is to oversee the internal control of financial reporting, risk management, and compliance with the laws and regulations. The Internal Audit function reviews the effectiveness of risk management procedures and internal controls, the results of which are reported to the Audit Committee.
The Risk Management department operates independently. It is responsible for identifying, assessing, mapping and monitoring the Group's risk exposure.
Compagnie Financière Tradition SA achieves its strategic objectives by assuming risks. However, without appropriate limits, these risks could threaten its key resources, particularly its net profit, capital, liquidity and reputation. In the worst case, these risks could necessitate a capital increase, or even threaten the Group's existence.
Compagnie Financière Tradition SA aims to efficiently deploy its capital in order to achieve an overall return in line with the risks to which it is exposed, maintain its continued financial viability, and prevent any excessive losses that would reduce its operating capability in the medium term.
This involves defining the Group's risk appetite or the amount of residual risk it would find acceptable after controls and other measures have been put in place.
The controls are designed to adequately manage identified significant risks and the Group ensures that decisions on new initiatives are not unduly influenced by business objectives and that risks are fully assessed in order to avoid losses. Where a significant accumulation of correlated risks is identified, the exposure is reviewed and action are taken where if necessary.
Senior management of subsidiaries must implement and maintain an appropriate risk governance framework – including risk assessment, limits, rules, guidelines, independent decision-making process, controls, oversight, tests and reports – to ensure compliance with the Group's risk appetite. The Group is exposed to the following types of risk:

- Compliance risk
- Credit and counterparty risk
- Operational risk
- Liquidity risk
- Market risk

This section details the Group's exposure to each of these risks, the methods used to assess them, and the risk management policies and procedures.

COMPLIANCE RISK

Compliance risk mainly involves:

- non-compliance with market abuse regulatory requirements
- non-compliance with anti-money laundering and terrorist financing regulatory requirements, and international sanctions
- non-compliance with anti-bribery and corruption regulatory requirements
- non-compliance with personal data protection regulatory requirements
- non-compliance with codes of ethics and professional obligations
- non-compliance with environmental, social and governance (GSE) regulatory requirements

Compagnie Financière Tradition SA has no risk appetite with regard to compliance risks. The subsidiaries establish and maintain regularly updated maps of compliance risks. These are consolidated at Group level in order to refine their analysis and reinforce the compliance framework, thereby enabling proactive risk management.
In addition, Compagnie Financière Tradition SA employees are continually made aware of potential compliance issues and regulatory changes. Group subsidiaries have set up online training courses, particularly on market rules, antimoney laundering and terrorist financing, data security, anti-bribery and corruption, and the Code of Conduct. The Group monitors compliance risks based on information escalated via quarterly compliance reports submitted by the subsidiaries.
It has also set in place a whistleblowing system, which enables employees to report serious breaches of the rules governing the conduct of Group activities.

CREDIT AND COUNTERPARTY RISK

Credit and counterparty risk represent the risk of financial loss when a customer or counterparty to a financial instrument fails to fulfil its obligations. This risk mainly concerns the item "Trade and other receivables".
Compagnie Financière Tradition SA is an interdealer broker in the financial and non-financial markets, serving a predominantly institutional clientele. The broking business consists of facilitating contact between two counterparties to conclude a trade, and receiving a commission for services rendered. The Group's exposure to credit risk is therefore limited to its own receivables in connection with these activities. The quality of counterparties is evaluated locally by subsidiaries in accordance with Group guidelines, and commission receivables are closely monitored. Provisions for impairment losses on receivables are recognised where necessary.
Some Group companies act as principal in the simultaneous purchase and sale of securities for the account of third parties. These trades are managed through clearing houses on the basis of cash against delivery of securities. The period between the transaction date and the settlement date is usually two days, during which Compagnie Financière Tradition SA is exposed to counterparty risk.
This risk is contained within the limits set by the Credit Committee. The Committee bases its decisions on the creditworthiness of the counterparty, considering ratings published by recognised bodies (External Credit Assessment Institutions (ECAI)), and available financial information (stock market prices, credit default swaps, yields in the secondary bond markets, etc.). Where no external rating is available, the Group calculates a rating based on an internal methodology. In addition to the counterparty's rating, the type of instruments traded and their liquidity are also taken into account for determining the limit.
Compliance with limits is monitored independently by the Group Risk Management department, or by the risk management departments of the operating regions.
Limits are reviewed regularly, at set frequencies or following events that could affect the creditworthiness of the counterparty or the environment in which it operates (country, type of sector, etc.).
Exposure is mainly concentrated in regulated financial institutions, the majority of which have investment grade ratings.
The clearing itself is handled by specialised teams. It is conducted through Compagnie Financière Tradition SA's indirect subsidiary, Tradition London Clearing Ltd, which is the pivot for the Group's matched principal transactions for Europe and Asia. Tradition London Clearing Ltd is responsible for following up trades introduced by the Group's operating entities until their final settlement in the clearing houses.
Tradition Securities and Derivatives Inc., one of the Group's US subsidiaries, is responsible for settlement of all matched principal operations in the United States.
This company is a member of the FICC (Fixed Income Clearing Corporation), a central settlement counterparty for US government securities. Membership in the FICC considerably reduces the risk of a counterparty default, since it guarantees settlement of all trades entering its net.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from the inadequacy or failure of internal processes, people and systems, or from external events.
This risk appears crucial and calls for stringent monitoring. The analysis and assessment of operational risks are segmented in line with Basel Committee recommendations. The Group's Risk Management department establishes and oversees detailed mapping of risk components, evaluating them using the recommended three level scale of residual risk. The results of this mapping enable the Group to focus on critical or significant risks.
The monitoring of operational risk at Group level is undertaken through the analysis of key risk indicators escalated by subsidiaries via quarterly reports.
A tool for recording incidents of an operational nature has also been put in place to monitor changes in operational risks and identify the need to adjust internal controls.
Potentially significant incidents include errors in the execution or administrative processing of client orders, and possible malfunctions in IT systems or accounting processes.
Due to the importance of IT systems in the Group's business operations and overall functioning, as well as the perceived issues at stake in terms of IT risks, the framework for managing these risks has been integrated into the general operational risk framework. Targeted IT risk mapping has been developed in collaboration with the head of the IT Department and a dedicated reporting system has been set in place based on key indicators and control measures covering all IT risks. This approach enables the Group to effectively manage threats or areas of vulnerability that could compromise the integrity, availability or confidentiality of its IT assets.

LIQUIDITY RISK

Liquidity risk arises when the Group encounters difficulty in meeting its financial obligations. For risk management purposes the Group separates this risk into two types – transactional liquidity risk and balance sheet liquidity risk.
Transactional liquidity risk concerns the Group's ability to meet cash flows related to matched principal trades or the requirements of market counterparties, for instance, the need to fund securities in the process of settlement or to place margin calls or collateral with clearing houses or banks which provide clearing services to the Group. These liquidity demands are hard to anticipate but are normally short term, overnight or even intra-day and are usually met using overdrafts with the clearing entity. In order to manage these risks the Group ensures that its subsidiaries engaged in matched principal activities hold cash or cash equivalents sufficient to meet potential funding requirements using a statistical approach based on historical data, which is stress tested to establish an appropriate level of contingency funding.
Balance sheet liquidity risk is the risk that a Group entity will be unable to meet its net working capital needs over a certain period of time due to operational difficulties or significant investments in the business. To manage this risk, the Group's main operating entities prepare rolling twelve-month cash flow forecasts as part of the monthly financial reporting process in order to identify potential liquidity issues.
At the very least, all entities retain sufficient cash or cash equivalents to meet expected net cash outflows for the next three months.
Controls are carried out on a timely basis to identify funds in surplus to local requirements for up-streaming to the Group's holding companies, where working capital or structural cash requirements are identified and addressed. At the holding company level, the Group has set up financing via bond issues and a credit facility (disclosed in Note 20) which strengthens its cash position and its ability to manage liquidity risks.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices and thus affect the Group's net profit or the value of its financial instruments. Market risk includes currency risk and interest rate risk.
The Group's international presence exposes it to currency risk. This risk arises when subsidiaries conduct transactions in a currency other than their functional currency.
Transactions are conducted mainly in US dollars (USD), sterling (GBP), yen (JPY), euros (EUR) and Swiss francs (CHF).
The Group policy for hedging this risk is not part of a long-term hedging policy. It is dealt with on a timely basis depending on economic trends and conditions, with the exception of the UK which has adopted a systematic approach to hedging the main foreign currencies through forward exchange contracts.
The Group has implemented a monthly monitoring of the exposure to currency risk, to ensure the risk is kept to a minimum.
The Group's exposure to interest rate risk arises mainly from the structure of its financial debt. However, since the debt is mostly fixed rate, this risk is very marginal. Financial debt commitments within the Group must be approved by the Board of Directors.

RISK MANAGEMENT, COMPLIANCE AND INTERNAL AUDIT

The Risk Management department is responsible for analysing risks, implementing assessment methodologies, and monitoring the risks to which Group companies are exposed. It also centralises compliance risk management activities thus strengthening the compliance function as the second line of defence and ensuring optimised risk management with a stronger focus on compliance.
The department oversees risk mapping and its implementation in the operating companies. The implementation of controls is supervised in consultation with the internal control and compliance departments and is supported by a large network of correspondents.
The Risk Management department deploys governance in the operating regions by setting up regional risk committees, or appointing regional risk correspondents.
Moreover, a Credit Committee, comprised of a representative from the Group's Risk Management department and a risk manager from the operating entity, is responsible for setting counterparty limits for matched principal activities.
The department assists the operating entities to monitor and manage their risks. It updates the Regional Audit Committees on the status of the risk management process in the regions, and provides consolidated information to the Group Audit Committee based on quarterly reporting put in place across all regions.
The Risk Management department covers for the compliance function at Group level.
The Internal Audit function is responsible for testing and evaluating the effectiveness of the Group's control environment. In order to strengthen the effectiveness of the internal audit and draw on specialised knowledge and expertise, the Group has outsourced the conduct of audit assignments to one of the Big Four accounting firms. Interaction between this firm and the Group is ensured by a Steering Committee, composed of the Group Chief Financial Officer, the Group Chief Legal Officer and the Head of Compliance and Operational Risk. This Committee reports to the Audit Committee. The internal audit plan focuses on the most significant business risks within the Group's entities. The Steering Committee submits an annual and a multi-year internal audit plan to the Audit Committee for approval.
The conclusions and recommendations contained in the audit reports are reviewed by the Regional Audit Committees and the Group Audit Committee.
Representatives of the firm responsible for the internal audit attend the Regional Audit Committees and the Group Audit Committee to provide additional information and clarifications to complete the analysis of the effectiveness and completeness of internal controls.
The Group Finance department, has implemented procedures to ensure the proper functioning of internal control system for financial reporting.

INDEPENDENT AUDITOR

KPMG SA, Lausanne, is the independent auditor for Compagnie Financière Tradition SA's consolidated and Company financial statements.

TERM OF APPOINTMENT

The independent auditor was re-appointed by the Annual General Meeting on 25 May 2023, for a one-year term. The firm is represented by Philippe Ruedin, auditor in charge, since the audit of the accounts for the year ended 31 December 2021. Article 730a (2) of the Swiss Code of Obligations provides that the person leading the audit may serve in this capacity for no more than seven years.

AUDIT FEES

Audit fees for the Group's subsidiaries for fiscal 2023 were CHF 2,770,000. In addition, the Group's share of audit fees billed for joint ventures for fiscal 2023 was CHF 210,000.

ADDITIONAL FEES

KPMG billed additional fees of CHF 22,000 in 2023 consisting mainly of tax services and other services related to capital operations.

INFORMATION ON THE INDEPENDENT AUDITORS

Fees for auditing the consolidated and Company financial statements must be approved beforehand by the Audit Committee. The Audit Committee together with senior financial management examines the justifiability of these fees following an evaluation of the auditors' services.
The Committee assesses the services of the independent auditor based on its knowledge of the important issues regarding the Group's activities, the audit environment, and accounting standards. In order to ensure the auditor's independence, services other than those for auditing the accounts must be approved beforehand by the Audit Committee.
The auditor is invited to attend two meetings of the Audit Committee and the Board of Directors at which the half-year and year-end accounts are reviewed. KMPG submits a detailed report to the Audit Committee on important issues regarding application of accounting standards and reporting, and the results of its examination of the compliance system.
The independent auditor attended four Audit Committee meetings and one meeting of the Board of Directors in 2023.

BOARD OF DIRECTORS

PATRICK COMBES

FRENCH CITIZEN
Chair of the Board of Directors

Appointment at Compagnie Financière Tradition SA: First elected on 7 January 1997. Re-elected on 25 May 2023.
Offices held in governing and supervisory bodies of large public or private, Swiss or foreign corporations, foundations or institutions at 31 December 2023: Chair and Chief Executive Officer of VIEL et Compagnie-Finance SE (France), Chair and Chief Executive Officer of VIEL & CIE S.A. (France), Chair of the Management Board of Financière Vermeer B.V. (Netherlands), Vice-Chairman of the Board of Swiss Life Banque Privée SA (France), Member of the Board of Overseers of Columbia Business School, New York (USA).

Education: ESCP Business School, Paris. MBA from Columbia University (USA).

Career history: On his return from New York in 1979, Patrick Combes acquired VIEL & Cie, gradually transforming the Company through organic and acquisition-led growth, first in France and then on the international level, into a global player on the world's financial markets. In 1996, when VIEL & Cie took control of Compagnie Financière Tradition SA, he became Chair of the Board of Directors.

CHRISTIAN BAILLET

FRENCH CITIZEN
Director

Appointment at Compagnie Financière Tradition: First elected on 25 May 2023.
Offices held in governing and supervisory bodies of large public or private, Swiss or foreign corporations, foundations or institutions at 31 December 2023: Chair of the Supervisory Board of Andera, Just World International (USA), Director of VIEL & Cie SA (France), Viel et Compagnie-Finance SE (France), Xerys (France), Tradition Financial Services Ltd (UK), TFS Derivatives Ltd (UK), Tradition UK Holding Ltd (UK), Tradition UK Ltd (UK) BELHYPERION (Belgium), Fonds Gaillard (Belgium), Otito Properties (Luxembourg), GPI Invest (Luxembourg), Lithos (Luxembourg), QS Bic (Luxembourg), Colors Properties (Spain), Propiedades Millerty (Spain), Turboc Properties (Spain), Yellow Oceans (BVI), Longchamps (Nevis) et Financière Vermeer BV (Netherlands), Member of the Supervisory Board of Swisslife Banque Privée SA (France), Bourse Direct (France), Longchamps Investment (Switzerland), Berlynvest (Luxembourg), Balinda (Spain).

Education: Engineering degree from École Centrale de Lyon and an MBA from Wharton School of Finance.

Career history: After obtaining an engineering degree from École Centrale de Lyon in France and an MBA from Wharton School of Finance in the United States, Christian Baillet joined the corporate finance department of Citicorp in New York in 1975. In 1979 he joined Quilvest, a private equity specialist and private bank, where he served successively as head of investments in Europe, CFO then CEO of the Group worldwide for 15 years, and finally Chairman. In the private bank, he also served as CEO and Chair of the two main banks in France and Switzerland for several years, while in the private equity business, he was responsible for developing investments which had 5 billion euros of assets under management at the time of his departure.

ALAIN BLANC-BRUDE

FRENCH CITIZEN
Director

Appointment at Compagnie Financière Tradition SA: First elected on 19 May 2021. Re-elected on 25 May 2023.
Offices held in governing and supervisory bodies of large public or private, Swiss or foreign corporations, foundations or institutions at 31 December 2023: Chair of the Board of Directors of Apef Advisory Company SAM; Chair of Midas Wealth Management Luxembourg.

Education: Engineering degree from the École Centrale de Lille, France, MBA from Wharton School of Finance, Philadelphia, USA.

Career history: After obtaining an engineering degree from Centrale Lille and an MBA from Wharton School of Finance in the US, Alain Blanc-Brude joined SARTEC, a French company specialising in maintenance services for large industrial groups, in 1972. He was appointed CEO in 1975 and organised the turnaround of the company. In 1985, he decided to sell his shares in the company to become involved in private equity. He then joined the Alpha Group as Chairman of the Management Board from 1986 to 2002 before serving as Chair of the Supervisory Committee of Alpha Associés Conseil from 2005 to 2019. In 30 years, Alpha has become one of the leading private equity firms (LBO mid-cap) in Continental Europe with over 130 acquisitions and 120 disposals. Alain Brude has served on the Boards of many of these companies including Alain Afflelou, Loxam, NextRadio (RMC/BFM Group), Cegelec, and Materis to name but a few. In 2010, he founded Midas Wealth Management where he is Chairman of the Board of Directors.

JEAN-MARIE DESCARPENTRIES

FRENCH CITIZEN
Director/Member of the Audit Committee

Appointment at Compagnie Financière Tradition SA: First elected on 7 January 1997. Re-elected on 25 May 2023.
Offices held in governing and supervisory bodies of large public or private, Swiss or foreign corporations, foundations or institutions at 31 December 2023: Honorary Chair of the FNEGE (France), Director of VIEL & Cie SA (France), Managing Director of Fondation Philippe Descarpentries (Belgium).

Education: Graduate of the École Polytechnique, Paris, France.

Career history: Jean-Marie Descarpentries, former partner at McKinsey, has served as a senior executive int some of Europe's major industrial groups (Shell (France), Danone (Benelux), Saint-Gobain (Spain/Portugal), Interbrew (Belgium), and Ingenico (France)). From 1982 to 1991, he was CEO of Carnaud Metalbox, then from 1994 to 1997, he was CEO of Bull and was responsible for turning the company around and its privatisation.

CHRISTIAN GOECKING

SWISS CITIZEN
Director/Member of the Remuneration Committee

Appointment at Compagnie Financière Tradition SA: First elected on 7 January 1997. Re-elected on 25 May 2023.
Offices held in governing and supervisory bodies of large public or private, Swiss or foreign corporations, foundations or institutions at 31 December 2023: Banking and financial consultant (Corporate Finance), Director of Carmeuse Trading & Services SA, wholly-owned subsidiary of the Belgian Carmeuse group (world industry leader for the extraction, distribution and trading for lime and limestone)

Education: Graduate of the École des Hautes Etudes Commerciales (HEC), University of Lausanne, Switzerland.

Career history: Christian Goecking has spent 50 years in banking and finance, particularly in financial broking. He has served in senior management positions and as managing director at major Swiss banks and English brokerage houses. From 1991 to 1993, he was Director of private asset management at Banque Julius Baer in Geneva. From 1995 to 2019, he was Vice Chair of the Board of Directors and Chair of the Audit Committee of CIM Banque (Suisse) SA in Geneva, and for 20 years he served on the Boards of Directors of entities in the Berney Associés SA group (audit, tax, accounting, advisory firm). Since 1993, he has been actively involved in management and consulting for Swiss and international companies and corporations.

MARCO ILLY

SWISS CITIZEN
Director

Appointment at Compagnie Financière Tradition SA: First elected on 19 May 2020. Re-elected on 25 May 2023.
Offices held in governing and supervisory bodies of large public or private, Swiss or foreign corporations, foundations or institutions at 31 December 2023: member of the Board of Directors of Innosuisse – Swiss Innovation Agency, Chair of the Board of Directors of The Medical Supply Company of Switzerland (MSCS) SA, member of the Board of Directors of biotech company Rocketvax AG.
Education: Graduate of St. Gallen Business School, with undergraduate degrees in business administration and economics.
Career history: 30 years with Credit Suisse. After holding various positions, including head of the Investment Banking and Securities division of Credit Suisse in Switzerland, he was co-head of the European Investment Banking Coverage in London, and in 2005, was appointed head of investment banking business at Credit Suisse, Germany. From 2009 to 2016, he returned to Switzerland as head of the investment banking division (IBD) at Credit Suisse. From 2016 to 2018, he was a member of the extended Executive Board of Credit Suisse (Switzerland) AG, and in 2018, he joined the Board of Directors of Innosuisse AG.

ROBERT PENNONE

SWISS CITIZEN
Director / Chair of the Audit Committee / Chair of the Remuneration Committee

Appointment at Compagnie Financière Tradition SA: First elected on 7 January 1997. Re-elected on 25 May 2023.
Offices held in governing and supervisory bodies of large public or private, Swiss or foreign corporations, foundations or institutions at 31 December 2023: President of Holding de Participations de Famille SA (Switzerland).

Education: Certified accountant

Career history: Robert Pennone joined Deloitte as a partner in 1975. In 1979, he partnered with Lenz law firm, Geneva, to develop Revex / Audiba until that company merged with Ernst & Whinney in 1987. He then became Deputy Director of the Swiss entity until 1989, when Ernst & Whinney merged with Arthur Young to become Ernst & Young. He was a member of the Board of Directors and the Executive Board of Ernst & Young from 1989 until end-1993. During that time he was also a member of the Worldwide Banking Committee, and Managing Director of Ernst & Young M&A Europe. In 1994, he founded Pennone & Partners SA and participated in developing the MC Securities Group. In 2004, he became co-founder of GS Banque SA, and in December 2013 he was appointed Chair of the Board of Directors.

ERIC SOLVET

FRENCH CITIZEN
Director / Member of the Audit Committee

Appointment at Compagnie Financière Tradition SA: First elected on 24 May 2018. Re-elected on 25 May 2023.
Offices held in governing and supervisory bodies of large public or private, Swiss or foreign corporations, foundations or institutions at 31 December 2023. None.

Education: MBA from Stanford University, USA.

Career history: Eric Solvet has served as an adjunct professor of finance at Chulalongkorn University (Thailand) since 2013. From 2004 to 2006, then from 2007 to 2012, he was a consultant with McKinsey, where he advised global financial institutions, sovereign funds, major investors and governments. Previously, from 1999 to 2001, he was an investment banker with Nomura International focusing on cross-border M&As and corporate finance advisory, and a senior analyst in the bank's equities division. Earlier in his career, he worked in merchant banking and private equity investing. He holds an MBA from Stanford University and is a Chartered Financial Analyst.

OTHER POSITIONS

No Directors held any official or political positions at 31 December 2023. None of the Directors had an operational management function within the Group at 31 December 2023.

EXECUTIVE COMMITTEE

PATRICK COMBES

Attends Executive Committe meetings in his capacity as Chair of the Board of Directors.

MICHAEL ANDERSON

BRITISH CITIZEN
CEO Tradition London Group and affiliated offices in EMEA

Michael Anderson holds a Bachelor degree in Economics from University College London. After some military service, he worked in banking at Scandinavian Merchant Bank and First Chicago, primarily as a trader in FX and Fixed Income, then as London Treasurer at First City Texas. He switched to broking in 1991, at Harlow Butlers, taking a career break in 2000 to pursue an internet venture. He joined TFS as an Oil Broker in 2001, spending five years in the USA establishing and building the Oil business there, returning to London to manage the TFS Oil and Energy businesses in Europe. After several years as CEO of TFS Ltd., he was appointed in 2019 as CEO of the Tradition London Group and affiliated offices in EMEA. He is a member of the FCA's Secondary Market Advisory Committee.

ADRIAN BELL

AUSTRALIAN NATIONAL
COO Asia-Pacific

After graduating from high school in Sydney, Adrian Bell studied Japanese and Mandarin in Australia. He moved to Tokyo in 1986 where he began his career in the money markets. He worked in Tokyo and Singapore as a broker and then managed Japanese business units until 2002, when he took on regional responsibilities for Asia. He has overseen the expansion of Tradition in Asia and Australia, encompassing all major derivatives, fixed income, commodity and money markets across the Asia-Pacific region, where Tradition is now recognised as the leading interdealer broking group.

FRANÇOIS BRISEBOIS

CANADIAN CITIZEN
Group CFO

François Brisebois is Group Chief Financial Officer and a member of the Executive Board since 2012. He joined Compagnie Financière Tradition in 2002 as head of Group financial reporting and was appointed Group financial controller in 2009. He began his career at Ernst & Young, in Canada and then in Switzerland, prior to joining Compagnie Financière Tradition. He holds a Bachelor's degree in Business Administration and a Licence en Science Comptable from Laval University (Canada). He is a chartered accountant, member of the Ordre des comptables professionnels agréés du Québec.

MICHAEL LEIBOWITZ

U.S. CITIZEN
COO Americas

Michael Leibowitz began his career at Tradition Financial Services in 1991, and in 1993 became head of TFS Global Foreign Exchange operations in London. From 2000 to 2005, he was CEO of TFS-ICAP Volbroker, the leading liquidity provider in Global Foreign Exchange Options, and in 2006 he was appointed CEO of TFS Europe. In November 2007, he was appointed CEO of Tradition Group's combined brokerage operations in London (TFS Europe and Tradition UK), and then CEO of Tradition Group's European operations in December 2008. In 2013 he became CEO of Tradition Americas holdings inc.
He holds a law degree from Hofstra University, New York, and an economics degree from State University of New York at Albany. Michael Leibowitz was a member of the Federal Foreign Exchange Committee (FXC).

LARRY ROSENSHEIN

U.S. CITIZEN
COO Tradition Americas

Larry Rosenshein began his career at Tradition Financial Services in 1987 and moved to Japan in 1989 as Head of FX Options for Asia. In 1998, he was appointed Director of TFS Asia and in 2001 as COO of TFS-ICAP Volbroker, the leading liquidity provider in global foreign exchange options. In 2008 and 2009, he acted as Co-head of technology for the Group. In August 2009 he was appointed Chair of TFS Energy and Managing Director of TFS Americas and in 2014, he became COO of Tradition Americas. He holds a BSc degree in Finance and Management Information Systems from University of Delaware and an MBA in Finance from Fairleigh Dickinson University. He is a member of the Kappa Alpha Order.

DOMINIQUE VELTER

FRENCH CITIZEN
Strategic Marketing Director

Dominique Velter holds a Master's degree in Applied Economics from the University of Paris-Dauphine, France. She joined BATIF, the capital market banking arm of Thomson (now Thales), when it was formed in 1986. In 1989, she was appointed Head of Treasury and Financing at the Bernard Hayot Group, specialists in wholesale and retail distribution. She obtained an MBA from HEC Paris, France, in 1996, and joined VIEL & Cie, the parent company of Compagnie Financière Tradition SA, to assist the Chairman on development projects. In 1999, she established VIEL & Cie's online broker, Capitol.fr, and was its Chair and CEO until April 2001. Since 1997, she has served as Strategic Marketing Director of Compagnie Financière Tradition SA.

Previous annual reports are available on our website **https://www.tradition.com/financials/reports.aspx**.

CORPORATE SOCIAL RESPONSIBILITY

CFT is driven by the core values and essential principles that have governed its management since its creation:

- A commitment to the highest standards of transparency, in keeping with its position as a listed company since 1973 and a bond issuer since 2013.
- Strategic decisions with long-term objectives that align with its status as a family-owned Group, focused on responsible action, sound financials, and delivering sustainable returns to shareholders.
- The need to attract and retain talent across an extensive international network of local offices. We recognise that highly-skilled employees with diverse experience and backgrounds are key to delivering best-in-class outcomes for our clients and ensuring a continuing competitive edge in an evolving marketplace.
- A commitment to reputation, good corporate citizenship, risk management in all its forms, business conduct and ethical behaviour in a highly regulated industry.

OUR BUSINESS MODEL AND BUSINESS STRATEGY

CFT has positioned itself as one of the world's leading interdealer brokers and a major contributor to the functioning of the financial markets.

A financial intermediary acts as a marketplace, providing clients with a liquidity hub, fostering price discovery, and matching clients to facilitate financial operations across a wide range of financial and non-financial products.

Our central position as a wholesale intermediary means that we are an independent and neutral provider of market infrastructure, committed to helping financial markets function as a fair, open and sustainable global ecosystem.

RESSOURCES

CLIENTS
+7,500

EMPLOYEES
+2,400

PRESENCE
+30 COUNTRIES

OUR BUSINESS

MATCHING CLIENTS

MARKET LIQUIDITY

PRICE FORMATION

INFORMATION AND TRANSPARENCY

VALUE CREATION

REVENUE
CHF 982M

NET PROFIT
CHF 101M

DEVELOPING COMPETENCIES

CONTRIBUTING TO THE EFFECTIENT FUNCTIONING OF THE MARKETS

We offer hi-touch, hybrid and electronic execution as well as information services. We foster price formation and transactional liquidity across a variety of financial and commodity-related asset classes, for cash and derivative instruments and transactions ranging from the simplest to the most complex.
Our continued focus is on excellence in serving our client base, comprised of the FICC divisions (fixed income, currencies and commodities) of all the major investment and commercial banks, hedge funds, large asset managers, and corporates.
Our activities contribute to helping our clients navigate imbalances between supply and demand and to manage crisis situations in local or global markets. We constitute a conflict-free and highly efficient venue for our global network of clients to trade, offset positions or transfer risks.
We also contribute effectively to the development of active and deep secondary markets, whether in emerging economies or for new instruments.
From the outset, Compagnie Financière Tradition has had a track record of successfully entering new markets and pioneering new products, leveraging technological progress, and complying with new regulations. Given the nature of its activities as a market liquidity and market data provider and its extensive expertise in a highly competitive industry, the Company is confident that governance, social and environment (GSE) standards can be successfully incorporated into its business processes enabling it to meet the expectations of its stakeholders – regulators, clients, investors, employees and partners.
Our growth strategy is focused on driving sustainable growth in order to position the Group as a major international player, placing business ethics at the heart of all our activities. Our leading global position is underpinned by a comprehensive suite of products and extensive geographic footprint.
Although we are a leading player in the inter-dealer broking sector, our approach is to set up local desks and offices across many geographical regions.
Each desk is staffed by nationals of the country and trades local products with a local client base. It is this amalgamation of products and geographic region that has made Tradition a global player.
This strategy involves a highly decentralised organisation with management structured by geographical region – Americas, Asia-Pacific, EMEA – and responsible people management.
Through our market-leading position in global energy broking, we have consistently grown our activities in renewable energy and carbon credits since the inception of these market segments.
As a bond broker, we take an active part in the secondary markets for green bonds which have recently made their debut in a number of countries.
Over the past few years, through Tradition Green and Tradition Energy, CFT is investing in services that are helping to accelerate the decarbonisation of the economy.

Tradition Green applies its expertise in environment-related markets, offering professional brokerage services and innovative advice, supporting acquisitions and financing projects in the biomass, biofuels, renewable energy and carbon markets. It offers brokerage services for environmental products in London, New York, Milan and Santiago, with 25 other offices providing local assistance. Tradition Green's services cover a wide array of products in the financial markets, including carbon emission quotas and carbon credits, biomass, biofuels, renewable energies and plastic for recycling.
In the US, Tradition Energy is the largest and most experienced independent consultant as regards energy risk management, procurement and sustainability solutions. It helps clients manage their energy expenditure, implements renewable energy solutions and devises integrated sustainability strategies to reduce their carbon footprint. Tradition Energy provides clients with an integrated set of processes, tools and operational capabilities to cut their energy costs, make greater use of alternative energy sources and manage the associated risks.
Tradition closed its last remaining coal desk, and is continuing to look for ways of decarbonising its range of products in the energy markets.
As part of this strategy of profitable, sustainable growth, the Group shows responsibility in various ways:

- In its corporate governance – ethics lie at the heart of its business, helping it to win and retain the trust of its clients. The Group operates in a highly regulated environment, and contributes to efforts to combat money laundering, the financing of terrorism, bribery and market abuse. The rules adopted within Tradition, its code of ethics and its anti-corruption code, which are disseminated to all its international subsidiaries, form an integral part of its values;
- In the way it manages its people – as a global financial Group, Tradition is strongly committed to diversity and respect for local cultures. It also invests heavily in training and developing the skills of its employees;
- In its growth strategy – rising business volumes and increasing numbers of employees and subsidiaries around the world require a responsible environmental approach in terms of energy consumption and CO2 emissions arising from the Group's activities, and more specifically from its management of IT hardware and business travel.

CFT sees the integration of GSE factors into the development of its activities as an important part of its mission to improve performance, identify new business opportunities and create value for its stakeholders.

ROLES AND RESPONSIBILITIES OF STAKEHOLDERS IN MANAGING GSE CHALLENGES

Strategic decisions are translated into action through effective governance in the Group's regional operational entities.

To help address GSE matters, we have set in place a structured governance based on the organisation that has historically been part of the Group's operations.
GSE issues are addressed at the highest organisational level, i.e. by the Board of Directors, which is responsible for devising the Group's long-term strategy and identifying opportunities and risk-management principles in relation to GSE, and for the measures taken as a result. The Group has an independent Board of Directors, made up of experienced directors who are mindful of the Group's interests and those of all its shareholders. All directors are subject to strict rules and procedures in terms of ethics and conduct, particularly regarding conflicts of interest, confidentiality and duty of care.
Two committees of the Board of Directors, the Audit Committee and Remuneration Committee, are involved in GSE governance, within the scope of their responsibilities.
The Audit Committee helps the Board of Directors oversee processes intended to maintain compliance with laws and regulations, and ensures that the Group is prepared for upcoming regulatory developments.
The Remuneration Committee oversees observance of remuneration principles for CFT's executive managers, while taking account of risk factors and the Group's GSE policy. The principles applied in determining this remuneration therefore comply with the criteria of exhaustiveness, balance, consistency, clarity, measurement and transparency defined by the Board of Directors.
Strategic decisions are translated into action through effective governance in the Group's regional operational entities.
In accordance with its long-term aims, the Board of Directors delegates to its entities' Executive Boards the tasks of implementing the GSE strategy and setting up and managing the GSE framework, relying particularly on the risk map.
The Executive Boards play an active role in fostering an GSE culture within their respective local structures and in executing the Group's commitment to implement a robust structure and to incorporate GSE considerations in its risk management, decision-making process and day-to-day activities.
A network of compliance and risk management officers responsible for analysing and assessing risks report periodically to the Group's governing bodies on developments in existing risks and the emergence of new ones, and may suggest ways to adjust the framework in response to the changing environment.
Regular reports on a number of metrics used to assess priority governance issues within the Group are escalated to CFT's compliance and operational risk officer, who is responsible for regularly reviewing the GSE framework and initiatives at parent company level, and leading an internal working Group dedicated to these GSE issues.
In 2023, to increase expertise among the members of its various governing bodies and its network of compliance and GSE risk management officers, CFT organised training sessions with the help of external specialists, to raise their awareness of GSE matters.
Sessions were organised for all members of CFT's Board of Directors, Audit Committees (at the Group and regional levels) and Remuneration Committee.
The training sessions mainly covered:

- Key sustainability concepts,
- Current and forthcoming regulations,
- The climate: impacts, risks, opportunities and transition.

Training sessions were also organised for the Group's main managers in its various regions, and for regional representatives of business functions (Compliance, IT, Human Resources, Finance).

GSE AGENDA

Tradition has defined core principles to support integration of GSE standards within the Group:

- Maintain a robust governance framework that supports the Group's operations and secures its long-term success,
- Actively promote an GSE culture across the organisation,
- Clearly identify these issues and review them by means of performance indicators
Incorporate GSE standards into the decision-making process,
- Periodically review GSE policies, procedures and management processes,
- Act responsibly and implement sustainable practices wherever possible.

A Group GSE policy was adopted by the Audit Committee in 2023. It describes our overarching commitment to GSE standards, including the way in which GSE factors are integrated and managed by the decision-making process and how Tradition aims to drive its individual operational performance in this area.
CFT has implemented a risk-based approach to assess and manage the Group's GSE risks and opportunities. Governance, social and environmental risks are incorporated into the company's global risk management framework.
The Group uses a materiality matrix of its GSE priorities to determine strategy, which is based on the following parameters:

- the Group's business model,
- the Sustainability Accounting Standards Board (SASB) standards applicable to the Investment Banking and Brokerage industry, and the United Nations Sustainable Development Goals,
- the Group's perception of stakeholder priorities.

CFT's materiality matrix, in line with the MSCI Materiality Map applicable to the Investment Banking and Brokerage industry, highlights governance and social matters as the key issues:

- 4 governance issues
  - Business ethics
  - Management of the legal and regulatory environment
  - Service quality
  - Client privacy and data security
- 2 social issues
  - Work practices, including diversity and inclusion
  - Management experience and competencies.

Identified GSE risks and opportunities are linked to key issues in the matrix, and key performance indicators (KPIs) are put in place to track progress achieved in each area.

Governance

Theme	Risks	Opportunities	Indicators monitored
Business ethics	Independence of governance bodies and conflicts of interest Integrity of employees in their decision-making Active or passive corruption Integrity of partners Breaches of conduct rules by employees Recruitment of an employee who has conflicts of interest	Employee training and skills development Efforts to strengthen controls, business model resilience Image benefits of choosing reputable and highly responsible partners Professional integrity, optimal client protection	Number of conflicts of interest disclosed Number of disciplinary penalties Number of gifts exceeding authorised limits Number of reimbursement requests rejected for compliance reasons Percentage of travel and entertainment expenses Mandatory training completion rate Number of outstanding matters raised by internal and external auditors and by regulators Negative media coverage
Management of the legal and regulatory environment	Clash between the business development strategy and sustainability objectives Difficulty implementing regulatory changes on time Social and environmental responsibility regarded as lacking ambition or badly communicated Incomplete non-financial report	Reputational benefit from being an intermediary recognised as highly responsible	Number of sanctions imposed by regulatory authorities Number of sanctions imposed due to breaches of stock exchange or clearing house rules Quality of relations with regulators Negative media coverage Number of recommendations made by regulators (new, outstanding, closed)
Service quality	Inability to fulfil commitments or meet client expectations Legal disputes with clients or intermediaries	Customer retention	Number of formal complaints made by clients Number of disputes Preparations in relation to the business continuity plan (testing of the BCP)
Client privacy and data security	Loss, damage or leaks affecting client data, the company's physical data and archives: reputational risk	Improved service quality through more resilient and secure infrastructure	Number of IT security incidents Cybersecurity training completion rate

Social

Theme	Risks	Opportunities	Indicators monitored
Working practices and relations with employees, including diversity and inclusion	Loss of talent resulting from the recruitment process Loss of skills or business due to the departure of key staff members or a whole team Absenteeism, demotivation or loss of talent resulting from remuneration or a lack of employee-management dialogue Legal disputes with employees Harassment or discriminatory treatment of staff members	Employer attractiveness and talent retention through benefits offered by the Group in terms of remuneration, training, professional development and working environment	Employee turnover rate Number of brokers that need to be recruited to fill key roles (desk heads, brokers developing a new business/product/desk) with exceptional or unusual clauses in their contracts Number of disputes with employees Proportion of employees moving to a new geographical location Proportion of employees moving to a new role Proportion of employees of each gender Code of Ethics training completion rate
Management experience and skills	Lack of perspective and vision among governance bodies Lack of experience and expertise among management Inability to delegate and to transfer knowledge	Increasing productivity Staff development and retention	Employee turnover rate Average number of years of experience of Group board members and key executives

As an intermediary in the financial markets, Tradition does not engage in activities generally regarded as having a significant environmental impact, compared with the heavy industry sectors. The environmental impact of our operations is mainly generated by IT equipment – computers used in the trading rooms, telecom equipment, data centres used for server storage, electronic brokerage platforms for customers, and marketing market data comprising our digital footprint.

Our office-based business activities and business travel also contribute to greenhouse gas emissions. Even though our carbon footprint is low, we recognise the reality of climate change induced by human behaviour and are analysing ways to reduce carbon emissions and develop energy-saving activities.
As a result, we have also identified risks and opportunities for two environmental issues identified as low on the materiality matrix, as well as KPIs to monitor them.

Environment

Theme	Risks	Opportunities	Indicators monitored
GHG emissions	Premises or suppliers jeopardised by extreme events and no longer able to meet the Group's needs Reputational risks (mainly with respect to clients and investors) resulting from climate inaction	Raising employee awareness of climate issues Reducing exposure to changes in the cost of carbon-producing raw materials Contribution to reducing GHGs	Carbon footprint Preparations in relation to the business continuity plan (testing of the BCP) Completion rate of training sessions related to climate issues
Energy management	Power cuts disrupting the activities of electronic platforms Increase in operating expenses (internal and suppliers)	Improvement in the energy efficiency of the IT system	Number of major incidents not related to IT security Electricity consumption

GOVERNANCE

Incorporating governance, social and environmental performance into the decision-making process has become important in our markets, since it promotes sustainable growth. Tradition complies strictly with all regulations and legislation, and applies the best governance practices and policies. This enables us to serve the Group's long-term interests and those of its shareholders by taking account of the social and environmental challenges in our activities.
Tradition operates in more than 30 countries, and its staff receive training in all regulations applicable in each jurisdiction, to ensure that they are properly applied. Local management has the necessary experience and skills to meet its targets and convey the knowledge that teams need to implement regulations.

The key issues for Tradition are business ethics, transparency and regulatory compliance in the jurisdictions in which it operates

The Group is committed to maintaining high standards of ethics and integrity. It is aware that companies able to ensure strict compliance with regulations through robust internal controls and able to offer services that meet the industry's highest professional standards will be better positioned to build trust with clients. This drives increased revenues, and protects shareholder value by minimising losses as a result of legal proceedings.
The independence of operational staff members and management, along with their knowledge of integrity rules, ensures that decision-making is guided by client interests, and that any conflict with the interests of other internal or external stakeholders is avoided.
The Group has a strong governance system, which it monitors and assesses every quarter using indicators showing the extent to which subsidiaries follow governance rules, and the Group complies with the recommendations of both internal audit and permanent control bodies and external auditors and regulators.
The Group's code of ethics, updated in 2023, and the anti-bribery and corruption code provide guidance to employees on the best business practice and conduct. They are supplemented by more detailed Group policies, such as those relating to corruption, financial security and conflicts of interest, along with other policies and guidelines at Group and local levels.
The corruption policy details the Group's solid anti-corruption system, which is based on risks identified at Group level.
Particular attention is paid to potential exposure to public officials, relations with third parties, recruitment, gifts and entertainment, and compliance in relation to procurement, donations and sponsorship, lobbying and facilitation payments.
The Group's policy relating to conflicts of interest sets out provisions for identifying and managing such conflicts. Practical examples and conflict of interest scenarios are provided to help employees

identify risk situations and react appropriately in accordance with the policy.
A Group whistleblowing system has also been set up to enable employees at our subsidiaries to report serious incidents that fail to comply with rules governing the conduct of the Group's business.
The Tradition Group has never incurred sanctions relating to fraud, insider dealing, breach of trust or other conduct that could undermine the integrity of its activities.
We engage with our regulators and foster good local relations to enable us to anticipate and implement changes. Relations with local regulators were stable as usual in 2023 and there were no specific concerns.
Local and Group Audit Committees compile all recommendations arising from regulator audits and ensure they are acted upon. The regulatory and legal environment is taken into account and assessed in all CFT business development projects. Committee meetings are held to validate new initiatives at the local level, to examine and propose measures and ensure they are aligned with current regulations, before approval is given for entities to commence new activities. New products and activities are also monitored centrally in the quarterly compliance report to ensure that they are compatible with Group policies.
In addition to complying with regulations relating to financial security and business ethics, ensuring compliance with regulations relating to the long-term sustainability of the company and its business model is a major area of focus for Tradition, which seeks to develop long-term, mutually beneficial relationships with clients, investors and society in general.

Tradition invests in the technical quality of its services, to ensure that its electronic platforms deliver very high levels of availability and are highly robust, and in its employees, so that they can meet clients' needs as effectively as possible

The brokerage industry is highly competitive, and so quality of service and the ability to offer services that meet clients' stated or implied needs are particularly critical for the Group. Delivering a certain level of service, both by providing the high-quality intellectual services involved in the brokerage business and ensuring robust, efficient IT systems, requires tight control of internal processes. Client satisfaction, or the lack thereof, has a major impact on both the client loyalty and the Group's reputation.
The Group's business model relies on the use of software, infrastructure and IT services that are essential to its operations. These systems are increasingly under threat of cyber and social engineering attacks, which jeopardise the Group's data and those of its clients.
Meanwhile, the Group may use clients' personal, demographic, content-related and behavioural data as a potential source of new sales and new products, subject to strict compliance with data privacy regulations.
Given its strategic position in the market, the Tradition Group is committed to managing data security in an exemplary way in order to mitigate regulatory and reputational risks which, if realised, could have a substantial financial impact through lost market share, lower revenue and the cost of litigation.
IT security and incident management policies are in place at Group level, and staff members are briefed regularly about cyber security risks. Training sessions are also organised across all geographic regions.
Committees in charge of any new initiative check that it meets local security requirements relating to data protection.
The Tradition Group is also committed to establishing a framework in which exposure to internal and external threats can be identified. The Group's entities prepare business continuity plans that include an analysis of business interruption scenarios, so that they can respond appropriately to disruptive events and take suitable measures to manage any impact on their services.

The Group's policy for managing third parties ensures that the way entities select and manage relations with suppliers meets CFT's requirements in terms of business ethics, transparency, service quality, data security and regulatory compliance

Suppliers are selected either through a local process conducted by a subsidiary or through an invitation to tender conducted centrally at Group level if the supplier is intended to have relationships with all subsidiaries.
The Group's service providers must act in a way that is consistent with the Group's code of ethics and anti-corruption code of conduct.
When assessing and monitoring their suppliers and service providers, Group entities take appropriate measures to ensure that ethical commercial practices, human rights, labour law, diversity, inclusion, environmental sustainability and governance are adequately taken into account.

SOCIAL

A socially aware employer that promotes organisational sustainability

Value creation requires a joint effort between various stakeholders such as suppliers, clients, staff members, managers, senior executives and directors, as well as regulators, investors and other third parties. Value is created from organisational and institutional arrangements that foster co-operation between a variety of public- and private-sector stakeholders.
A healthy ecosystem requires competition between companies, but also depends on co-operation between stakeholders.
Foremost among them are staff members: they make a major contribution to the value creation process which, in the end, is beneficial to all stakeholders. However, our social responsibility aims to go beyond shareholders and short-term profits.
The profession of intermediary in the financial markets requires specific technical qualifications relating to finance and electronic platforms, along with good knowledge of financial instruments, in order to assist clients. These highly qualified roles can be hard to fill, and staff turnover can be high. However, the Group's staff turnover rate, which was already low, fell for the second consecutive year in 2023.
As well as complying with standard working practices, the Group's approach to human resources is focused on ensuring fair pay and wellbeing at work, in order to retain and motivate its staff members.
CFT's organic growth strategy creates jobs in many countries. To support the personal and professional development of its employees and help them enhance their skills, the Group offers training programmes and helps them move between roles and sometimes between countries because of its international footprint although most of its teams remain local. Employees see this mobility as a source of opportunity and motivation.
Due to the competitive industry we operate in we know that we must continue to attract and retain the best talent. To achieve that, we create a secure working environment, hire a diverse range of people and give a large degree of autonomy to motivated staff members who want to develop both personally and professionally, while also offering ambitious, competitive and fair pay. When staff members are able to give the best of themselves at work, productivity and profits usually improve alongside staff morale and the corporate culture.
Our flat organisational structure means that all staff members have direct access to management, and our flexible working hours give them greater freedom in managing their personal and professional responsibilities. We pay particular attention to ensuring high-quality dialogue between management and employees.
Our staff members can also move between roles and easily explore opportunities within the Group to develop their careers, acquire new skills and knowledge in other parts of our business, improve our collective understanding of the industry, exchange information and put forward new ideas so that we can work together more effectively. We believe that this makes us more agile and our staff members more motivated, allowing them to see how their work influences the Company's success and realise that each of them has a crucial role to play in our ecosystem.
The number of staff members changing roles or moving to new locations within the Group remained high in 2023 compared with the previous year.
Investing in the personal and professional development of our staff members is essential to maintain our Company's market position and the quality of our services. We are confident that the increasing engagement shown by our people and our low staff turnover rate are directly connected to our efforts to give them greater autonomy. This is why we intend to seize every opportunity to develop our organisation in a sustainable, socially aware and future-facing way, in order to maximise benefits for all stakeholders.
We set clearly defined performance targets as part of our employee appraisal and development process, and ensure that men and women receive equal pay and benefits for equal work.

Proud to foster an inclusive culture

With a worldwide network of offices spanning more than 30 countries, diversity and inclusion are embedded in the Group's culture. We recognise that harnessing the potential of a diverse workforce is critical to our success.
Tradition is committed to promoting equality and diversity by fostering a culture based on cohesion and integration. We recognise that employees from different backgrounds and experiences can bring valuable knowledge to the work environment. Group entities aim to recruit and retain a diverse workforce that reflects the global markets in which we operate.
The brokerage profession has historically been a male-dominated workplace. However, the Group supports women in leadership roles and we are pursuing our commitment to ensure equal opportunities for both women and men and prevent discrimination in the workplace.

No job applicant or employee is treated less favourably on the grounds of race, colour, age, nationality, ethnicity or national origin, religion, beliefs, marital status, sex, disability, or any other illegal discrimination criteria or circumstances.
Indicators embedded in the diversity, equality and inclusion monitoring within the Group, including statistics by gender, employee category and age in 2023 remain stable.
Almost half of our female employees are in the 30-50 age group, and the gender balance is close to the average for the financial sector, as shown in analysis published by the IMF.

Rules of conduct aligned to Tradition's values

We are committed to providing a comfortable working environment for our employees, one in which harassment or bullying in any form is not tolerated.
Employees are encouraged to report any incidents to the local or Group Human Resources (HR) function, or to use the Ethics Helpline that is available at the local and Group level.
A Group code of ethics is in place which sets out the rules of conduct to be adhered to based on Tradition's values, and which serves as a guide for the behaviour expected of our employees.
Disciplinary procedures are clearly documented and communicated to all employees, and all serious disciplinary actions are recorded and acted upon.
Indicators embedded in the evaluation and monitoring processes to measure employee relations include the number of disciplinary actions and legal cases involving employees, as well as an analysis of cases reported via the Ethics Helpline.

A culture of corporate respect for human rights

The Group's international footprint brings it to operate in countries with different degrees of maturity in terms of human rights.
Due to the nature of our activities, the Group is not directly exposed to the problems of forced labour, child labour, or work in hazardous environments that could affect its employees. Tradition complies with internationally recognised human rights standards and incorporates them across its operations.
Our main clients are large financial institutions with a strong commitment to social and societal initiatives.
Our direct suppliers overwhelmingly consist of providers of intellectual services that are located in countries with strict employment requirements under local labour laws.
Nevertheless, to ensure that our clients and suppliers adhere to our principles, we employ selection and engagement procedures that focus on the relevance and robustness of their due diligence policies and their transparency in respect of human rights compliance.

ENVIRONMENT

A Company conscious of its carbon footprint and committed to monitoring its environmental performance

Environmental risk is the risk that environmental factors could have a detrimental effect on the Group's financial performance.
The Group has adopted an approach to categorise risks and opportunities related to the climate and by extension to the environment. The approach is part of a progressive strategy intended to achieve ongoing improvements in the Group's analyses and action plan, in order to support its transition.
The Group carried out its first estimate of its carbon footprint in early 2023. It currently excludes indirect energy consumption and remains limited in terms of estimates regarding business travel. The Group's total CO2 emissions are estimated at 6,680 tonnes, equating to 2.7 tonnes per employee.
In 2023, Tradition reviewed the carbon audit results in order to supplement the calculations and refine the way it analyses information, so that it can monitor progress in this area more closely.
Internal analysis was carried out with representatives of the compliance, risk management and IT departments in four geographic regions, assisted by a specialist consultancy, to perform a detailed review of the risks, opportunities and impacts relating to these issues in order to devise strategic proposals.
A possible plan of action was presented by CFT's head of compliance and operational risks to the Audit Committee as the basis for a discussion on how to implement practical initiatives within the Group:

- Locate offices in energy efficient buildings and/or implement energy-saving systems.
  We select IT equipment with the best energy ratings, adaptive lighting equipped with infrared motion sensors, and if we relocate our offices, we opt for more energy-efficient or eco-certified premises.
  Moreover, where possible, our offices use diversified energy sources so as to favour renewable energies.

- Where possible, maintain sustainable data centres equipped with the most recent and efficient technologies.
  Our offices in Paris, New York and London have outsourced their data centres to environmentally conscious service providers whose long-term goal is to use 100% clean and renewable energy.
- Optimise the life cycle of IT equipment and set up a waste management infrastructure to increase the proportion of recycled waste in all Group subsidiaries as part of a circular economy approach.
  As electronic communication is the lifeblood of our business, we purchase substantial quantities of IT and telecom equipment. We ensure that this equipment does not go to waste at the end of its life. Old PCs, laptops and monitors are sent to specialists recyclers, who ensure that all data is destroyed before reusing or recycling recoverable materials.
- Reduce business travel by opting instead for Group conference calls for remote meetings and encouraging green transportation.
  As is the case throughout most of the financial services industry, local and global travel is generally an integral part of our business. We have modified our travel policies to include stricter justification criteria so as to discourage unnecessary travel and business class travel, which has a higher carbon impact.
- Establish reusable alternatives to single use items.
  Most of our offices are equipped with water coolers and reusable utensils to reduce plastic waste.

A broker committed to the transition to a low-carbon future

Through Tradition Green and Tradition Energy, CFT is investing in services that are helping the sustainable industries of the future to grow more quickly.
Tradition Green applies its expertise in environment-related markets, offering professional brokerage services and innovative advice, supporting acquisitions and financing projects in the biomass, biofuels, renewable energy and carbon markets. It offers brokerage services for environmental products in London, New York, Milan and Santiago, with 25 other offices providing local assistance. Tradition Green's services cover a wide array of products in the financial markets, including carbon emission quotas and carbon credits, biomass, biofuels, renewable energies and plastic for recycling.
In the US, Tradition Energy is the largest and most experienced independent consultant as regards energy risk management, procurement and sustainability solutions. It helps clients manage their energy expenditure, implements renewable energy solutions and devises integrated sustainability strategies to reduce their carbon footprint.
Tradition Energy provides clients with an integrated set of processes, tools and operational capabilities to cut their energy costs, make greater use of alternative energy sources and manage the associated risks.
Tradition has also cut its coal exposure to zero by closing its coal desk in Dubai, and is continuing to look for ways of decarbonising its range of products in the energy markets.

NEXT STEPS IN ADDRESSING GSE ISSUES

CFT believes that close monitoring of GSE indicators is essential for measuring its performance and identifying areas in which it can improve.
GSE will be on the agenda of regional and Group Audit Committee meetings, and regular updates on indicators will be presented to give an overview of performance and prioritise work in the most effective way.
In 2023, the Group adopted an integrated non-financial data management and GSE performance monitoring tool, which will help it meet three key challenges:

- Collect and process fragmented and complex data
- Respond immediately to changing requirements in terms of publishing reports
- Establish scorecards to guide decision-making.

The tool will be implemented as part of the ongoing roll-out of a new financial management system, of which it forms an integral part.
The Group will also reassess its materiality matrix and review its risks, opportunities and impacts in order to address rapidly changing regulatory requirements and stakeholder priorities.

OPERATING REVIEW

The normalization of the monetary policy of central banks with the increase in interest rates during the year followed by an observation period in the search of the balance point that combine the control of inflation and a soft landing of the economy, all in an already complex geopolitical environment, were supportive to the Group's interdealer broking business activities. Tradition also benefited from favorable market conditions in the energy and commodity businesses as well as the development of its activity dedicated to market data commercialization (TraditionData). Furthermore, the Group's activity continues to be stimulated by its organic growth policy.
Against this backdrop, the Group's consolidated revenue, including the share of joint ventures, was up 9.5% at constant exchange rates to CHF 1,053.9m, compared with CHF 1,028.6m in 2022. Revenue from interdealer broking business (IDB) was up 9.6% at constant exchange rates to CHF 1,022.5m, while revenue from the online forex trading business for retail investors in Japan (Non-IDB), was ahead 5.5% to CHF 31.4m.
Operating profit, including the share of joint ventures, was CHF 127.7m against CHF 117.4m in 2022, up 17.1% at constant exchange rates, with an operating margin of 12.1% and 11.4% respectively.
The Group is active in all the major financial markets and operates in numerous currencies. Its results are therefore affected by movements in the exchange rates used to translate local figures into Swiss francs. In the tables below, changes in business activity compared with 2022 are presented at constant exchange rates in order to provide a clearer analysis of underlying performance, as well as at current exchange rates used to prepare the income statement.
Companies jointly controlled with other partners are proportionally consolidated in the Group's management reports, as this allows a more accurate evaluation of their economic performance and key indicators. This presentation method is used in reporting segment information in the notes to the interim and annual financial statements. The Group's revenue and operating profit, including the share of joint ventures, are presented below, with a reconciliation to reported figures.

REVENUE

Business activity grew during the year with reported consolidated revenue of CHF 982.4m compared with CHF 947.4m in 2022, an increase of 10.6% at constant exchange rates, or 3.7% at current exchange rates.

Analysis of revenue by business and product group:

CHFm	2023	2022	Variation at current exchange rates	Variation at constant exchange rates
Currencies and interest rates	435.5	462.0	-5.7%	+0.5%
Securities and security derivatives	329.0	327.2	+0.5%	+8.0%
Commodities and other	258.0	205.5	+25.5%	+32.7%
IDB business	**1,022.5**	**994.7**	**+2.8%**	**+9.6%**
Non-IDB business	31.4	33.9	-7.3%	+5.5%
Total revenue including share of joint ventures	**1,053.9**	**1'028.6**	**+2.5%**	**+9.5%**
Equity accounted joint ventures	-71.5	-81.2		
Total reported revenue	**982.4**	**947.4**	**+3.7%**	**+10.6%**

Analysis of consolidated revenue by region:

CHFm	2023	2022	Variation at current exchange rates	Variation at constant exchange rates
United Kingdom	284.6	292.4	-2.7%	+3.5%
Continental Europe	148.8	142.8	+4.2%	+7.2%
Europe, Middle East and Africa	**433.4**	**435.2**	**-0.4%**	**+4.7%**
Americas	352.5	314.5	+12.1%	+20.5%
Asia-Pacific	268.0	278.9	-3.9%	+4.4%
Total revenue including share of joint ventures	**1,053.9**	**1,028.6**	**+2.5%**	**+9.5%**
Equity accounted joint ventures	-71.5	-81.2		
Total reported revenue	**982.4**	**947.4**	**+3.7%**	**+10.6%**

EUROPE, MIDDLE EAST AND AFRICA

Activities managed from our London office, the Group's largest operation, accounted for 27.0% of consolidated revenue in 2023, against 28.4% in 2022. Overall, revenue was up 3.5% on the previous year at constant exchange rates. In Continental Europe, revenue was up 7.2% at constant exchange rates. The region represented 14.1% of consolidated revenue, against 13.9% in the previous year.
Revenue generated in this region includes that of the Group's electronic trading platforms, Trad X for interest rate swaps in euros, and ParFX for spot forex.

AMERICAS

Revenue was up 20.5% year on year at constant exchange rates. Overall, activities in the U.S. generated 33.4% of consolidated revenue, against 30.6% in 2022. The figures for this region include revenue from Trad-X for interest rate swaps in dollars and from Bonds.com for bonds.

ASIA-PACIFIC

Revenue in this region grew 4.4% at constant exchange rates compared with 2022. The region accounted for 25.4% of consolidated revenue against 27.1% in the previous year. Revenue generated in this region includes that of the forex trading business for retail investors in Japan operated by Gaitame.com.

OPERATING PROFIT

Operating profit, including the share of joint ventures, was CHF 127.7m against CHF 117.4m in 2022, an increase of 17.1% at constant exchange rates, with an operating margin of 12.1% and 11.4% respectively.
IDB operating profit, including the share of joint ventures, was up 18.9% at constant exchange rates to CHF 111.4m, with a margin of 10.9% against 10.1% in 2022.
At Gaitame.com, in Japan, operating profit was CHF 16.3m against CHF 17.4m in 2022, with a margin of 52.0% against 51.4% in 2022.
Reported operating profit for the year was CHF 105.5m against CHF 94.2m in 2022, an increase of 19.7% at constant exchange rates, with an operating margin of 10.7% against 9.9% in the previous year.

The reconciliation between the operating profit, including the share of joint ventures, and the operating profit as reported is as follows:

CHFm	2023	2022	Variation at current exchange rates	Variation at constant exchange rates
Operating profit including share of joint ventures	**127.7**	**117.4**	**+8.7%**	**+17.1%**
Operating margin including share of joint ventures in %	12.1%	11.4%		
Equity accounted joint ventures	-22.2	-23.2		
Reported operating profit	**105.5**	**94.2**	**+11.9%**	**+19.7%**
Reported operating margin in %	10.7%	9.9%		

NET PROFIT

In 2023, the Group recognised net financial expense of CHF 4.1m against CHF 3.7m in 2022. Higher interest rates positively impacted interest income from cash investments which was up by over CHF 9.4m on the year, generating income, net of interest expense on bank loans and bonds, of CHF 3.0m, against a net expense of CHF 6.4m in the previous year. Net foreign exchange results due to currency fluctuations represented a loss of CHF 5.1m for the year, against a gain of CHF 5.0m in 2022.
The share in the results of associates and joint ventures was CHF 25.8m against CHF 29.6m in 2022, down 3.1% at constant exchange rates.
The Group's tax expense amounted to CHF 26.1m against CHF 22.7m in 2022, with an effective tax rate of 26% against 25% in the previous year.
Thus, consolidated net profit was CHF 101.1m compared with CHF 97.4m in 2022 with a Group share of CHF 94.4m against CHF 89.1m in 2022, an increase of 15.9% at constant exchange rates. Basic earnings per share rose by 17.6% at constant exchange rates to CHF 12.7m against CHF 11.83m in 2022.

BALANCE SHEET

The Group maintained its focus on a sound balance sheet with a strong capital position while keeping a low level of intangible assets and a strong net cash position. Consolidated equity, before deduction of treasury shares in the amount of CHF 27.5m, was CHF 453.5m, with an increase in net cash, including the Group's share in the net cash position of joint ventures, to CHF 260.0m at 31 December 2023, compared with CHF 243.1m in the previous year. Gross cash was CHF 469.6m at 31 December 2023 against CHF 460.5m at 31 December 2022.
Consolidated equity stood at CHF 426.0m (31 December 2022: CHF 442.5m) of which CHF 405.1m was attributable to shareholders of the parent (31 December 2022: CHF 416.8m). Total cash, including financial assets at fair value, net of financial debts, increased to CHF 173.2m at 31 December 2023 against CHF 149.1m at 31 December 2022.

REGULATORY DEVELOPMENTS

The section below outlines the major regulatory changes undertaken by regulators in 2023 in the regions where CFT conducts its activities.
As in 2022, regulators across the world focused mainly on Environmental, Social, and Governance (ESG) related issues, cyber security risks and resilience, and crypto currency.

AMERICAS

USA
Overall, 2023 was a complex year for US regulators dealing with the effects of global conflicts, the stabilisation of interest rates and inflation, domestic bank failures, and the challenge of managing the downstream contagion effects of these and other issues affecting the wider economy.
Outside of rule enforcement matters, the Securitie and Exchange Commission (SEC) continued with its set agenda over the course of the year with the adoption of Rules in areas such as: money market fund reforms, reporting requirements for large liquidity fund advisers and Regulation SE to create a regime for the registration and regulation of security-based swap (SBS) execution facilities (SBSEFs). Of particular note was the recent adoption of rules

requiring central clearing of certain secondary market transactions involving U.S. Treasury securities (USTs). The Final Rule requires central clearing of certain secondary market repurchase and reverse repurchase transactions (repos) and secondary market purchase and sale transactions involving USTs. The clearing of cash transactions in U.S. Treasuries will be required at the end of 2025 whilst compliance with the requirement to clear U.S. Treasury repo transactions will be required in mid-2026. In addition, consistent with the focus on cyber threats to the U.S. economy, the SEC also adopted rules requiring registrants to disclose both material cybersecurity incidents they experience and, on an annual basis, material information regarding their cybersecurity risk management, strategy, and governance.
The Commodity Futures Trading Commission (CFTC) adopted final rules in several areas including recordkeeping and reporting requirements and governance requirements for derivatives clearing organizations (DCOs), swap dealers (SDs), and major swap participants (MSPs). The CFTC also issued proposed rules covering real-time reporting of swap transactions, margin requirements for uncleared swaps, risk management programmes for SDs and MSPs, and large trader reporting requirements. A significant infrastructure change from a swap reporting perspective in 2023 was the introduction of unique trade identifiers (UTI) and unique product identifiers (UPI) on all swap transactions, which is a global requirement implemented in conjunction with international regulators. Furthermore, in June 2023, the CFTC issued a Request for Comment to better inform their understanding of potential issues that may arise if a designated contract market (DCM), derivatives clearing organization or swap execution facility (SEF) is affiliated with an intermediary, such as a futures commission merchant (FCM), or other market participant, such as a trading entity.
Looking ahead to 2024, the major U.S. regulators will remain focused on the following areas: (1) the continued development, cause and effect of artificial intelligence (AI) on operational areas of financial markets and the economy at large, (2) the continued threat of cyber-attacks on core and critical market functions and key market participants, (3) continued development of decentralised finance (DeFi) models utilising Blockchain and distributed ledger technologies, (4) continued improvements to governance of developing cryptocurrency markets,, (5) ESG and (6) competition and consumer protection.

EUROPE

United Kingdom
The Financial Services and Markets Bill received royal assent in June 2023. It aims to provide for a comprehensive "rewiring" of UK financial services regulation by enabling retained EU financial services law to be revoked and replaced with rewritten requirements specifically designed for the UK. It also brings into regulation aspects of the sector which had not previously been within the UK's financial services regulators' remit, seeking to build what government has described as "a smarter financial services framework" for the UK. Under the Act, it is the UK Treasury, not the regulators, that has the power to designate third-party service providers as CTPs – the Treasury can make such a designation if the failure in, or disruption to, the relevant third-party service provider's services would pose a risk to the stability of, or confidence in, the UK financial system. It confers powers on the regulators to set, through rules, minimum resilience standards for CTPs in relation to the services they provide. These may build on the existing operational resilience framework for firms in the financial sector and focus on the ability of CTPs to handle operational disruption. CTPs would have to ensure that any material services they provide to the UK financial sector meet the minimum resilience standards.
In October, the FCA published amendments to the validation rules and XML schemas to support the ongoing reporting of securities financing transactions under the UK Securities Financing Transactions Regulation (UK SFTR). The amendments were in response to industry feedback, and to address data quality issues.
A new FCA Consultation Paper on "Diversity and inclusion in the financial sector – working together to drive change" was published in September. The FCA proposes to explicitly include non-financial misconduct within: 1. individuals' Fit and Proper assessments; 2. application of the Conduct Rules; and 3. suitability guidance on the Threshold Conditions. The proposals also include measures to "support healthy work cultures, reduce groupthink and unlock talent", in order to support the competitiveness of the UK's financial services sector.
In November, the FCA published its Policy Statement (PS23/16) setting out its final rules and guidance on UK Sustainability Disclosure Requirements (SDR) and investment labelling for sustainable investment products. The SDRs introduce investment labels to improve consistency across the market, reduce greenwashing, and improve comparability for investors.
The UK government is set to tighten regulations for ESG ratings agencies as early as January 2024, in an attempt to improve trust and address concerns about the lack of oversight in the sector, which currently holds significant influence over trillions of pounds worth of sustainable investments.
A Consultation Paper (CP23/27) on reforming the UK's commodity derivatives regulatory framework was published in December, covering the regimes for position limits, position management controls, exemptions from position limits, and amendments to the ancillary activities exemption. Many of the proposals transfer responsibility for fulfilling a number of functions from the FCA to trading venues, which in turn should result in enhanced supervisory oversight and reporting requirements.
A further FCA Consultation Paper (CP23/32) was published, proposing a set of reforms to the transparency regime for bond and derivatives markets. The proposals aim to substantively recalibrate the transparency regime, reducing the requirements for illiquid instruments and non-price forming trades, given their perceived limited benefit to price formation or meaningful transparency. The CP proposes changes to the scope of the regime and the information that must be made public on orders (pre-trade) and trades (post trade). It also covers the exemptions available from the regime, various data reporting changes, and a new Systematic Internaliser (SI) definition.

European Union
The main areas of focus for European Union (EU) authorities in 2023 were boosting competitiveness, addressing climate change, digital assets, digitalisation of finance, financial crime, and operational resilience.
Some frameworks were finalised. MEPs voted through the Markets in Crypto-Asset (MiCA) Regulation and the Transfer of Funds Regulation (TFR), which will both apply from December 2024.
MEPs endorsed the Artificial Intelligence Act, the first law governing artificial intelligence (AI) by a major jurisdiction. It classifies systems according to the risk they pose to users and mandates various development and use requirements.
Negotiations on the EU Banking Package resolved deadlocks on the application of the output floor, fit and proper checks on directors, third-country branches, and supervisory independence. The package also introduces new additions, including transitional crypto-asset prudential requirements and ESG risk management.
Markets in Financial Instruments Regulation (MiFIR) trilogues struggled to reach agreement on the framework for a Consolidated Tape (CT) and a ban on Payment for Order Flow (PFOF), while discussions on Central Securities Depository Regulation (CSDR) have centred on the European Securities and Markets Authority's (ESMA) responsibilities, tougher rules for foreign players and conditions for applying mandatory buy-ins.
Alternative Investment Fund Managers Directive (AIFMD) discussions have focused on finalising details on delegation of portfolio management and liquidity management tools.
Solvency II reforms remain stalled in the European Parliament over capital relief and sustainability.
The European Supervisory Authorities (ESAs) are still considering how they will operate the joint-oversight model for the Digital Operational Resilience Act (DORA), which is set to come into force in January 2025.

Dubai
In 2023, the United Arab Emirates (UAE) made significant strides in several areas, from digital asset management to data protection.
The UAE strengthened its position as a hub for digital assets. The Virtual Assets Regulatory Authority (VARA) was behind the surge in the registration of virtual asset service providers and increased interest in decentralised finance platforms in 2023.
New treaties and alliances were formed, with particular importance accorded to digital trade and information exchange, reinforcing the UAE's commitment to global standards and cross-border collaboration.
Enforcement of the Federal Personal Data Protection Law allows the UAE Data Office to actively oversee data protection.
In line with global trends, the UAE intensified its focus on sustainable finance, green technologies, and Environmental, Social, and Governance (ESG) standards. New regulatory guidelines were introduced to ensure businesses align with sustainability goals, making ESG compliance a priority.

ASIA-PACIFIC

Japan
In March 2023, the Japan Financial Services Agency (JFSA) published "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.", which includes proposals to develop regulations for fund managers regarding reporting on the funds they manage in monitoring surveys. Subsequently, in April, the JFSA released draft changes to standards for Management Assessment and Audit of Internal Control over Financial Reporting and later, in May, draft amendments to capital adequacy ratio regulations.

Korea
In February, the Ministry of Economy and Finance and the Bank of Korea (BOK) announced an FX market improvement plan aimed at improving market accessibility. This plan included the extension of onshore FX trading hours, the opening of the onshore interbank FX market to foreign financial institutions, and alternative brokerage models. In March, the Financial Services Commission (KFSC) presented plans to improve bank disclosure of interest rate differences between deposits and loans. Later in the year, the Government approved amendments to the Enforcement Decree of the Financial Investment Services and Capital Markets Act (FSCMA) abolishing the foreign investor registration system, which had been in place for over thirty years. Finally, initial margin requirements were applied to financial institutions with derivatives exceeding KRW 10 trillion average month-end aggregate notional amount (AANA).

Hong Kong
In March 2023, the Hong Kong Securities and Futures Commission (HKSFC) issued a circular to licensed corporations (LCs) outlining required standards for risk governance, controls, and monitoring in their data risk management processes. In May, it issued a circular on amendments to its Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) Guidelines for LCs and associated entities, in response to the AML/CFT Amendment Ordinance which entered into effect on 1 June 2023. In May, the People's Bank of China (PBOC), HKSFC and Hong Kong Monetary Authority (HKMA) announced the launch of the Northbound Trading of the Swap Connect programme, which allows Hong Kong and overseas investors to participate in Mainland China's interbank interest rate swap market. In August, the HKMA and SFC issued joint consultation conclusions on proposed amendments to Clearing Rules for over-the-counter (OTC) derivatives transactions.

Philippines
The Bangko Sentral ng Pilipinas (BSP) introduced its Sustainable Central Banking Strategy, demonstrating a commitment to promoting sustainability in the Philippine financial system. In April, the BSP Monetary Board approved amendments to customer due diligence regulations, incorporating guidelines on electronic Know-Your-Customer (eKYC) using digital identity systems. In June, the Securities and Exchange Commission (SEC) transitioned from a Capital Market Participants Registry System (CMPRS) to an Electronic Registry of Application for Market Participants (ERAMP), providing faster and more efficient transactions.

Singapore
In June, the Monetary Authority of Singapore (MAS) published a consultation paper on a Proposed Code of Conduct for ESG Rating and Data Product Providers. The Securities and Futures (Reporting of Derivatives Contracts) Regulations were amended to facilitate OTC derivatives data aggregation. MAS ceased publication of the Singapore dollar swap offer rate in June. In September, MAS issued feedback on capital requirements and reporting, including MAS Notice 637 detailing risk-based capital adequacy requirements for banks. Consultation papers were also issued regarding information sharing between financial institutions (FI-FI) for Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) and proposals for mandatory reference checking.

Thailand and Indonesia
In January, Bank Indonesia (BI) launched a public consultation on the development of an Indonesian digital currency through the Digital Rupiah Development project. Meanwhile, in Thailand, the Securities and Exchange Commission (SEC) published Guidelines on Management and Disclosure of Climate-related Risk by Asset Managers in adherence to the United Nations Sustainable Development Goals.

Australia
The Australian Prudential Regulation Authority (APRA) announced it would consider how it might strengthen inclusion and diversity across regulated industries. The Australian Securities and Investments Commission (ASIC) released updated measures to improve arrangements for handling whistleblower disclosures. ASIC also updated regulatory guidance on making notifications under the reportable situations regime. In November, ASIC issued consultations on Derivative Transaction Rules and in December, the Australian Treasury published a consultation on financial market infrastructure regulatory reforms.

New Zealand
In February, the Financial Markets Authority (FMA) issued guidance on keeping proper accounting records for FMC reporting entities. In October, it issued a guidance note on keeping proper climate-related disclosure records. Also in October, it published a consultation on proposed fair outcomes for consumers and markets, outlining an outcomes-focused regulatory approach.

OUTLOOK

The Group's level of activity since the beginning of 2024 is up on the same period last year at constant exchange rates. Compagnie Financière Tradition intends to pursue its growth strategy, primarily organic, as well as its investments in its hybrid broking capabilities throughout its operations and in its data and analytics activities with the support of its developed data science expertise. In addition, maintaining the quality of its balance sheet and its strong cost discipline remain key strategic priorities.

CONSOLIDATED FINANCIAL STATEMENTS

2

64>
<134

STATUTORY AUDITOR'S REPORT

Statutory Auditor's Report to the General Meeting of Compagnie Financière Tradition SA, Lausanne.
Report on the Audit of the Consolidated Financial Statements.

Opinion

We have audited the consolidated financial statements of Compagnie Financière Tradition SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 72 to 134) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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 (ISAs) 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, together with the requirements of the Swiss audit profession, as well as 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.

Key Audit Matters

GOODWILL IMPAIRMENT

COMPLETENESS AND VALUATION OF PROVISIONS FOR LITIGATION

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

Key Audit Matter

The Group recognized a goodwill of CHF 37.6 million as at 31 December 2023 arising mainly from the TFS cash-generating units (CHF 18.3 million).

Goodwill impairment testing is performed annually at the level of cash-generating units (CGUs) and relies on estimates of value-in-use based on discounted future cash flows. Projecting and discounting future cash flows requires subjective judgements on the different assumptions used.

Due to the significance of the Group's recognized goodwill and the inherent uncertainty of forecasting and discounting future cash flows, this is deemed to be a significant area of judgment.

Our response

Our audit procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment tests, the appropriateness of the assumptions used, and the methodology used by management to prepare its cash flow forecast. We used our own valuation specialist to support our procedures.

For a sample of cash generating units (CGUs), identified based on quantitative and qualitative factors, we performed the following audit procedures:

- assessing the reasonableness of the plans and forecasts by back-testing historical forecasts to actual results;
- challenging the robustness of the key assumptions used to determine the recoverable amount, including identification of the CGUs, forecast cash flows, long-term growth rates and the discount rates based on our understanding of the commercial prospects of the related assets and by comparing them with publicly available data;

- conducting sensitivity analyses, taking into account the historical forecasting accuracy of the Group;
- recalculating the difference between the carrying value and the recoverable amount to assess the headroom.

We also considered the appropriateness of disclosures in relation to impairment sensitivities in the consolidated financial statements.

For further information on goodwill impairment refer to the following:

- Section "Key accounting estimates and judgments" (Goodwill impairment) on page 77.
- Section "Significant accounting policies" (intangible assets, impairment losses on non-financial assets) on pages 80 to 81.
- Note 8 on pages 94 to 96.

COMPLETENESS AND VALUATION OF PROVISIONS FOR LITIGATION

Key Audit Matter

The Group recorded litigation provisions of CHF 6.0 million as at 31 December 2023. Due to the nature of the activities, the Group has historically been exposed to legal procedures and potential litigation. Provisions for litigation are recognized when an outflow of economic benefits to settle is probable and the amount of the obligation can be estimated reliably. Risks and uncertainties are taken into account in measuring a provision.
In such instances, the determination whether a legal or constructive obligation exist, the assessment of the expected outcome of cases which can last several years, and how to disclose such matters in the consolidated financial statements can be subjective and require significant judgment.

Our response

Our audit procedures included, amongst others:

- assessing the Group's process over the identification of litigations and development of the provisions estimate as well as management's review and approval of the provisions;
- obtaining a summary of the main legal cases and conducting interviews with the Group's in-house legal counsel;
- assessing confirmation letters from the external counsels for significant cases;
- evaluating the judgments made by management in determining the litigation provisions and the range of reasonably possible losses, considering the information obtained.

For further information on provisions for litigation refer to the following:

- Section "Key accounting estimates and judgments" (Litigation) on page 78.
- Section "Significant accounting policies" (Provisions) on page 84.
- Note 21 on page 113.

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 stand-alone financial statements of the company, the remuneration report and our auditor's reports thereon.
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit 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 the consolidated financial statements that give a true and fair view in accordance with IFRS 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, ISAs 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.
As part of an audit in accordance with Swiss law, ISAs and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

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

Report on Other Legal and Regulatory Requirements

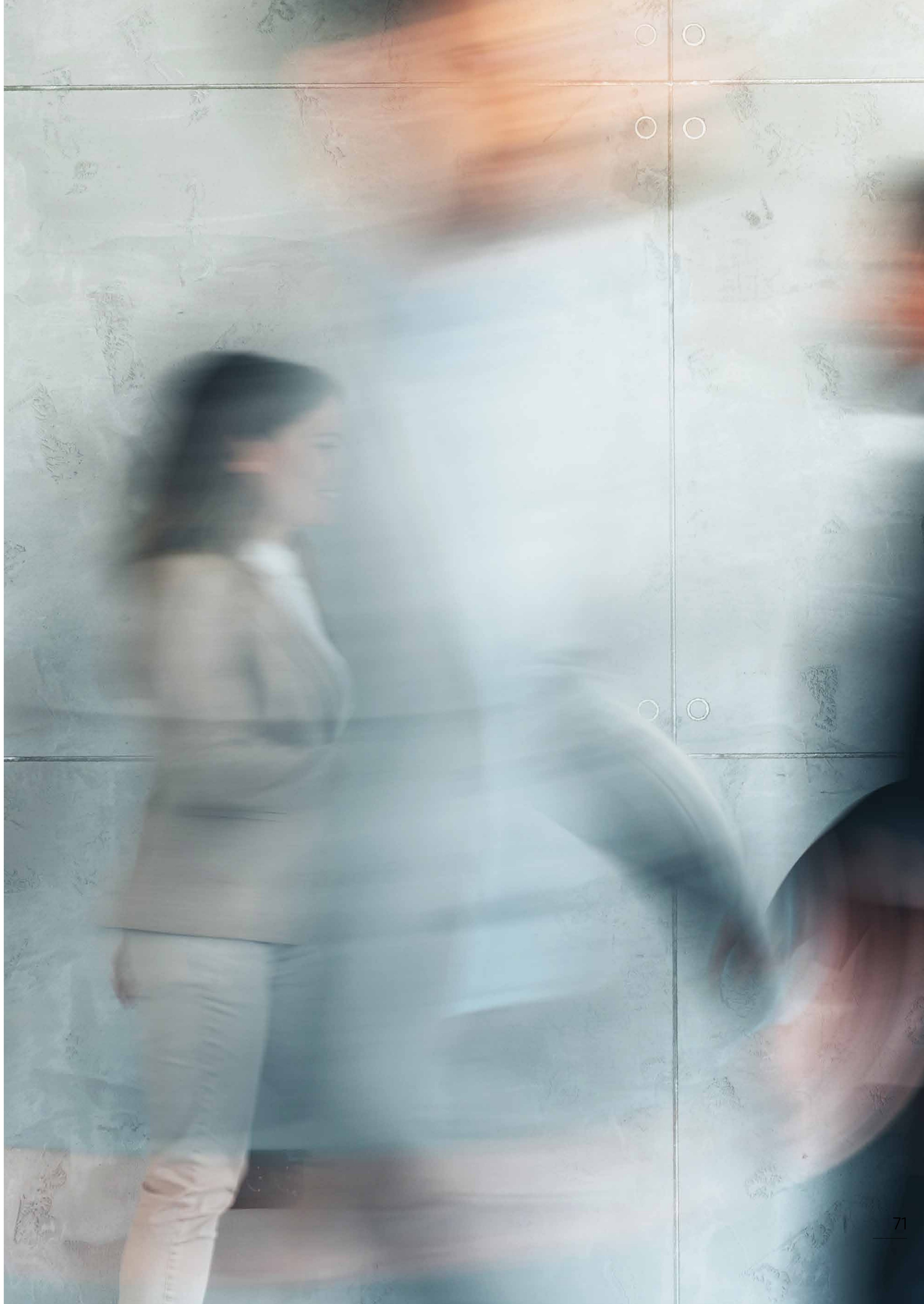
In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

KPMG SA

Philippe Ruedin Licensed Audit Expert Auditor in Charge	**Philippine Bouvard** Licensed Audit Expert

Lausanne, 20 March 2024



CONSOLIDATED INCOME STATEMENT

CHF 000	Notes	2023	2022
Revenue	1	982,385	947,398
Other net operating income	2	915	17,592
Operating income		**983,300**	**964,990**
Staff costs		-710,187	-680,012
Other operating expenses	3	-144,492	-164,181
Depreciation and amortisation	7, 8, 26	-23,133	-26,569
Operating expenses		**-877,812**	**-870,762**
Operating profit		**105,488**	**94,228**
Financial income	4	10,816	13,353
Financial expense	4	-14,894	-17,104
Share of profit of associates and joint ventures	9	25,790	29,592
Profit before tax		**127,200**	**120,069**
Income tax	5	**-26,145**	-22,651
Net profit for the year		**101,055**	**97,418**
Attributable to:			
Shareholders of the parent		94,419	89,111
Non-controlling interests	17	6,636	8,307
Earnings per share (in CHF):	6		
Basic earnings per share		12.71	11.83
Diluted earnings per share		12.26	11.76

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CHF 000	Notes	2023	2022
Net profit for the year recognised in the income statement		**101,055**	**97,418**
Other comprehensive income that cannot be reclassified to profit or loss			
Financial assets at fair value through other comprehensive income		-1,321	339
Remeasurement of defined benefit schemes		-2,929	5,462
Total other comprehensive income that cannot be reclassified to profit or loss		**-4,250**	**5,801**
Other comprehensive income that can be reclassified to profit or loss			
Currency translation		-58,768	-32,389
Other comprehensive income of associates and joint ventures	9	-48	-280
Total other comprehensive income that can be reclassified to profit or loss		**-58,816**	**-32,669**
Other comprehensive income, net of tax		**-63,066**	**-26,868**
Comprehensive income for the year		**37,989**	**70,550**
Attributable to:			
Shareholders of the parent		33,392	63,231
Non-controlling interests		4,597	7,319

The tax impact on each of the other items of comprehensive income is disclosed in Note 5.

CONSOLIDATED BALANCE SHEET

CHF 000	Notes	31 December 2023	31 December 2022
ASSETS			
Property and equipment	7	17,201	19,467
Right-of-use assets	26	36,557	50,362
Intangible assets	8	50,195	43,785
Investments in associates and joint ventures	9	128,772	150,592
Financial assets at fair value through other comprehensive income	14 a)	3,671	5,341
Financial assets at fair value through profit or loss	13	1,627	1,627
Other financial assets	10	9,663	10,970
Deferred tax assets	5	23,871	24,206
Unavailable cash and cash equivalents	11	29,595	31,561
Total non-current assets		**301,152**	**337,911**
Other current assets		12,862	12,377
Derivative financial instruments	25	386	501
Tax receivable	24	5,580	4,979
Trade and other receivables	12	309,591	387,390
Financial assets at amortised cost	14 b)	28,597	25,838
Financial assets at fair value through profit or loss	13	3	10
Cash and cash equivalents	15	325,037	308,269
Total current assets		**682,056**	**739,364**
TOTAL ASSETS		**983,208**	**1,077,275**
EQUITY AND LIABILITIES			
Capital	16	19,366	19,136
Share premium		40,085	37,713
Treasury shares	16	-27,510	-23,527
Currency translation		-293,639	-236,862
Consolidated reserves	16	666,773	620,344
Total equity attributable to shareholders of the parent		**405,075**	**416,804**
Non-controlling interests	17	20,907	25,712
Total equity		**425,982**	**442,516**
Financial debts	20	209,553	209,376
Lease liabilities	26	32,613	46,177
Provisions	21	23,934	19,732
Deferred tax liabilities	5	260	1,089
Total non-current liabilities		**266,360**	**276,374**
Financial debts	20	416	9,853
Lease liabilities	26	13,668	15,739
Trade and other payables	23	256,879	308,793
Provisions	21	5,327	11,658
Tax liabilities	24	13,298	11,162
Derivative financial instruments	25	129	332
Deferred income		1,149	848
Total current liabilities		**290,866**	**358,385**
Total liabilities		**557,226**	**634,759**
TOTAL EQUITY AND LIABILITIES		**983,208**	**1,077,275**

CONSOLIDATED CASH FLOW STATEMENTS

CHF 000	Notes	2023	2022
Cash flows from operating activities			
Profit before tax for the year		127,200	120,069
Depreciation and amortisation	7, 8, 26	23,133	26,569
Net financial result		-1,082	8,899
Share of profit of associates and joint ventures	9	-25,790	-29,592
Increase/(decrease) in provisions	21	-2,436	2,690
Increase/(decrease) in deferred income		408	-30
Expense related to share-based payments	19	4,729	1,125
(Gains)/losses on disposal of fixed assets	2	17	-61
(Increase)/decrease in receivables/payables related to matched principal activities	12, 23	2,768	-48
(Increase)/decrease in working capital		14,268	30,674
Provisions paid	21	-339	-1,409
Interest paid		-7,575	-10,214
Interest received		8,633	1,209
Income tax paid		-23,296	-14,153
Net cash flows from operating activities		**120,638**	**135,728**
Cash flows from investing activities			
Acquisition of financial assets		-41,868	-9,045
Proceeds from disposal of financial assets		36,176	69,500
Acquisition of companies, net of cash acquired		-171	-7,138
Acquisition of property and equipment	7	-4,147	-3,565
Purchase of intangible assets	8	-2,486	-2,224
Dividends received		21,045	15,597
(Increase)/decrease in unavailable cash and cash equivalents		-114	-1,059
Net cash flows from investing activities		**8,435**	**62,066**
Cash flows from financing activities			
Increase in short-term financial debts	20	-	8,000
Decrease in short-term financial debts	20	-8,000	-110,000
Lease liabilities paid	26	-15,169	-16,334
Increase in capital	16	230	75
Acquisition of treasury shares	16	-12,058	-18,168
Proceeds from disposal of treasury shares	16	395	384
Dividends paid to non-controlling interests		-4,622	-3,877
Dividends paid to shareholders of the parent	18	-40,676	-37,780
Net cash flows from financing activities		**-79,900**	**-177,700**
Movement in exchange rates		-30,968	-17,672
Increase/(decrease) in cash and cash equivalents		18,205	2,422
Cash and cash equivalents at start of year		306,416	303,994
Cash and cash equivalents at year-end	**15**	**324,621**	**306,416**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHF 000 (except for number of shares)	Notes	Attributable to shareholders of the parent							Non-controlling interests	Total equity
		Number of sharyes	Capital	Share premium	Treasury shares	Currency translation	Consolidated reserves	Total		
At 1 January 2022		**7,624,385**	**19,061**	**40,620**	**-12,544**	**-205,188**	**565,521**	**407,470**	**22,270**	**429,740**
Net profit for the year		-	-	-	-	-	89,111	89,111	8,307	**97,418**
Other comprehensive income		-	-	-	-	-31,674	5,794	-25,880	-988	**-26,868**
Comprehensive income for the year	16	**-**	**-**	**-**	**-**	**-31,674**	**94,905**	**63,231**	**7,319**	**70,550**
Increase in capital	16	30,000	75	-	-	-	-	75	-	**75**
Acquisition of treasury shares	16	-	-	-	-18,168	-	-	-18,168	-	**-18,168**
Disposal of treasury shares	16	-	-	86	298	-	-	384	-	**384**
Dividends paid	16	-	-	-3,341	6,887	-	-41,481	-37,935	-3,877	**-41,812**
Exercise of share options	16	-	-	348	-	-	-326	22	-	**22**
Impact of recognition of share options	16	-	-	-	-	-	1,725	1,725	-	**1,725**
At 31 December 2022		**7,654,385**	**19,136**	**37,713**	**-23,527**	**-236,862**	**620,344**	**416,804**	**25,712**	**442,516**
Net profit for the year		-	-	-	-	-	94,419	94,419	6,636	**101,055**
Other comprehensive income		-	-	-	-	-56,777	-4,250	-61,027	-2,039	**-63,066**
Comprehensive income for the year	16	**-**	**-**	**-**	**-**	**-56,777**	**90,169**	**33,392**	**4,597**	**37,989**
Increase in capital	16	92,000	230	-	-	-	-	230	-	**230**
Acquisition of treasury shares	16	-	-	-	-12,058	-	-	-12,058	-	**-12,058**
Disposal of treasury shares	16	-	-	101	294	-	-	395	-	**395**
Dividends paid	16/18	-	-	455	7,781	-	-49,031	-40,795	-4,622	**-45,417**
Effect of changes in basis of consolidation	31	-	-	-	-	-	-	-	-4,780	**-4,780**
Exercise of share options	16	-	-	1,816	-	-	-1,098	718	-	**718**
Impact of recognition of share options	16	-	-	-	-	-	6,389	6,389	-	**6,389**
At 31 December 2023		**7,746,385**	**19,366**	**40,085**	**-27,510**	**-293,639**	**666,773**	**405,075**	**20,907**	**425,982**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Compagnie Financière Tradition SA is a public limited company with its registered office at 11 Rue de Langallerie, Lausanne. With a presence in more than 30 countries, the Compagnie Financière Tradition Group ("the Group") is one of the world's leading interdealer brokers of both financial products (money market products, fixed income, interest rate, currency and credit derivatives, equities, equity derivatives, interest rate futures and index futures) and non-financial products (energy, precious metals, and environmental products). Its shares are listed on the SIX Swiss Exchange and the Third Market Segment of the Frankfurt Stock Exchange.
Compagnie Financière Tradition SA is indirectly owned by VIEL & Cie, which holds a 71.26% controlling interest. VIEL & CIE is itself held by VIEL et Compagnie-Finance.
Publication of the consolidated financial statements for the year ended 31 December 2023 was approved by the Board of Directors on 20 March 2024.

BASIS OF PREPARATION

The consolidated financial statements are presented in thousands of Swiss francs (CHF) except where expressly stated otherwise; the Swiss franc is Compagnie Financière Tradition SA's functional currency and presentation currency. The consolidated financial statements comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) They have been prepared on a historical cost basis, unless stated otherwise.

CHANGES IN ACCOUNTING POLICIES

The accounting policies applied to the consolidated financial statements are identical to those in effect at 31 December 2022, except for the following changes which have been applied since 1 January 2023:

Standard	Name	Effective date
IFRS 17	- Insurance contracts	1 January 2023
IFRS 17 (amendments)	- Insurance contracts	1 January 2023
IAS 8 (amendments)	- Definition of Accounting Estimates	1 January 2023
IAS 1 (amendments)	- Disclosure of Accounting Policies	1 January 2023
IAS 12 (amendments)	- Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 12 (amendments)	- International Tax Reform—Pillar Two Model Rules	1 January 2023

The adoption of these new provisions had no material impact on the Group's consolidated financial statements. Additional information on the amendment to IAS 12 - International Tax Reform - Model rules for Pillar 2 is disclosed in Note 5.

KEY ACCOUNTING ESTIMATES AND JUDGMENTS

When preparing the consolidated financial statements, Management makes certain assumptions and estimates in applying its accounting policies. Due to the uncertainties inherent in the Group's activities, certain items in the consolidated financial statements cannot be measured accurately and must therefore be estimated. Estimates involve judgments based on the latest reliable information available.
The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, revenues and expenses and disclosures within the next financial year are as follows:

Goodwill impairment
The Group tests goodwill annually for impairment. The value in use of goodwill is estimated using discounted cash flow projections on the cash-generating units (CGUs) to which the goodwill has been allocated. Future cash flow projections and the discount rate to be used in calculating their present value are based on estimates made by Management. Additional information is disclosed in Note. 8.

Deferred tax assets
Deferred tax assets are recognised for tax loss carry-forwards to the extent that it is probable that taxable profits will be available in the foreseeable future against which the temporary differences can be utilised. Management estimates the deferred tax assets to be recognised on the basis of forecasts of future taxable profits. Additional information is disclosed in Note. 5.

Employee benefits
The Group's obligations under defined benefit schemes are measured each year on the basis of actuarial valuations. This type of valuation implies the use of actuarial assumptions the most important of which are the discount rate, future salary and pension increases, and the mortality rate. Because of the long-term perspective, these estimates involve a degree of uncertainty. Additional information is disclosed in Note. 22.

Litigation
Provisions are recognised for ongoing litigation when the probable outcome of a lawsuit or other litigation involving the Group can be reliably estimated. The timing of cash outflows relating to these provisions is uncertain, as they will depend on the outcome of the relevant cases. They have therefore not been discounted as their present value would not be a reliable estimate. Additional information is disclosed in Note. 21.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation
The consolidated financial statements include Compagnie Financière Tradition SA, its subsidiaries, joint ventures and associates ("the Group"). A list of the main consolidated companies, together with the controlling interest, equity interest, and method of consolidation for each one, is shown in Note 31.

Business Combinations
Company acquisitions are accounted for using the purchase method. Acquisition cost is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquired company. Acquisition costs related to business combinations are expensed.
The assets, liabilities, and contingent liabilities of the acquired company, which meet the recognition criteria, are recognised at fair value on the acquisition date. Goodwill is recognised as an asset and is initially measured at cost, which is the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities so recognised. If, after remeasurement, the Group's interest in the net fair value of the identifiable assets, liabilities exceeds the cost of the acquisition, the excess is immediately recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.
Goodwill on subsidiaries is shown on the balance sheet under intangible assets. As part of the annual impairment testing, goodwill is allocated to cash-generating units. Its value in use is estimated using discounted cash flow projections.
Non-controlling interests in the acquired company are initially measured on the basis of their proportion of the fair value of the net assets acquired.

Consolidation methods

Subsidiaries
All companies in which Compagnie Financière Tradition SA directly or indirectly holds a controlling interest are fully consolidated in the financial statements. There is control when the Group is exposed, or has rights, to variable returns from its involvement with the company and when it has the ability to affect those returns through its power over the company. The financial statements of subsidiaries are incorporated in the consolidated financial statements from the date on which control is obtained until the date on which control ceases. Non-controlling interests in the net assets and the comprehensive income of consolidated subsidiaries are identified and presented separately in the consolidated balance sheet and statement of comprehensive income even if this results in a deficit balance for the non-controlling interests.

Joint ventures
A joint venture is a partnership which confers on the Group rights to the net assets of the company in which it exercises joint control with other shareholders. The Group's interests in joint ventures are consolidated using the equity method. Goodwill identified on joint ventures is included in the carrying amount of the investment.

Associates
Associates in which Compagnie Financière Tradition SA has a significant but not controlling influence on the financial and operating policies are accounted for using the equity method. Significant influence is presumed when Compagnie Financière Tradition SA directly or indirectly holds over 20% of the equity voting rights in these companies. The consolidated financial statements include the Group's share of the net assets and the profit or loss of associates. Goodwill identified on associates is included in the carrying amount of the investment.

Elimination of intercompany transactions
When preparing the consolidated financial statements, balances, transactions and unrealised gains and losses between Group companies are eliminated. Unrealised gains and losses on transactions with associates and jointly controlled companies are eliminated to the extent of the Group's interest in these entities.

Foreign currency translation
The Group's presentation currency is the Swiss franc. Foreign currency transactions are translated into the functional currency of each entity of the Group using the exchange rate prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Translation differences resulting from such transactions are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and recognised at their historical cost are translated at the exchange rate prevailing on the date of the transaction. Those recognised at fair value are translated at the exchange rate prevailing on the date on which fair value is determined.
On consolidation, assets and liabilities of foreign subsidiaries denominated in foreign currencies, including goodwill and fair value adjustments, are translated into Swiss francs at the exchange rate prevailing on the reporting date. Income and expenses of foreign subsidiaries denominated in foreign currencies are translated into Swiss francs at the average exchange rates for the year.
Translation differences resulting from exchange rate fluctuations between years, applied to the net position of foreign subsidiaries denominated in foreign currencies, and differences between the average exchange rate during the year and the year-end exchange rate applied to the results of subsidiaries, are charged directly to equity, under "Currency translation". When a foreign subsidiary is disposed of, the cumulative amount of any exchange differences relating to the subsidiary recognised in equity is recognised in profit or loss.
The main exchange rates against the Swiss franc used in consolidation are shown below:

		2023		2022	
		Closing rate	Closing rate	Closing rate	Average rate
1 euro	EUR	0.93	0.97	0.98	1.01
1 pound sterling	GBP	1.07	1.12	1.11	1.18
100 Japanese yen	JPY	0.59	0.64	0.70	0.73
1 US dollar	USD	0.84	0.90	0.92	0.95

Revenue
Revenue consists of broking revenues and commissions from broking activities conducted by Compagnie Financière Tradition's operating subsidiaries with third parties. For transactions in which we act as agents, revenue is presented net of rebates, discounts, and charges paid to correspondents, and is recognised at the time of the transaction. With matched principal activities, where the Group acts as principal to simultaneously buy and sell securities for the account of third parties, commission revenues represent the difference between the buying and selling price of the securities, and are recognised at the delivery date.

Net financial result
The net financial result includes interest from reinvestment of short-term cash flows, interest paid on short- and long-term financial debts and lease liabilities, interest in respect of account holder activities, as well as gains and losses on financial assets and liabilities. This item also includes exchange rate gains and losses on financial assets and liabilities. Interest income and expense is recognised in the income statement pro rata over the relevant period using the effective interest method.

Income tax
Tax expense in the income statement comprises current and deferred income tax, tax adjustments from previous years, and any interest and penalties. The tax effect of items recognised directly in consolidated equity or other comprehensive income is recognised in consolidated equity or other comprehensive income, respectively.
Current tax is the income tax payable in respect of taxable profit for the period, calculated using tax rates enacted, or substantively enacted at the balance sheet date, as well as tax adjustments for previous years.
Deferred tax is recognised on temporary differences between the carrying amount of a balance sheet asset or

liability and its tax base. Deferred tax is calculated using the liability method at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled. Any change in tax rate is recognised in the income statement except when it relates directly to equity items, or in other comprehensive income.
Deferred tax liabilities are recognised on all taxable temporary differences, excepting those relating to initial recognition of goodwill. Deferred tax assets are recognised on all deductible temporary differences and tax loss carryforwards when it is probable that taxable profit will be available in the foreseeable future against which the deductible difference can be utilised. Otherwise, they are only recognised to the extent of the deferred tax liabilities for the same taxable entity.

Property and equipment

Items of property and equipment are stated on the balance sheet at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Fixtures and fittings: 5 to 10 years.
- Computing and telephone equipment: 2 to 5 years.
- Other property and equipment: 3 to 5 years.

When elements of the same tangible asset have a different estimated useful life, they are recognised separately under property and equipment and depreciated over their respective estimated useful life.
Maintenance and repair expenses are charged to profit or loss in the year in which they are incurred. Expenses incurred for increasing future economic benefits related to property and equipment are capitalised and depreciated.
The fair value of property and equipment recognised following a business combination, is determined on the basis of market data. The market value is the amount that could be obtained from the sale of an asset under normal competitive market conditions between knowledgeable, willing parties in an arm's length transaction.

Leases – the Group as lessee

The Group assesses whether the contract is, or contains, a lease at the date of execution of the contract. A contract is or contains a lease if it confers the right to control the use of a particular asset for a certain period of time in return for consideration. When a contract is or contains a lease, the Group accounts for each lease component in the contract as a lease, separately from non-lease components.
At the inception of the lease, the Group recognises a right-of-use asset and a lease liability, except in the case of short-term leases. Lease payments associated with those leases, for which the lease term is twelve months or less, are recognised as an expense in the income statement on a straight-line basis over the term of the lease.
The lease liability initially corresponds to the present value of outstanding lease payments, discounted at the interest rate implicit in the lease or at the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.
Lease payments include fixed payments, variable lease payments that depend on an index or a rate, amounts expected to the paid under residual value guarantees and the exercise price of purchase options if the Group is reasonably certain to exercise them, or any penalties for terminating the lease. Subsequently, the lease liability is measured at amortised cost using the effective interest method. The lease liability is remeasured if there is a change in future lease payments resulting from a change in the index or rate used to determine those payments, a change in payments under a residual value guarantee, or a change in the assessment of an option to purchase, extend or terminate a lease. When there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset, or in the income statement if the value of the right-of-use asset has already been reduced to zero. Lease liabilities are presented in the balance sheet separately from other liabilities.
A right-of-use asset is measured at cost including the initial amount of the lease liability, initial direct costs, and an estimate of restoration costs, less any lease incentives received. The right-of-use asset is depreciated or amortised over the term of the lease or the useful life of the underlying asset, whichever is shorter. Right-of-use assets are presented in the balance sheet separately from other assets.

Intangible assets

Intangible assets are generated internally or are acquired, either separately or in a business combination, and are recognised when they are identifiable and can be measured reliably.
Intangible assets are stated on the balance sheet at cost less accumulated amortisation and any impairment losses.

Amortisation is calculated on a straight-line basis over the estimated useful life, except where this is indefinite. Intangible assets with an indefinite estimated useful life are tested annually for impairment. The estimated useful life of assets is as follows:

- Software: 3 to 5 years
- Other intangible assets: 3 to 5 years
- Goodwill: indefinite

Impairment losses on non-financial assets

Non-financial assets are reviewed at each reporting date to assess whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. To determine the recoverable amount, the Group uses market data or, where this is unavailable or unreliable, discounted future cash flow techniques.
For goodwill and intangible assets with an indefinite useful life, the recoverable amount is estimated annually, regardless of whether there is an indication of impairment, or more regularly when there are indications of impairment.
An impairment loss is recognised in the income statement when the carrying amount of an asset or the cash-generating unit (CGU) is greater than its recoverable amount. The recoverable amount of an asset is the higher of its net selling price and its value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or CGU.
An impairment loss is recognised for a CGU first by reducing the carrying amount of any goodwill allocated to the CGU, and then to other assets in the unit pro rata to the carrying amount of each asset in the unit.
Impairment losses on non-financial assets recognised in previous periods, other than for goodwill, are reviewed annually and reversed where necessary.

Matched Principal Activities

Some Group companies act as principal in the simultaneous purchase and sale of securities for the account of third parties. Such trades are completed when both sides of the deal are settled, namely once payment is made and the securities are delivered (matched trades).
In order to reflect the substance of these transactions, they are recognised at the delivery date. Counterparty receivables and payables arising on current transactions that have gone beyond the expected settlement date are carried gross on the balance sheet under "Trade and other receivables" or "Trade and other payables". Counterparty receivables and payables for matched principal transactions expected to be settled in the normal course of trading are disclosed in Note 28.

Derivative financial instruments

The Group uses derivative financial instruments on a specific and generally marginal basis, mainly to manage foreign currency risks arising during the course of its activities. These instruments mostly consist of forward exchange contracts and currency options.
Financial instruments are initially recognised at fair value. Thereafter, all derivative financial instruments are measured at fair value, either at the market price for listed instruments or on the basis of generally accepted valuation models for unlisted instruments. Changes in the fair value of financial instruments are recognised in the income statement.

Cash and cash equivalents

Cash consists of cash in hand and sight deposits held with banks; cash equivalents are short-term bank deposits and short-term money market investments with maturities of three months or less from the acquisition date. Short-term money market investments are made up of short-term cash products such as government securities and money market funds. Bank overdrafts are included with short-term bank borrowings.
Bank overdrafts payable on demand are included in cash and cash equivalents in the cash flow statement.

Financial assets

Recognition and initial measurement

Ordinary purchases and sales of financial assets are initially recognised and subsequently derecognised on the transaction date.
Receivables are initially measured at their transaction price if they do not contain a significant financial component. Other financial assets are initially measured at fair value; financial assets not measured at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition of the financial asset.

Classification and subsequent evaluation
All recognised financial assets are subsequently measured at amortised cost, or at fair value through other comprehensive income, or at fair value through profit or loss, on the basis of both:

- the entity's business model for managing financial assets;
- the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost
A financial asset is measured at amortised cost if the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
The amortised cost of a financial asset is the amount at which it is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.
The effective interest rate is the rate that discounts estimated future cash inflows over the expected life of a financial asset to obtain the exact gross carrying amount of the asset.
Trade and other receivables are measured at amortised cost using the effective interest method minus impairment losses. These financial assets are presented in current assets, except those with maturities of more than twelve months after the reporting date, which are carried in non-current assets under "Other financial assets". In current assets, "Trade and other receivables" includes broking receivables, as well as receivables related to account holder and matched principal activities. Short-term bank deposits and bonds with maturities of more than three months from the acquisition date are measured at amortised cost and presented in the balance sheet under "Financial assets measured at amortised cost". Cash and cash equivalents are measured at amortised cost.

Financial assets at fair value through other comprehensive income
A financial asset is measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
For debt instruments at fair value through other comprehensive income, interest income, exchange differences, and impairment losses or reversals are recognised in the income statement and calculated in the same way as for financial assets measured at amortised cost. The remaining changes in fair value are recognised through other comprehensive income. On derecognition, the cumulative change in fair value previously recognised in other comprehensive income is reclassified to profit or loss.

Financial assets at fair value through other comprehensive income
The Group may make an irrevocable election at initial recognition, to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination. Dividends received on these investments are recognised in the income statement. On disposal of these equity instruments, the net cumulative changes in fair value up to the time of disposal are reclassified to retained earnings under equity.
The Group elected to irrevocably classify unquoted equity investments in this category (Note 14 a).

Financial assets at fair value through profit or loss
A financial asset is measured at fair value through profit or loss, unless it is measured at amortised cost or at fair value through other comprehensive income.
This category includes derivatives and equity instruments that the Group has not irrevocably elected to classify at fair value through other comprehensive income.

Impairment of financial assets
Impairment of a financial asset at amortised cost is calculated using the expected credit loss model.
For broking receivables, the loss allowance is measured at the amount of the lifetime expected credit losses of the receivable using a simplified approach. An analysis is carried out based on the ageing of trade receivables, taking into account historical default data and the current and foreseeable situation at the reporting date.
For all other financial instruments, the Group recognises an amount equal to lifetime expected credit losses for the instrument if there has been a significant increase in credit risk since initial recognition.
If there has been no significant increase in credit risk on the financial instrument since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses for that financial instrument.
The lifetime expected credit losses represent expected credit losses that result from all possible default events over the expected life of a financial instrument.

The 12-month expected credit losses represent a portion of lifetime expected credit losses and amount to the expected credit losses from default events on a financial instrument that are possible within 12 months after the reporting date.
When evaluating whether there has been a significant increase in credit risk on a financial instrument since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. To make that assessment, the Group considers reasonable and supportable information that is available without undue cost or effort, such as a change in the credit rating of the financial instrument.
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.
The Group considers a financial asset in default when the counterparty is unlikely to pay its credit obligations to the Group in full, without recourse by the Group such as realising collateral held.
The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.
Credit losses represent the difference between all cash flows due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted using the original effective interest rate. The cash flows that are considered include cash flows from the sale of collateral held. Measurement of expected credit losses is based on the probability of default, the loss in the event of default, and exposure at the time of default.
The carrying amount of the asset is reduced through use of an allowance account for credit losses. The Group directly reduces the gross carrying amount of a financial asset when it has no reasonable expectations of recovering all or part of that financial asset.
Impairment losses are recognised in the income statement.

Financial liabilities

Recognition and initial measurement
Financial liabilities are initially measured at fair value; financial liabilities not measured at fair value through profit or loss are measured at fair value minus transaction costs directly attributable to the issue of that liability.

Classification and subsequent evaluation
After initial recognition, financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and liabilities designated upon initial recognition as at fair value through profit or loss. These liabilities are subsequently measured at fair value. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedging relationships.

Financial liabilities at amortised cost
After initial recognition, these financial liabilities are subsequently measured at amortised cost using the effective interest method. The amortised cost of financial liabilities is adjusted to reflect actual contractual cash flows and revised estimated contractual cash flows. The adjustment is recognised in net income as income or expense. This category includes financial debts, lease obligations, and trade and other payables.

Fair value
Fair value represents the price that would be received for the sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.
The Group measures the fair value of a financial instrument using the quoted price in an active market for that instrument. A market is considered "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
If there is no quoted price in an active market, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
The Group applies a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The following value hierarchy was used:

- Level 1 corresponds to quoted prices (unadjusted) that the Group can access in an active market for an identical instrument. This is particularly the case for equity instruments and bonds where fair value is based on the closing prices in an exchange market at the reporting date.
- Level 2 corresponds to the fair values determined on the basis of a valuation model using data directly observable in a market (level 1) or derived from observed prices. It includes measurement techniques such as discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts and currency swaps is determined by discounting estimated future cash flows. Certain equity instruments are measured on the basis of valuation multiples.
- Level 3 corresponds to fair values determined on the basis of a valuation model that uses unobservable inputs (not based on observable market data), such as a financial forecast developed from the company's own data.

Shareholders' equity

All shares issued are bearer shares and are presented in equity.
Treasury shares are recognised on the balance sheet at their acquisition cost and deducted from consolidated shareholders' equity. On subsequent disposals, gains or losses have no effect on profit or loss but are recognised as an addition to or reduction in share premium reserves.

Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources representing economic benefits will be required to settle the obligation, and the amount has been reliably estimated. Where the effect of the time value of money is material, the amount of the provision is the present value of expenditures expected to be required to settle the obligation, estimated using a pre-tax discount rate that reflects current market assessments of the time value of money and those risks specific to the liability.

Employee benefits

The Group operates both defined benefit and defined contribution schemes, depending on the countries in which it is established and the local regulations on retirement benefit schemes.
Defined contribution schemes are those in which employees and Group companies pay contributions to an entity authorised to manage pension funds. Payments by Group companies are recognised in the income statement in the period in which they are due.
The present value of the Group's defined benefit obligations is measured each year by qualified independent actuaries using the projected unit credit method. The actuarial assumptions used to determine obligations vary according to the country in which the scheme operates.
Actuarial gains and losses arise mainly from changes in long-term actuarial assumptions (discount rates, future salary increases, etc.) and the difference between the actuarial assumptions and actual scheme experience. All such gains and losses are recognised under other comprehensive income.
Benefit expense recognised in the income statement include current service cost and net interest on net liabilities of defined benefit schemes.

Share-based payments

Share options are granted to members of the Executive Board and senior management entitling them to receive shares at the end of the vesting period. The award of options and conditions for employee participation are defined by the Board of Directors. When options are exercised, new shares are created using conditional capital (Note 19).
The fair value of options granted is recognised as a staff cost with a corresponding increase in equity. Fair value is determined at the award date and amortised over the vesting period. The fair value of share options is determined by an independent expert using a valuation method that takes into account the general vesting characteristics and conditions prevailing at that date. The Monte Carlo simulation method is used, which is based on repeated random sampling of variations in the value of the share. Thousands of scenarios of changes in the share value are generated making it possible to estimate statistically the value of the options for each scenario, which is then discounted to estimate their value.
At each balance sheet date, the Group revises its estimates of the number of share options that will be exercised in the near future. The impact of this revision is recognised in the income statement with a corresponding adjustment in equity.
At each exercise of share options, the value of the instruments is transferred from the share options reserve to the share premium account.

Contingent assets and liabilities

Contingent assets and liabilities arising from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the Group's control, are disclosed in the notes to the financial statements.

Events after the balance sheet date

Events after the balance sheet date are events that occur between the reporting date and the approval date of the financial statements.
The value of assets and liabilities at the balance sheet date is adjusted to reflect events after the balance sheet date that help confirm situations that existed at the reporting date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are disclosed in the notes to the financial statements where material.

New standards and interpretations

The International Accounting Standards Board (IASB) published a number of standards and amendments which will take effect within the Group after the balance sheet date. These were not early adopted for the consolidated financial statements at 31 December 2023.

Standard	Name	Effective date
IAS 1 (amendments)	Classification of Liabilities as Current or Non-current	1 January 2024
IAS 1 (amendments)	Non-current Liabilities with Covenants	1 January 2024
IFRS 16 (amendments)	Lease Liability in a Sale and Leaseback	1 January 2024
IAS 7 and IFRS 7 (amendments)	Supplier Finance Arrangements	1 January 2024
IAS 21 (amendments)	Lack of Exchangeability	1 January 2025

The Group does not expect the initial application of the above Standards and Amendments to have any significant impact on the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 OPERATING SEGMENTS

The presentation of the Group's operating segments reflects information provided internally to the Chairman of the Board of Directors. He analyses the management reports in order to assess performances and allocate resources to the various operating segments.
The Group's internal organisation and management structure is based on a geographical approach. Management information is grouped into three geographic regions - Europe, the Middle East and Africa, the Americas and Asia-Pacific - and comprises broadly similar products and services. The geographical approach is based mainly on the location of the Group's offices and operating teams.
Segment performance is assessed and resource allocation is decided on the basis of an evaluation of the operating results, which differ in certain respects from the operating result presented in the consolidated financial statements.

The accounting policies applied in evaluating the segment operating results are identical to those used in preparing the consolidated financial statements, with the following exceptions:

- Segment reporting on joint ventures includes the Group's share in the assets, liabilities, revenue and results of these companies.
- Revenue from matched principal activities is recognised at the transaction date instead of the delivery date of securities.
- Interest expense recognised on lease liabilities is presented under rental expense and recognised on a straight-line basis over the lease term.

Certain operating expenses related to the Group's holding companies are presented separately from the operating segments. Moreover, certain exceptional items, such as gains or losses on the disposal of subsidiaries or associates, depreciation of property and equipment, or restructuring charges, are not included in segment operating results.
Revenues generated by operating segments are derived from three major products groups, which present broadly similar profitability profiles or transaction methods. All Compagnie Financière Tradition's historical broking activities, in the money markets, spot and forward forex trading, interest rate derivatives and currency options, are grouped under "Currencies and interest rates". "Securities and security derivatives" include interest rate futures operations, sovereign and corporate bond trading, equities and equity derivatives trading in OTC and regulated markets, repo transactions, and credit derivatives broking. Finally, "Commodities and other activities" comprises broking activities in energy, precious metals and environmental products, as well as activities catering to retail customers via specialised forex trading platforms in Asia.
Revenue only includes income from transactions with external customers. No transactions between operating segments impact revenue.
Information about operating segments is disclosed below:

At 31 December 2023

CHF 000	Europe, Middle East and Africa	Americas	Asia-Pacific	Adjustments	Total
Revenue	431,775	350,891	271,442	-71,723	**982,385**
Operating profit	43,633	42,335	49,923	-30,403	**105,488**
Net financial result					**-4,078**
Share of profit of associates and joint ventures					**25,790**
Profit before tax					**127,200**

At 31 December 2022

CHF 000	Europe, Middle East and Africa	Americas	Asia-Pacific	Adjustments	Total
Revenue	437,471	312,417	278,938	-81,428	**947,398**
Operating profit	29,307	46,696	52,912	-34,687	**94,228**
Net financial result					**-3,751**
Share of profit of associates and joint ventures					**29,592**
Profit before tax					**120,069**

Reconciliation of segment revenue to consolidated revenue is as follows:

CHF 000	2023	2022
Segment revenue	**1,054,108**	**1,028,826**
Application of the proportionate consolidation method for joint ventures	-71,500	-81,173
Other	-223	-255
Consolidated revenue	**982,385**	**947,398**

Reconciliation of the segment operating profit to consolidated operating profit is as follows:

CHF 000	2023	2022
Segment operating profit	**135,891**	**128,915**
Application of the proportionate consolidation method for joint ventures	-22,173	-23,213
Corporate income/(expenses)	-13,370	-12,229
Other	5,140	755
Consolidated operating profit	**105,488**	**94,228**

Other segment reporting
An analysis of depreciation/amortisation expense for each operating segment is shown below:

CHF 000	2023	2022
Europe, Middle East and Africa	4,374	6,420
Americas	2,232	2,126
Asia-Pacific	2,687	3,117
Total	**9,293**	**11,663**

Information on products and services
A segment analysis of consolidated revenue on continuing operations is shown below:

CHF 000	2023	2022
Currencies and interest rates	402,361	428,568
Securities and derivatives	326,275	324,679
Commodities and other activities	253,749	194,151
Total	**982,385**	**947,398**

Information on geographic regions
An analysis of revenue from continuing operations broken down by country is shown below:

CHF 000	2023	2022
Switzerland (country of domicile of the Group's holding company)	14,859	18,854
United States	324,887	280,945
United Kingdom	211,057	229,039
Other	431,582	418,560
Total	**982,385**	**947,398**

Revenue is broken down by country according to the respective locations of the Group's subsidiaries. Non-current assets for each country are shown below:

CHF 000	2023	2022
Switzerland (country of domicile of the Group's holding company)	26,632	25,334
United States	35,494	36,434
United Kingdom	12,601	14,622
Other	29,226	37,224
Total	**103,953**	**113,614**

Non-current assets are comprised solely of property and equipment, intangible assets and right-of-use assets.

Information on major customers
No customer represented more than 10% of revenue for the financial years ended 31 December 2023 and 2022.

2 OTHER NET OPERATING INCOME

An analysis of this item is shown below:

CHF 000	2023	2022
Gains/losses on disposal of fixed assets	-17	61
Other operating income	932	17,531
Total	**915**	**17,592**

In 2022, the item "Other operating income" included a gain of CHF 16,447,000 in connection with significant changes in the settlement terms of a rouble-denominated debt related to matched principal activities.

3 OTHER OPERATING EXPENSES

An analysis of this item is shown below:

CHF 000	2023	2022
Telecommunications and financial information	55,757	57,274
Travel and representation	33,308	27,497
Professional fees	23,336	20,183
Rental and maintenance expenses	10,294	8,038
Other operating expenses	21,797	51,189
Total	**144,492**	**164,181**

In 2022, "Other operating expenses" included expected credit losses of CHF 20,000,000 in connection with sanctioned Russian counterparties. These expected losses concern receivables related to unsettled matched principal transactions and brokerage receivables.

4 NET FINANCIAL RESULT

CHF 000	2023	2022
Financial income		
Interest income	8,607	1,428
Exchange gains	2,150	11,846
Income from equity investments	38	76
Other financial income	21	3
Total	**10,816**	**13,353**
Financial expense		
Interest expense on financial debts	-5,617	-7,799
Interest expense on lease liabilities	-2,063	-2,391
Exchange losses	-7,211	-6,892
Other financial expense	-3	-22
Total	**-14,894**	**-17,104**
Net financial result	**-4,078**	**-3,751**

In 2022, the net foreign exchange result due to currency fluctuations showed a net gain of CHF 4,954,000, mainly attributable to remeasurement of receivables related to unsettled rouble-denominated matched principal trades, most of which was realised during the year.

5 INCOME TAX

An analysis of tax expense for the year is shown below:

CHF 000	2023	2022
Current tax expense	26,585	16,305
Deferred tax expense/(income)	-440	6,346
Income tax	**26,145**	**22,651**

An analysis of the difference between the effective tax rate and the standard tax rate is shown below:

		2023		2022
	(%)	CHF 000	(%)	CHF 000
Profit before tax		127,200		120,069
Adjustment of the share of profit of associates and joint ventures		-25,790		-29,592
Profit before tax and share of profit of associates and joint ventures		**101,410**		**90,477**
Standard tax rate	**22.0%**	**22,266**	**21.5%**	**19,421**
Tax effect of the following items:				
Use of unrecognised tax loss carry-forwards	-0.1%	-107	-0.2%	-212
Unrecognised tax losses for the year	0.8%	831	1.4%	1,306
Tax expense for fully consolidated fiscally transparent companies charged to non-controlling interests	-1.4%	-1,451	-0.7%	-649
Non-taxable income	-0.2%	-228	-0.2%	-188
Expenses not deductible for tax purposes	4.8%	4,921	3.2%	2,873
Change in tax rate	0.0%	-30	-0.2%	-146
Tax relating to previous years	-0.1%	-81	0.0%	18
Other	0.0%	24	0.2%	228
Group's effective tax rate	**25.8%**	**26,145**	**25.0%**	**22,651**
Group's average effective tax rate*	**20.6%**		**18.9%**	

*Including share of profit of associates and joint ventures

The average consolidated standard tax rate is measured as the weighted average of the rates in effect in the various tax jurisdictions in which the Group has subsidiaries. This varies from year to year in line with the relative weight of each entity in the Group's pre-tax results and changes in statutory tax rates.
"Expenses not deductible for tax purposes" mainly comprises business expenses not allowable as deductions in certain countries.
At 31 December 2023, the Group applied the temporary exception for recognition of deferred tax related to the Pillar Two model rules, in accordance with IAS 12. The Group's exposure to additional tax created by Pillar Two is considered insignificant.

Deferred tax was recognised in other comprehensive income, as follows:

CHF 000	2023	2022
Actuarial gains and losses of defined benefit schemes	-492	999
Financial assets at fair value through other comprehensive income	190	131
Total deferred tax expense/(income)	**-302**	**1,130**

Tax was recognised directly in equity as follows:

CHF 000	2023	2022
Current tax related to the exercise of share options	-718	-22
Deferred tax related to the award of share options	-1,660	-600
Total tax expense/(income)	**-2,378**	**-622**

Movements in deferred tax were as follows:

CHF 000	1.1.23	Change in basis of consolidation	Recognised in the income statement	Recognised in other comprehensive income	Recognised in equity	Currency translation	31.12.23
Deferred tax assets							
Property and equipment	1,721	-	49	-	-	-86	**1,684**
Intangible assets	986	-	15	-	-	-73	**928**
Tax loss carry-forwards	11,005	490	-1,198	-	-	-875	**9,422**
Provisions and accruals	14,534	-	2,105	492	1,660	-1,847	**16,944**
Lease liabilities	14,514	-	367	-	-	-1,305	**13,576**
Other	4,180	-	-1,793	-	-	-281	**2,106**
Total	**46,940**	**490**	**-455**	**492**	**1,660**	**-4,467**	**44,660**
Deferred tax liabilities							
Property and equipment	-549	-	383	-	-	25	**-141**
Intangible assets	-1,372	-	1,369	-	-	34	**31**
Right-of-use assets	-12,137	-	-289	-	-	1,083	**-11,343**
Other	-9,765	-	-567	-190	-	926	**-9,596**
Total	**-23,823**	**-**	**896**	**-190**	**-**	**2,068**	**-21,049**
Total net deferred tax	**23,117**	**490**	**441**	**302**	**1,660**	**-2,399**	**23,611**

Stated on the balance sheet as follows:

	1.1.23	31.12.23
Deferred tax assets	24,206	**23,871**
Deferred tax liabilities	-1,089	**-260**

CHF 000	1.1.22	Recognised in the income statement	Recognised in other comprehensive income	Recognised in equity	Currency translation	31.12.22
Deferred tax assets						
Property and equipment	2,023	-114	-	-	-188	**1 721**
Intangible assets	994	-56	-	-	48	**986**
Tax loss carry-forwards	15,999	-4,682	-	-	-312	**11,005**
Provisions and accruals	14,461	1,275	-999	600	-803	**14,534**
Lease liabilities	14,139	355	-	-	20	**14,514**
Other	5,554	-1,448	-	-	74	**4,180**
Total	**53,170**	**-4,670**	**-999**	**600**	**-1,161**	**46,940**
Deferred tax liabilities						
Property and equipment	-466	-87	-	-	4	**-549**
Intangible assets	-1,778	441	-	-	-35	**-1,372**
Right-of-use assets	-11,759	-385	-	-	7	**-12,137**
Other	-7,946	-1,645	-131	-	-43	**-9,765**
Total	**-21,949**	**-1,676**	**-131**	**-**	**-67**	**-23,823**
Total net deferred tax	**31,221**	**-6,346**	**-1,130**	**600**	**-1,228**	**23,117**
Stated on the balance sheet as follows:						
Deferred tax assets	31,848					**24,206**
Deferred tax liabilities	-627					**-1,089**

Unrecognised deferred tax assets amounted to CHF 20,352,000 at 31 December 2023 (2022: CHF 11,119,000) and relate to tax loss carry-forwards which were not used due to the recent history of losses at the companies concerned.
The unused tax losses for which no deferred tax assets were recognised expire as follows:

CHF 000	2023	2022
Less than 1 year	-	-
Between 1 and 5 years	364	350
Over 5 years	39,518	6,689
Available indefinitely	42,949	42,895
Total	**82,831**	**49,934**

Tax losses available indefinitely include an amount of CHF 2,525,000 (2022: CHF 2,675,000) which may only be used against capital gains.

6 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net income attributable to shareholders of the parent by the weighted average number of shares outstanding during the year, less the average number of treasury shares held by the Group.
Diluted earnings per share are calculated by dividing the net profit attributable to shareholders of the parent by the weighted average number of shares outstanding during the year, including the weighted average number of shares which would be created in connection with the exercise of dilutive instruments, less treasury shares.
Earnings per share are are calculated as follows:

CHF 000	2023	2022
Net profit attributable to shareholders of the parent	94,419	89,111
Weighted average number of shares outstanding	7,425,853	7,530,784
Adjustment for dilutive effect of share options	278,420	46,892
Weighted average number of shares included for diluted earnings per share.	**7,704,273**	**7,577,676**

Earnings per share are as follows:

en CHF	2023	2022
Basic earnings per share	12.71	11.83
Diluted earnings per share	12.26	11.76

7 PROPERTY AND EQUIPMENT

At 31 December 2023

CHF 000	Fixtures and fittings	IT and telephone equipment	Other property and equipment	Total
Gross value at 1 January	53,262	54,820	3,823	**111,905**
Changes in basis of consolidation	-	46	-	**46**
Acquisitions	1,258	2,623	266	**4,147**
Disposals	-248	-862	-63	**-1,173**
Currency translation	-3,511	-3,412	-52	**-6,975**
Gross value at 31 December	**50,761**	**53,215**	**3,974**	**107,950**
Accumulated depreciation and impairment losses at 1 January	**-41,450**	**-50,350**	**-638**	**-92,438**
Depreciation	-3,011	-2,162	-83	**-5,256**
Disposals	248	862	63	**1,173**
Currency translation	2,663	3,087	22	**5,772**
Accumulated depreciation and impairment losses at 31 December	**-41,550**	**-48,563**	**-636**	**-90,749**
Net value at 31 December	**9,211**	**4,652**	**3,338**	**17,201**

At 31 December 2022

CHF 000	Fixtures and fittings	IT and telephone equipment	Other property and equipment	Total
Gross value at 1 January	**53,946**	**56,629**	**3,810**	**114,385**
Changes in basis of consolidation	48	252	-	**300**
Acquisitions	1,814	1,705	46	**3,565**
Disposals	-215	-997	-3	**-1,215**
Currency translation	-2,331	-2,769	-30	**-5,130**
Gross value at 31 December	**53,262**	**54,820**	**3,823**	**111,905**
Accumulated depreciation and impairment losses at 1 January	**-40,588**	**-50,848**	**-588**	**-92,024**
Depreciation	-3,159	-3,099	-68	**-6,326**
Disposals	215	997	3	**1,215**
Currency translation	2,082	2,600	15	**4,697**
Accumulated depreciation and impairment losses at 31 December	**-41,450**	**-50,350**	**-638**	**-92,438**
Net value at 31 December	**11,812**	**4,470**	**3,185**	**19,467**

8 INTANGIBLE ASSETS

At 31 December 2023

CHF 000	Goodwill	Software	Other intangible assets	Total
Gross value at 1 January	**33,941**	**71,492**	**7,003**	**112,436**
Changes in basis of consolidation	7,343	-	2,307	**9,650**
Acquisitions	-	2,479	7	**2,486**
Disposals	-	-1,075	-226	**-1,301**
Currency translation	-1,471	-4,744	-486	**-6,701**
Gross value at 31 December	**39,813**	**68,152**	**8,605**	**116,570**
Accumulated amortisation and impairment losses at 1 January	**-2,226**	**-63,682**	**-2,743**	**-68,651**
Amortisation	-	-3,465	-68	**-3,533**
Disposals	-	1,075	226	**1,301**
Currency translation	-	4,241	267	**4,508**
Accumulated amortisation and impairment losses at 31 December	**-2,226**	**-61,831**	**-2,318**	**-66,375**
Net value at 31 December	**37,587**	**6,321**	**6,287**	**50,195**

In January 2023, the Group acquired a majority interest in the operating subsidiaries of a joint venture, resulting in the recognition of goodwill of CHF 7,343,000 and a brand estimated to be worth CHF 2,307,000. Additional information is disclosed in Note. 31.

At 31 December 2022

CHF 000	Goodwill	Software	Other intangible assets	Total
Gross value at 1 January	**30,795**	**75,663**	**6,959**	**113,417**
Changes in basis of consolidation	3,386	1,301	821	**5,508**
Acquisitions	-	2,160	64	**2,224**
Disposals	-	-4,186	-341	**-4,527**
Reclassifications	-	51	-51	**-**
Currency translation	-240	-3,497	-449	**-4,186**
Gross value at 31 December	**33,941**	**71,492**	**7,003**	**112,436**
Accumulated amortisation and impairment losses at 1 January	**-2,226**	**-65,254**	**-3,224**	**-70,704**
Amortisation	-	-5,497	-51	**-5,548**
Disposals	-	4,186	341	**4,527**
Currency translation	-	2,883	191	**3,074**
Accumulated amortisation and impairment losses at 31 December	**-2,226**	**-63,682**	**-2,743**	**-68,651**
Net value at 31 December	**31,715**	**7,810**	**4,260**	**43,785**

An analysis of goodwill at 31 December 2023 is shown below:

CHF 000	2023			2022
	Gross value	Accumulated impairment losses	**Net value**	Net value
TFS Americas	8,183	-	**8,183**	8,183
TFS Asia-Pacific	5,323	-	**5,323**	5,323
TFS Europe, Middle East and Africa	4,795	-	**4,795**	4,795
Starfuels	6,666	-	**6,666**	-
Other	14,846	-2,226	**12,620**	13,414
Total	**39,813**	**-2,226**	**37,587**	**31,715**

Impairment tests

Goodwill recognised on the balance sheet was tested for impairment. The recoverable amount of a cash-generating unit (CGU) is the higher of its net selling price and its value in use.

The value in use of the cash-generating units to which this goodwill relates is estimated using a discounted cash flow method based on the future cash flows from the activities related to each item of goodwill.. The normalised cash flow was discounted to determine the value in use of the underlying activity compared with the carrying amount of the CGU, based on 5-year operating forecasts. The discount rates for measuring these valuations ranged from 9.1% to 11.5% (2022: 8.5% to 10.7%) and include a market risk premium to reflect the risk in each of the markets as well as an additional risk premium to reflect the additional risk related to the size of the cash-generating units.

In addition, growth rates of 2.0% to 5.0% (2022: 2.0% to 5.0%) were used to extrapolate cash flow projections beyond the period covered by operating forecasts based on past experience, in line with the market in which these companies operate.

The different assumptions used for discounting future cash flows of the main CGUs are as follows:

In %	Discount rate		Growth rate	
	2023	2022	2023	2022
TFS Americas	11.0%	9.8%	2.0%	2.0%
TFS Asia-Pacific	11.0%	9.8%	2.0%	2.0%
TFS Europe, Middle East and Africa	10.7%	9.7%	2.0%	2.0%
Starfuels	11.0%	-	2.0%	-
Other	9.1% - 11.5%	8.5% - 10.7%	2.0% - 5.0%	2.0% - 5.0%

No impairment loss was recognised on goodwill in 2023 and 2022 as the valuations obtained using this method were greater than the carrying amounts.

9 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

This item covers the Group's share of equity accounted associates and joint ventures. Details of these companies are disclosed in Note 31.
Movements during the year are shown below:

CHF 000	Associates	Joint ventures	**Total**
At 1 January 2023	**33,905**	**116,687**	**150,592**
Change in basis of consolidation (Note 31)	-	-11,298	**-11,298**
Net profit for the year	10,925	14,865	**25,790**
Other comprehensive income	-48	-	**-48**
Acquisitions	-	468	**468**
Dividends paid	-9,136	-11,871	**-21,007**
Currency translation	-2,266	-13,459	**-15,725**
At 31 December 2023	**33,380**	**95,392**	**128,772**

CHF 000	Associates	Joint ventures	**Total**
At 1 January 2022	**29,444**	**119,983**	**149,427**
Net profit for the year	11,615	17,977	**29,592**
Other comprehensive income	-280	-	**-280**
Acquisitions	-	188	**188**
Dividends paid	-5,130	-10,391	**-15,521**
Currency translation	-1,744	-11,070	**-12,814**
At 31 December 2022	**33,905**	**116,687**	**150,592**

Associates

Summarised financial information on the main associates, before eliminating intercompany balances and transactions, is as follow:

At 31 December 2023

CHF 000	Capital Markets Holding SA	PingAn Tradition International Money Broking Company Ltd	Other associates	**Total**
Place of business	**Madrid**	**Shenzhen**		
Percentage holding	**32.4%**	**33.0%**		
Non-current assets	16,137	12,222		
Current assets	47,811	94,458		
Non-current liabilities	536	1,659		
Current liabilities	28,884	42,921		
Net assets	34,528	62,100		
Group share in:				
- net assets	11,187	20,493		
Goodwill	-	-		
Carrying amount at 31 December	**11,187**	**20,493**	**1,700**	**33,380**
Revenue	32,820	83,194		
Net profit for the year	6,258	26,671		
Other comprehensive income	-148	-		
Comprehensive income for the year	6,110	26,671		
Group share in:				
- net profit/(loss)	2,028	8,801	96	**10,925**
- other comprehensive income	-48	-	-	**-48**
- comprehensive income	1,980	8,801	96	**10,877**
Dividends paid to Group	**-**	**9,136**	**-**	**9,136**

At 31 December 2022

CHF 000	Capital Markets Holding SA	PingAn Tradition International Money Broking Company Ltd	Other associates	Total
Place of business	**Madrid**	**Shenzhen**		
Percentage holding	**32.4%**	**33.0%**		
Non-current assets	16,560	7,396		
Current assets	42,975	101,421		
Non-current liabilities	632	2,382		
Current liabilities	29,455	38,013		
Net assets	29,448	68,422		
Group share in:				
- net assets	9,541	22,579		
Goodwill	-	-		
Carrying amount at 31 December	**9,541**	**22,579**	**1,785**	**33,905**
Revenue	33,712	98,394		
Net profit for the year	45	34,186		
Other comprehensive income	-864	-		
Comprehensive income for the year	-819	34,186		
Group share in:				
- net profit/(loss)	15	11,281	319	**11,615**
- other comprehensive income	-280	-	-	**-280**
- comprehensive income	-265	11,281	319	**11,335**
Dividends paid to Group	**-**	**5,130**	**-**	**5,130**

Joint ventures

The companies over which the Group exercised joint control with other partners mainly concerned the currency options business and the forex trading business for retail investors in Japan operated by Gaitame.com Co., Ltd. Joint control over this company is exercised under a shareholders' agreement.

The currency options business is conducted mainly from London, New York and Singapore through several companies which are grouped under "Tradition-ICAP" in the table below and which comprise between 25.0% and 27.5% of the assets and net results of this activity. The Group has a 27.5% ownership interest in operating companies in London and New York via holding companies in which it holds 55% of the share capital but exercises joint control under a contractual agreement with the partner:

At 31 December 2023

CHF 000	Gaitame.com Co., Ltd	Tradition-ICAP	Other companies	Total
Place of business	**Tokyo**	**London, New York, Singapore**		
Percentage holding	**50.0%**	**25.0% - 27.5%**		
Non-current assets	19,895	1,813		
Current assets	784,361	39,017		
Of which cash and cash equivalents	*116,773*	*24,961*		
Non-current liabilities	1,150	2,237		
Of which financial debts	*889*	-		
Current liabilities	669,528	10,205		
Of which financial debts	*1,185*	-		
Net assets	133,578	28,388		
Group share in:				
- net assets	66,458	7,551		
Goodwill	11,321	-		
Carrying amount at 31 December	**77,779**	**7,551**	**10,062**	**95,392**
Revenue	62,751	56,201		
Depreciation and amortisation	-1,338	-107		
Interest income	7	553		
Interest expense	-	-86		
Income tax	-9,982	-801		
Net profit/comprehensive income for the year	22,528	9,236		
Group share in:				
- net profit/comprehensive income	11,262	2,458	1,145	**14,865**
Dividends paid to Group	**7,987**	**2,762**	**1,122**	**11,871**

Goodwill included in the carrying amount of joint ventures totalled CHF 15,726,000 at 31 December 2023 (2022: CHF 23,267,000).

At 31 December 2022

CHF 000	Gaitame.com Co., Ltd	Tradition-ICAP	Other companies	Total
Place of business	**Tokyo**	**London, New York, Singapore**		
Percentage holding	**50.0%**	**25.0% - 55.0%**		
Non-current assets	24,040	1464		
Current assets	861,977	40,316		
Of which cash and cash equivalents	*132,643*	*26,837*		
Non-current liabilities	2,059	2,332		
Of which financial debts	*1,750*	-		
Current liabilities	735,390	10,003		
Of which financial debts	*1,400*	-		
Net assets	148,568	29,445		
Group share in:				
- net assets	73,892	13,090		
Goodwill	13,380	-		
Carrying amount at 31 December	**87,272**	**13,090**	**16,325**	**116,687**
Revenue	67,714	56,861		
Depreciation and amortisation	-1,597	-109		
Interest income	8	46		
Interest expense	-22	-228		
Income tax	-9,758	-477		
Net profit/comprehensive income for the year	26,037	9,758		
Group share in:				
- net profit/comprehensive income	13,016	4,215	746	17,977
Dividends paid to Group	**8,477**	**910**	**1,004**	**10,391**

10 OTHER FINANCIAL ASSETS

CHF 000	2023	2022
Employee loans	4,006	4,662
Related party receivables (Note 27)	5,657	6,308
Total	**9,663**	**10,970**

Loans to employees bear interest at an average rate of 1.5% and have an average maturity of 30 months.
The Group's exposure to credit risk, foreign currency risk and interest rate risk on other financial assets is disclosed in Note 30.

11 UNAVAILABLE CASH AND CASH EQUIVALENTS

CHF 000	2023	2022
Call deposits and securities given as collateral in connection with broking activities	29,595	31,561

In addition to these call deposits held as collateral with clearing houses such as the Fixed Income Clearing Corporation (FICC) or indirectly through agents, certain subsidiaries are subject to minimum equity restrictions set by their regulatory authorities, which limit the availability or free use of their cash holdings within the Group.
The Group's exposure to credit risk, foreign currency risk and interest rate risk on unavailable cash is disclosed in Note 30.

12 TRADE AND OTHER RECEIVABLES

An analysis of this item is shown below:

CHF 000	2023	2022
Receivables related to matched principal activities	46,470	109,117
Trade receivables	170,526	185,453
Employee receivables	66,442	66,960
Related party receivables (Note 27)	9,422	10,728
Other short-term receivables	16,731	15,132
Total	**309,591**	**387,390**

"Receivables related to matched principal activities" include sales of securities that had passed the scheduled delivery date at 31 December 2023 and 2022. Almost all these transactions were settled after these dates except for an amount of approximately CHF 14,653,000 at 31 December 2023 (2022: CHF 20,800,000) relating to rouble-denominated securities trades. The provision for expected credit losses on these transactions amounted to RUB 1,330,390,000, unchanged from 31 December 2022, equivalent to CHF 12,445,000 at that date (2022: CHF 16,478,000). Additional information on expected credit losses is disclosed in Note 30.
"Employee receivables" includes bonuses paid in advance, subject to the employee remaining with the Group throughout the duration of the contract. The expense relating to these bonuses is recognised in the income statement on a straight-line basis over the life of the contract.
The Group's exposure to credit risk, foreigtn currency risk and interest rate risk on trade and other receivables is disclosed in Note 30.

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Non-current

CHF 000	2023	2022
Equities	1,627	1,627
Total	**1,627**	**1,627**

Current

CHF 000	2023	2022
Equities	3	10
Total	**3**	**10**

The Group's exposure to credit risk, foreign currency risk and interest rate risk on financial assets at fair value through profit or loss is disclosed in Note 30.

14 a) - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This item consists mainly of the following investments:

Non-current

CHF 000	2023	2022
The Depository Trust & Clearing Corporation	3,486	3,274
Other	185	2,067
Total	**3,671**	**5,341**

These unlisted equity investments are not held for trading. The Group irrevocably elected to present fair value changes in other comprehensive income.
The Group's exposure to credit risk, foreign currency risk and interest rate risk on financial assets at fair value through other comprehensive income is disclosed in Note 30.

14 b) - FINANCIAL ASSETS AT AMORTISED COST

Current

CHF 000	2023	2022
Bonds	17,303	-
Short-term bank deposits	11,294	25,838
Total	**28,597**	**25,838**

This item consists of short-term bank deposits and bonds with maturities of more than three months from the acquisition date. The Group's exposure to credit risk, foreign currency risk and interest rate risk on financial assets at amortised cost is disclosed in Note 30.

15 CASH AND CASH EQUIVALENTS

CHF 000	2023	2022
Cash on hand and demand deposits	220,784	277,898
Short-term bank deposits	93,844	27,073
Short-term money market investments	10,409	3,298
Cash and cash equivalents in the balance sheet	**325,037**	**308,269**
less: Bank overdrafts (Note 20)	-416	-1,853
Cash and cash equivalents in the cash flow statement	**324,621**	**306,416**

Cash on hand and demand deposits bear variable interest based on daily bank rates. Short-term bank deposits have maturities of between one day and three months depending on the Group's liquidity requirements, and bear interest at the bank rate prevailing during the respective periods.
The Group's exposure to credit risk, foreign currency risk and interest rate risk on cash and cash equivalents is disclosed in Note 30.

16 SHARE CAPITAL, TREASURY SHARES AND CONSOLIDATED RESERVES

Composition of share capital

Share capital at 31 December 2023 was CHF 19,365,963 (2022: CHF 19,135,962) consisting of 7,746,385 bearer shares (2022: 7,654,385 bearer shares) with a nominal value of CHF 2.50.
Following the conversion of subscription rights during the period, 92,000 new Compagnie Financière Tradition SA shares were issued at a price of CHF 2.50 per share. This operation increased capital by CHF 230,000.
In 2022, 30,000 new shares were issued following the conversion of subscription rights, at an issue price of CHF 2.50 per share. That operation increased the share capital by CHF 75,000.

Major shareholders

Financière Vermeer NV, Amsterdam held 71.26% of the share capital of Compagnie Financière Tradition SA at 31 December 2023 (2022: 71.40%).
Financière Vermeer NV, Amsterdam, is wholly owned by VIEL & Cie, Paris, in which VIEL et Compagnie-Finance held a 62.52% interest at 31 December 2023 (2022: 61.99%).
Michael Leibowitz, Chief Operating Officer Americas and EMEA, held 3.23% of the share capital of Compagnie Financière Tradition SA at 31 December 2023 (2022: 3.76%).

Authorised capital

The Company's capital may be increased by up to CHF 5,758,328, (29.73% of the existing share capital), through the issuance of up to 2,303,331 new bearer shares with a nominal value of CHF 2.50. The Board of Directors will set the issue price and the date from which the new shares are to carry dividend rights. This authority is valid until 24 May 2024.
The Board of Directors is authorised to disapply or limit current shareholders' pre-emptive rights to enable acquisitions or equity investments. Subscription rights for which a pre-emptive right is granted but not exercised are available to the Board to be used in the Company's interest.

Conditional capital

The Company's share capital may be increased by up to CHF 1,875,845, (9.68% of the existing share capital), through the issuance of up to 750,338 bearer shares with a nominal value of CHF 2.50. The increase will be effected through the exercise of a pre-emptive subscription right by Company employees. The pre-emptive rights of existing shareholders will be disapplied. The conditions for employee participation will be defined by the Board of Directors. The characteristics of share options granted to Company employees are disclosed in Note 19.
In addition, the Board of Directors may decide to increase share capital by up to CHF 3,600,000, (18.58% of the existing share capital), through the issuance of up to 1,440,000 bearer shares with a nominal value of CHF 2.50. The new shares will be fully paid-up. The increase will be effected as follows:

- up to CHF 2,500,000 through the exercise of a conversion right, granted in relation to the Company's issuance of bonds or similar convertible debt securities on national and international capital markets. The pre-emptive rights of existing shareholders will be disapplied. The terms and conditions of issue of such borrowings will be defined by the Board of Directors, with a conversion option based on an issue price that will not be less than the average market price during the twenty days preceding the issue. Shareholders' pre-emptive right to subscribe such borrowings will be disapplied. Conversion rights must be exercised within five years of the issue date, after which they expire.
- Up to CHF 1,100,000 through the exercise of stand-alone options granted free of charge to shareholders pro rata to their existing holdings of share capital. The terms and conditions for allotting and exercising share options by shareholders or future option holders (transferrable options) will be defined by the Board of Directors.

Holders of conversion rights and/or options may subscribe new shares.

Treasury shares

	Carrying amount *CHF 000*	Acquisition or redemption price *CHF 000*	Number of shares *of CHF 2.50 nominal*
At 1 January 2022	**12,544**	**12,544**	**142,555**
Acquisitions	18,168	18,168	172,991
Disposals	-298	-384	-3,502
Share distribution	-6,887	-7,676	-72,416
Realised gains	-	875	-
At 31 December 2022	**23,527**	**23,527**	**239,628**
Acquisitions	12,058	12,058	105,179
Disposals	-294	-395	-3,402
Share distribution	-7,781	-8,355	-73,290
Realised gains	-	675	-
At 31 December 2023	**27,510**	**27,510**	**268,115**

In 2023, a net gain of CHF 455,000 (2022: CHF 634,000) in connection with the distribution of treasury shares was recognised as share premium under equity.

Consolidated reserves

An analysis of this item is shown below:

CHF 000	Retained earnings	Reserve for share options	Revaluation reserve	Actuarial gains and losses of defined benefit schemes	**Consolidated reserves**
At 1 January 2022	**564,926**	**8,594**	**1,418**	**-9,417**	**565,521**
Net profit for the year	89,111	-	-	-	**89,111**
Remeasurement of defined benefit schemes	-	-	-	5,455	**5,455**
Effect of remeasurement of financial assets at fair value through other comprehensive income	-	-	339	-	**339**
Comprehensive income for the year	**89,111**	**-**	**339**	**5,455**	**94,905**
Dividends paid	-41,481	-	-	-	**-41,481**
Exercise of share options	22	-348	-	-	**-326**
Effect of recognition of share options	600	1,125	-	-	**1,725**
At 31 December 2022	**613,178**	**9,371**	**1,757**	**-3,962**	**620,344**
Net profit for the year	94,419	-	-	-	**94,419**
Remeasurement of defined benefit schemes	-	-	-	-2,929	**-2,929**
Effect of remeasurement of financial assets at fair value through other comprehensive income	-	-	-1,321	-	**-1,321**
Comprehensive income for the year	**94,419**	**-**	**-1,321**	**-2,929**	**90,169**
Dividends paid	-49,031	-	-	-	**-49,031**
Exercise of share options	718	-1,816	-	-	**-1,098**
Effect of recognition of share options	1,660	4,729	-	-	**6,389**
At 31 December 2023	**660,944**	**12,284**	**436**	**-6,891**	**666,773**

The share options reserve is used to recognise the fair value of own equity instruments granted to Group employees (Note 19). At each exercise of share options, the value of the instruments is transferred from this reserve to the share premium account.
The revaluation reserve comprises net cumulative changes in the fair value of financial assets at fair value through other comprehensive income. On disposal of these instruments, the net cumulative changes in fair value up to the time of disposal are reclassified to available earnings under shareholders' equity.
The currency translation reserve comprises foreign exchange differences arising from the translation into Swiss francs of the financial statements of Group companies denominated in foreign currencies, as well as changes in fair value of instruments used in hedging net investments in foreign entities. It is shown separately in the Consolidated statement of changes in equity.
The reserve for actuarial gains and losses of defined benefit schemes is used to recognise changes in long-term assumptions and any differences between the assumptions and the actual changes in those schemes (Note 22).

Other comprehensive income

An analysis of this item is shown below:

CHF 000	Attributable to shareholders of the parent				Non-controlling interests	Total
	Currency translation	Revaluation reserve	Actuarial gains and losses of defined benefit schemes	**Total**		
2023						
Other comprehensive income that cannot be reclassified to profit or loss						
Financial assets at fair value through other comprehensive income	-	-1,321	-	**-1,321**	-	**-1,321**
Remeasurement of defined benefit schemes	-	-	-2,929	**-2,929**	-	**-2,929**
Total other comprehensive income that cannot be reclassified to profit or loss	**-**	**-1,321**	**-2,929**	**-4,250**	**-**	**-4,250**
Other comprehensive income that may be reclassified to profit or loss						
Currency translation	-56,729	-	-	**-56,729**	-2,039	**-58,768**
Share of other comprehensive income of associates	-48	-	-	**-48**	-	**-48**
Total other comprehensive income that may be reclassified to profit or loss	**-56,777**	**-**	**-**	**-56,777**	**-2,039**	**-58,816**
Other comprehensive income, net of tax	**-56,777**	**-1,321**	**-2,929**	**-61,027**	**-2,039**	**-63,066**

CHF 000	Attributable to shareholders of the parent				Non-controlling interests	Total
	Currency translation	Revaluation reserve	Actuarial gains and losses of defined benefit schemes	**Total**		
2022						
Other comprehensive income that cannot be reclassified to profit or loss						
Financial assets at fair value through other comprehensive income	-	339	-	**339**	-	**339**
Remeasurement of defined benefit schemes	-	-	5,455	**5,455**	7	**5,462**
Total other comprehensive income that cannot be reclassified to profit or loss	**-**	**339**	**5,455**	**5,794**	**7**	**5,801**
Other comprehensive income that may be reclassified to profit or loss						
Currency translation	-31,394	-	-	**-31,394**	-995	**-32,389**
Share of other comprehensive income of associates	-280	-	-	**-280**	-	**-280**
Total other comprehensive income that may be reclassified to profit or loss	**-31,674**	**-**	**-**	**-31,674**	**-995**	**-32,669**
Other comprehensive income, net of tax	**-31,674**	**339**	**5,455**	**-25,880**	**-988**	**-26,868**

17 NON-CONTROLLING INTERESTS

Financial information on subsidiaries and other companies with significant non-controlling interests
Summary financial information, before eliminating intercompany balances and transactions, for companies in which the Group held a significant non-controlling interest is presented below.

At 31 December 2023:
The Group's energy business is conducted through several companies which are grouped under "Tradition Energy" (in the US), in the table below:

CHF 000	Tradition Energy	Other companies	**Total**
Place of business	**Stamford**		
Percentage holding in non-controlling interests	**40.0%[1]**		
Non-current assets	1,545		
Current assets	70,602		
Non-current liabilities	820		
Current liabilities	28,505		
Net assets	42,822		
Carrying amount value of non-controlling interests	**17,454**	**3,453**	**20,907**
Revenue	57,740		
Net profit/comprehensive income for the year	12,151		
Share in the net profit/comprehensive income attributable to non-controlling interests:	**4,948**	**1,688**	**6,636**
Net operating cash flows	13,208		
Net investing cash flows	-4		
Net financing cash flows (excl. dividends paid to non-controlling interests)	-5,887		
Dividends paid to non-controlling interests	-4,195		
Movement in cash and cash equivalents	**3,122**		

1) In addition, 2.5% of the share capital is held through non-voting shares.

In early 2023, a number of structural and governance changes were implemented at certain companies grouped under "Tradition-ICAP", which impacted non-controlling interests. Additional information is disclosed in Note. 31.

At 31 December 2022:
The Group's currency options and energy activities are conducted through several companies which are grouped under "Tradition-ICAP" and "Tradition Energy" (in the US) respectively in the table below:

CHF 000	Tradition-ICAP	Tradition Energy	Other companies	**Total**
Place of business	**London, New York, Singapore**	**Stamford**		
Percentage holding in non-controlling interests	**50.0%**	**40.0%[1]**		
Non-current assets	1,464	1,790		
Current assets	40,316	72,747		
Non-current liabilities	2,332	916		
Current liabilities	10,003	28,578		
Net assets	29,445	45,043		
Carrying amount value of non-controlling interests	**4,834**	**18,454**	**2,424**	**25,712**
Revenue	56,861	57,938		
Net profit/comprehensive income for the year	9,758	12,461		
Share in the net profit/comprehensive income attributable to non-controlling interests:	**1,625**	**5,022**	**1,660**	**8,307**
Net operating cash flows	3,417	8,835		
Net investing cash flows	-121	-420		
Net financing cash flows (excl. dividends paid to non-controlling interests)	-719	-5,330		
Dividends paid to non-controlling interests	-2,553	-3,591		
Movement in cash and cash equivalents	**24**	**-506**		

[1] In addition, 2.5% of the share capital is held through non-voting shares.

18 DIVIDENDS

Dividends are not recognised until after they have received shareholder approval at the General Meeting. The Board of Directors is recommending the following dividend:

CHF 000	2023	2022
Dividend of CHF 6.0 per share for the 2023 financial year (2022: CHF 5.5 per share)*	44,870	49,031

*Excluding treasury shares.

The dividend for 2022, totalling CHF49,031,000, was paid on 3 June 2023 in accordance with the General Meeting resolution of 25 May 2023, as follows:

CHF 000	
Payment in shares	8,355
Cash payment	40,676
Total	**49,031**

19 SHARE-BASED PAYMENTS

An analysis of share options granted to employees of the Tradition Group at 31 December 2023 is shown below:

Grant date	Number of options of CHF 2.50 nominal	Potential increase in capital (CHF)	Start of exercise period [1]	Expiration date	Exercise price (CHF)	Exercise terms [2] (CHF)
05.01.18	10,000	25,000	01.02.21	01.02.26	2.50	115.00
30.08.18	12,000	30,000	01.09.21	01.09.26	2.50	120.00
20.11.18	50,000	125,000	20.11.21	20.11.26	2.50	120.00
28.11.18	18,000	45,000	6,000 from 01.12.21 6,000 from 01.12.22 6,000 from 01.12.23	01.12.26	2.50	110.00
06.06.19	58,000	145,000	01.06.22	01.06.27	2.50	120.00
13.01.20	20,000	50,000	13.01.23	13.01.28	2.50	114.00
07.04.20	22,500	56,250	07.04.23	07.04.28	2.50	125.00
01.07.20	50,000	125,000	01.07.23	01.07.28	2.50	125.00
08.04.21	22,500	56,250	08.04.24	08.04.29	2.50	130.00
31.08.21	11,000	27,500	5,000 from 31.08.2024 3,000 from 31.08.2025 3,000 from 31.08.2026	31.08.29	2.50	110.00
10.09.21	5,000	12,500	10.09.24	10.09.29	2.50	120.00
14.04.22	20,000	50,000	14.04.25	14.04.30	2.50	120.00
24.06.22	8,000	20,000	2,000 from 24.06.2024 2,000 from 24.06.2025 2,000 from 24.06.2026 2,000 from 24.06.2027	24.06.30	2.50	110.00
28.07.22	7,000	17,500	28.07.25	28.07.30	2.50	120.00
30.08.22	60,000	150,000	20,000 from 01.10.2023 20,000 from 01.10.2024 20,000 from 01.10.2025	01.10.28	2.50	112.00
06.01.23	103,000	257,500	52,000 from 06.01.2024 51,000 from 06.07.2024	27.07.29	2.50	112.00
25.01.23	10,000	25,000	25.01.26	25.01.31	2.50	125.00
03.02.23	24,000	60,000	03.02.26	03.02.31	2.50	120.00
Total	**511,000**	**1,277,500**				

Exercise terms
[1] The options granted may only be exercised by employees of the Group.
[2] The share price must have been above these thresholds for 10 consecutive days in the 12 months preceding the exercise date.

Compagnie Financière Tradition SA granted 189,000 share options to Group employees in 2023 (2022: 97,000 options).
The fair value of options granted or changes made is determined at the grant date or change date using a valuation method that takes account of the general vesting characteristics and conditions prevailing at that date.

The following valuation parameters, based on historical observations, were used to determine the fair value of options granted:

Weighted averages	2023	2022
Dividend yield	5.0%	5.0%
Expected volatility	15.5%	15.5%
Risk-free interest rate	0.5%	0.5%
Share price on the grant date (in CHF)	104.5	105.1

In 2023, the weighted average fair value of options at the grant date was CHF 21.8 (2022: CHF 19.7).
An analysis of the number and weighted average exercise price of employee share options is shown below:

	2023		2022	
	Weighted average exercise price (CHF)	Number of options	Weighted average exercise price (CHF)	Number of options
Outstanding at start of the year	**2.50**	**412,000**	**2.50**	**317,000**
Granted	2.50	189,000	2.50	97,000
Exercised*	2.50	-90,000	2.50	-2,000
Outstanding at end of the year	**2.50**	**511,000**	**2.50**	**412,000**
Exercisable at end of the year	2.50	68,000	2.50	29,000

* The weighted average share price at the exercise date in 2023 was CHF 117.0 (2022: CHF 105.0).

Options exercised only entitle holders to delivery of the shares. The cost of share-based payments in 2023 was CHF 4,729,000 (2022: CHF 1,125,000).

20 FINANCIAL DEBTS

CHF 000	2023	2022
Short-term		
Bank overdrafts	416	1,853
Bank borrowings	–	8,000
Total	**416**	**9,853**
Long-term		
Bond issues	209,553	209,376
Total	**209,553**	**209,376**
Total dettes financières	**209,969**	**219,229**

Movements in financial debts from financing activities presented in the cash flow statement were as follows:

CHF 000	1.1.23	Changes arising from cash flows	Non-cash changes		31.12.23
			Other movements	Currency translation	
Short-term					
Bank borrowings	8,000	-8,000	-	-	**-**
Total	**8,000**	**-8,000**	**-**	**-**	**-**
Long-term					
Bond issues	209,376	-	177	-	**209,553**
Total	**209,376**	**-**	**177**	**-**	**209,553**

CHF 000	1.1.22	Changes arising from cash flows	Non-cash changes		31.12.22
			Other movements	Currency translation	
Short-term					
Bank borrowings	-	8,000	-	-	**8,000**
Bond issues	109,923	-110,000	77	-	**-**
Total	**109,923**	**-102,000**	**77**	**-**	**8,000**
Long-term					
Bond issues	209,200	-	176	-	**209,376**
Total	**209,200**	**-**	**176**	**-**	**209,376**

An analysis of bond issues is shown below:

Issuer	Year of issue and maturity	Outstanding face value CHF 000	Coupon	Effective interest rate	Carrying amount CHF 000	
					31 December 2023	31 December 2022
Compagnie Financière Tradition SA	2021-2027	CHF 80,000	1.875%	1.980%	79,723	79,654
Compagnie Financière Tradition SA	2019-2025	CHF 130,000	1.750%	1.850%	129,830	129,722
TOTAL					**209,553**	**209,376**

Compagnie Financière Tradition had available credit facilities of CHF 174,514,0000 at 31 December 2023 (2022: CHF 174,770,000). None of these had been drawn down at 31 December 2023 (2022: CHF 8,000,000 drawn down). The Group's exposure to liquidity risk, foreign currency risk and interest rate risk on financial debts is disclosed in Note 30.

21 PROVISIONS AND CONTINGENT LIABILITIES

An analysis of provisions is shown below:

CHF 000	Pensions and post-employment benefits	Litigation	Total
At 1 January 2022	**26,274**	**12,923**	**39,197**
Of which amount to be settled within 12 months		*12,910*	***12,910***
Reclassifications	-	409	**409**
Recognised	2,595	116	**2,711**
Used	-1,409	-	**-1,409**
Reversed	-21	-	**-21**
Remeasurement of defined benefit schemes	-6,461	-	**-6,461**
Currency translation	-1,784	-1,252	**-3,036**
At 31 December 2022	**19,194**	**12,196**	**31,390**
Of which amount to be settled within 12 months	-	*11,658*	***11,658***
Reclassifications	-	-	**-**
Recognised	3,390	324	**3,714**
Used	-133	-206	**-339**
Reversed	-	-6,150	**-6,150**
Remeasurement of defined benefit schemes	3,421	-	**3,421**
Currency translation	-2,582	-193	**-2,775**
At 31 December 2023	**23,290**	**5,971**	**29,261**
Of which amount to be settled within 12 months		*5,327*	***5,327***

Pensions and post-employment benefits

Provisions for pensions and post-employment benefits are recognised in the balance sheet to cover the Group's obligations arising under defined benefit schemes and other long-term employee benefits. Details of these liabilities are disclosed in Note 22.

Litigation

A Group subsidiary in the United Kingdom is a defendant in civil proceedings brought at the end of 2017 by five English companies in liquidation as well as the liquidators of these companies.
The subsidiary vigorously defended itself and was successful in dismissing all the claims by three of the companies and some of the claims by the other two companies. Certain matters were then referred to the English Court of Appeal where the subsidiary secured further successes. A question of law remains in respect of which leave to appeal to the UK Supreme Court has been granted. In the light of these developments, the provision was reviewed to reflect the best estimate of the cash outflow that would be required to settle the dispute. The provisioned amount was included under short-term provisions at 31 December 2023.

22 EMPLOYEE BENEFITS

The retirement benefits of most Compagnie Financière Tradition employees are insured under defined contribution schemes. Contributions to these schemes are recognised as an expense when they are incurred. Any amounts payable at the end of the period are presented under "Trade and other payables".
Defined benefit schemes are confined mainly to Group employees based in Switzerland.
Swiss based employees are insured with the employer's occupational benefits institution for retirement, death and disability cover. This occupational benefits institution is established as a foundation. It manages retirement risk itself while reinsuring death and disability risks with an insurance company. Retirement benefits are defined on the basis of the individual's retirement savings account balance (retirement savings capital) at the retirement date. The annual retirement pension is calculated by multiplying the retirement savings capital at the retirement date by the conversion rate defined in the foundation's pension plan rules. Employees may opt to take early retirement from age 58, in which case the conversion rate is reduced proportionally, to take account of the expected increase in the duration of pension payments and the lower retirement savings capital. Employees also have the option of taking all or part of their retirement pension in the form of a lump-sum payment.
The employer's ordinary contributions are expressed as a percentage of the pensionable salary (according to age) and are paid into the individual retirement accounts.
The investment policy of the occupational benefits institution aims at achieving a target return which, combined with contributions paid to the foundation, is sufficient to maintain reasonable control over the pension scheme's funding risks. The Pension Board, with the assistance of investment advisers, determines the asset class weightings and target allocations, which are reviewed periodically. The actual asset allocation is determined by a series of economic and market conditions and takes account of the specific risks of the asset classes.
The other long-term benefits mainly concern employees of the Group's subsidiaries in Japan, who can defer the payment of part of their remuneration until retirement age or until they leave the Company.
Provisions for pensions and post-employment benefits are broken down as follows:

CHF 000	2023	2022
Defined benefit schemes	8,443	5,137
Other long-term benefits	14,847	14,057
Total provisions for pensions and post-employment benefits	**23,290**	**19,194**

Expenses related to defined benefit and defined contribution schemes are presented under "Staff costs". In 2023, expenses for defined contribution schemes amounted to CHF 4,161,000 (2022: CHF 4,087,000).

Provisions for defined benefit schemes

Assets and liabilities recognised in the balance sheet

CHF 000	2023	2022
Present value of obligations	54,945	52,783
Fair value of plan assets	-46,502	-47,646
Net defined benefit scheme liabilities	**8,443**	**5,137**

Movements in the present value of obligations

CHF 000	2023	2022
Present value of obligations at 1 January	**52,783**	**61,024**
Of which funded obligations	*48,857*	*57,013*
Of which non-funded obligations	*3,926*	*4,011*
Current service cost	1,351	1,450
Financial cost	1,091	208
Actuarial (gains)/losses arising from experience adjustments	-672	799
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	5,191	-12,805
Employee contributions	1,006	973
Benefits paid	-5,537	1,050
Past service cost	-	138
Currency translation	-268	-54
Present value of obligations at 31 December	**54,945**	**52,783**
Of which funded obligations	*50,748*	*48,857*
Of which non-funded obligations	*4,197*	*3,926*

Movements in the fair value of plan assets

CHF 000	2023	2022
Fair value of plan assets at 1 January	**47,646**	**49,554**
Expected return on plan assets	1,016	139
Actuarial gains/(losses) arising from experience adjustments	1,098	-5,545
Employee contributions	1,006	973
Employer contributions	1,312	1,386
Benefits paid	-5,459	1,249
Administration costs	-73	-84
Currency translation	-44	-26
Fair value of plan assets at 31 December	**46,502**	**47,646**

The Group estimates that contributions to defined benefit schemes for 2024 will be CHF 1,270,000.

Fair value of asset classes as a percentage of total plan assets

In %	2023	2022
Equities	30.2%	28.6%
Bonds	25.9%	25.3%
Real estate	30.0%	28.6%
Insurance contracts	0.7%	0.8%
Cash and cash equivalents	5.2%	9.2%
Other	8.0%	7.5%
Total	**100.0%**	**100.0%**

Investments in stocks, bonds and real estate are mostly made through investment funds and the majority are listed on an active stock market. Most other investment categories are not listed on an active stock market.

Actuarial gains and losses of defined benefit schemes recognised in other comprehensive income

CHF 000	2023	2022
Actuarial gains(/losses) on plan liabilities	-5,191	12,805
Experience adjustments on plan liabilities	672	-799
Experience adjustments on plan assets	1,098	-5,545
Gain/(loss) on remeasurement of defined benefit schemes	**-3,421**	**6,461**

Expense recognised in the income statement

CHF 000	2023	2022
Current service cost	1,351	1,450
Past service cost	-	138
Net interest expense	75	68
Administration costs	73	84
Cost/(income) - defined benefit plans	**1,499**	**1,740**

CHF 000	2023	2022
Actual return on plan assets	2,114	-5,406

Main actuarial assumptions

In %	2023	2022
Discount rate	1.73%	2.44%
Future salary increases	1.90%	1.90%

Mortality tables
Life expectancy is taken into account in liabilities defined on the basis of mortality tables in the country in which the scheme operates. Generational tables, which model future mortality trends, were used at 31 December 2023 and 2022. In Switzerland, the LPP 2020 table was used.

Sensitivity analysis
The impact of an increase or decrease in the main actuarial assumptions on defined benefit scheme liabilities at 31 December 2023 and 2022 is presented below:

At 31 December 2023

CHF 000	Increase	Decrease
Discount rate (0.5% variation)	-3,373	3,826
Future salary increases (0.5% variation)	151	-151

At 31 December 2022

CHF 000	Increase	Decrease
Discount rate (0.5% variation)	-3,148	3,536
Future salary increases (0.5% variation)	145	-145

This analysis is based on the assumption that all other variables remain constant.

Duration of defined benefit obligations
The weighted average duration of the defined benefit obligation for Group employees in Switzerland was 15 years at 31 December 2023 (2022: 14 years).

23 TRADE AND OTHER PAYABLES

An analysis of this item is shown below:

CHF 000	2023	2022
Payables related to matched principal activities	46,557	106,461
Accrued liabilities	161,526	149,645
Related party payables (Note 27)	5,752	5,815
Other short-term liabilities	43,044	46,872
Total	**256,879**	**308,793**

The Group's exposure to liquidity risk, foreign currency risk and interest rate risk on trade and other payables is disclosed in Note 30.

24 TAX PAYABLES AND RECEIVABLES

Consolidated tax payables at 31 December 2023 amounted to CHF 13,298,000 (2022: CHF 11,162,000).
Tax receivables of CHF 5,580,000 at 31 December 2023 (2022: CHF 4,979,000) consisted mainly of tax instalments paid by Group companies.

25 DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of derivative financial instruments at 31 December is analysed below:

CHF 000	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	378	123	344	171
Currency swaps	7	6	157	161
Total	**386**	**129**	**501**	**332**

Derivative financial instruments entered into by the Group are not designated as hedging instruments in hedging relationships.

26 LEASES

The Group's leases mainly concern offices used by employees in connection with their business activities.

Right-of-use assets

At 31 December 2023

CHF 000	Buildings	Vehicles	Total
Net carrying amount at 1 January	**50 248**	**114**	**50,362**
Change in basis of consolidation	613	-	**613**
Additional assets	2 976	265	**3,241**
Depreciation and amortisation	-14 257	-87	**-14,344**
Currency translation	-3 291	-24	**-3,315**
Net carrying amount at 31 December	**36 289**	**268**	**36,557**

At 31 December 2022

CHF 000	Buildings	Vehicles	Total
Net carrying amount at 1 January	**47 258**	**-**	**47,258**
Change in basis of consolidation	100	-	**100**
Additional assets	18 340	162	**18,502**
Depreciation and amortisation	-14 629	-66	**-14,695**
Reclassifications	18	18	**36**
Currency translation	-839	-	**-839**
Net carrying amount at 31 December	**50 248**	**114**	**50,362**

Lease liabilities

CHF 000	2023	2022
Short-term		
Lease liabilities	13,668	15,739
Total	**13,668**	**15,739**
Long-term		
Lease liabilities	32,613	46,177
Total	**32,613**	**46,177**
Total lease liabilities	**46,281**	**61,916**

The Group's exposure to liquidity risk, foreign exchange risk and interest rate risk on lease liabilities is disclosed in Note 30.
Movements in lease liabilities from financing activities presented in the cash flow statement were as follows:

		Changes arising from cash flows	Non-cash changes		
CHF 000	1.1.23		Increase in lease liabilities	Currency translation	31.12.23
Lease liabilities	61,916	-15,169	3,704	-4,170	**46,281**
Total	**61,916**	**-15,169**	**3,704**	**-4,170**	**46,281**

		Changes arising from cash flows	Non-cash changes		
CHF 000	1.1.22		Increase in lease liabilities	Currency translation	31.12.22
Lease liabilities	60,785	-16,334	18,593	-1,128	**61,916**
Total	**60,785**	**-16,334**	**18,593**	**-1,128**	**61,916**

Other information on leases:

- Short-term lease related expenses for fiscal 2023 amounted to CHF 3,763,000 (2022: CHF 3,746,000).
- Interest expense on lease liabilities is presented in Note 4.
- The total cash outflow for leases amounted to CHF 18,728,000 in 2023 (2022: CHF 19,949,000).

27 RELATED PARTY TRANSACTIONS

Nature of duties of key management staff
Key management personnel consist of the members of the Group's Executive Board. Their duties encompass managing all operating teams across the Group's various geographical regions, and executive management functions.

Key management remuneration

CHF 000	2023	2022
Salaries and bonuses	13,186	18,272
Share options	4,118	688
Benefits in kind	8	22
Total	**17,312**	**18,982**

No compensation in the form of post-employment benefits, termination benefits, or payments in the form of other short- or long-term benefits were received by key management personnel in 2023 and 2022.
In 2023, 179,000 share options were granted to members of the Group's Executive Board (2022: 80,000 options). An expense of CHF 4,118,000 (2022: CHF 688,000) was recognised during the year in respect of share-based payments to key employees.

Related party receivables

CHF 000	2023	2022
Non-current		
Receivables from joint ventures	411	428
Receivables from key management personnel	5,246	5,880
Total	**5,657**	**6,308**
Current		
Receivables from associates	1,978	51
Receivables from joint ventures	4,370	7,123
Receivables from shareholder and related companies	1,402	1,642
Receivables from key management personnel	1,672	1,912
Total	**9,422**	**10,728**

Related party payables

CHF 000	2023	2022
Current		
Payables to associates	2	30
Payables to joint ventures	4,258	3,501
Payables to shareholder and related companies	1,492	2,284
Total	**5,752**	**5,815**

"Receivables from shareholder and associated companies" and "Payables to shareholder and associated companies" include all receivables and payables due to or by Compagnie Financière Tradition SA and its subsidiaries in respect of their ultimate majority shareholder, VIEL et Compagnie-Finance, Paris, and subsidiaries of that company.

Related party transactions
Compagnie Financière Tradition SA has a lease with a company owned by its ultimate shareholder. In 2023, the Group recognised an expense of CHF 770,000 in relation to the right of use of those premises (2022: CHF 770,000). The carrying amount of the lease liability was CHF 1,708,000 at 31 December 2023 (2022: CHF 2,467,000).
Compagnie Financière Tradition SA's defined benefits scheme in Switzerland is considered a related party (Note 22).

Consolidation of Compagnie Financière Tradition SA
Compagnie Financière Tradition SA is consolidated in the financial statements of VIEL & Cie, whose registered office is at 9, Place Vendône, 75001 Paris.

28 OFF-BALANCE SHEET OPERATIONS

Commitments to deliver and receive securities

CHF 000	2023	2022
Commitments to deliver securities	293,570,646	180,688,574
Commitments to receive securities	293,570,354	180,688,206

Commitments to deliver and receive securities reflect buy and sell operations on securities entered into before 31 December and closed out after that date, in connection with the matched principal activities of Group companies.

29 FINANCIAL RISK MANAGEMENT

The Group is exposed to three main types of financial risk

- credit and counterparty risk
- liquidity risk
- market risk

This note details the Group's exposure to each of these risk areas, its risk management objectives, policy and procedures, and the methods it uses to measure risk. No changes were made in the Group's approach to managing risk in 2023.
The Board of Directors is ultimately responsible for defining the Group's risk appetite, establishing risk management policies, and overseeing the Executive Board. It is assisted in these tasks by the Audit Committee, whose role is to oversee the internal control of financial reporting, risk management, and compliance with the laws and regulations. The Internal Audit department reviews the effectiveness of risk management procedure and internal controls, the results of which are reported to the Audit Committee.
The Risk Management department operates independently and reports directly to the Chair of the Board of Directors. It is responsible for identifying, assessing, mapping and monitoring the Group's risk exposure.
The Group achieves its strategic objectives by assuming risks. However, without appropriate limits, these risks could threaten its key resources, particularly its net profit, capital, liquidity and reputation. In the worst case, these risks could necessitate a capital increase, or even threaten the Group's existence.
The Group aims to efficiently deploy its capital in order to achieve an overall return in line with the risks to which it is exposed, maintain its continued financial viability, and prevent any excessive losses that would reduce its operating capability in the medium term.
This involves defining the Group's risk appetite or the amount of residual risk it would find acceptable after controls and other measures have been put in place.
The controls are designed to adequately manage identified significant risks and the Group ensures that decisions on new initiatives are not unduly influenced by business objectives and that risks are fully assessed in order to optimise loss avoidance. Where a significant accumulation of correlated risks is identified, it is reviewed and action is taken where necessary.
Senior management of subsidiaries must implement and maintain an appropriate infrastructure – including risk measurement, limits, rules, guidelines, independent decision-making, controls, oversight, tests and reports – to ensure compliance with the Group's risk appetite.

Credit and counterparty risk

Credit and counterparty risk represents the risk of financial loss when a customer or counterparty to a financial instrument fails to fulfil its obligations. This risk mainly concerns the item "Trade and other receivables".

Compagnie Financière Tradition SA is an interdealer broker in the financial and non-financial markets, serving a predominantly institutional clientele. This broking business consists of facilitating contact between two counterparties to a trade, and receiving a commission for services rendered. The Group's exposure to credit risk is therefore limited to its own claims in connection with these activities. The quality of counterparties is evaluated locally by subsidiaries in accordance with Group guidelines, and commission receivables are closely monitored. Provisions for impairment losses on receivables are recognised where necessary.

Some Group companies act as principal in the simultaneous purchase and sale of securities for the account of third parties. These trades are managed through clearing houses on the basis of cash against delivery of securities. The period between the transaction date and the settlement date is usually two days, during which Compagnie Financière Tradition SA is exposed to counterparty risk.

This risk is contained within the limits set by the Credit Committee. The Committee bases its decisions on the creditworthiness of the counterparty, taking into account ratings published by recognised bodies (External Credit Assessment Institutions (ECAI)), and available financial information (stock market prices, credit default swaps, yields in the secondary bond markets, etc.). Where no external rating is available, the Group calculates a rating using based on an internal methodology. In addition to the counterparty's rating, the type of instruments traded and their liquidity are also taken into account for determining the limit.

Compliance with set limits is monitored independently by the Group's Risk Management department, or by the risk management departments of the operating regions. The limits are reviewed regularly, at set frequencies or following events that could affect the creditworthiness of the counterparty or the environment in which it operates (country, type of sector, etc.). Exposure is mainly concentrated in regulated financial institutions, the majority of which have investment grade ratings.

The clearing itself is handled by specialised teams. It is conducted through Compagnie Financière Tradition SA's indirect subsidiary, Tradition London Clearing Ltd, which is the pivot for the Group's matched principal transactions for Europe and Asia. Tradition London Clearing Ltd. is responsible for following up trades introduced by the Group's operating entities until their final settlement in the clearing houses. Tradition Securities and Derivatives Inc., one of the Group's US subsidiaries, is responsible for settlement of all matched principal operations in the United States. This company is a member of the FICC (Fixed Income Clearing Corporation), a central settlement counterparty for US government securities. Membership in the FICC considerably reduces the risk of a counterparty default, since it guarantees settlement of all trades entering its net.

Liquidity risk

Liquidity risk arises when the Group encounters difficulty in meeting its financial obligations. For risk management purposes the Group separates this risk into two types – transactional liquidity risk and balance sheet liquidity risk.

Transactional liquidity risk concerns the Group's ability to meet cash flows related to matched principal trades or the requirements of market counterparties, for instance, the need to fund securities in the process of settlement or to place margin calls or collateral with clearing houses or banks which provide clearing services to the Group. These liquidity demands are hard to anticipate but are normally short term, overnight or even intra-day and are usually met from overdrafts with the clearing entity. In order to manage these risks the Group ensures that its subsidiaries engaged in matched principal trading hold cash or cash equivalents sufficient to meet potential funding requirements using a statistical approach based on historical data, which is stress tested to establish an appropriate level of contingency funding.

Balance sheet liquidity risk is the risk that a Group entity will be unable to meet its net working capital needs over a certain period of time due to trading difficulties or significant investments in the business. To manage this risk, the Group's main operating entities prepare rolling twelve-month cash flow forecasts as part of the monthly financial reporting process in order to identify any potential liquidity issues.

At the very least, all entities retain sufficient cash or cash equivalents to meet expected net cash outflows for the next three months.

Controls are carried out on a timely basis to identify funds which are surplus to local requirements for up-streaming to the Group's holding companies, where working capital or structural cash requirements are identified and addressed. At the holding company level, the Group has set up financing via bond issues and a credit facility (disclosed in Note 20) which strengthens its cash position and its ability to manage liquidity risks.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices and affect the Group's net profit or the value of its financial instruments. Market risk includes currency risk and interest rate risk.

The Group's international presence exposes it to currency risk. This risk arises when subsidiaries conduct transactions in a currency other than their functional currency. Transactions are conducted mainly in US dollars (USD), sterling (GBP), yen (JPY), euros (EUR) and Swiss francs (CHF).

Group policy for hedging this risk is not part of a long-term hedging policy. It is dealt with on a timely basis depending on economic trends and conditions, with the exception of the UK which has adopted a systematic approach to hedging the main foreign currencies through forward exchange contracts.

The Group has implemented a monthly process to monitor exposure to currency risk, to ensure that currency risk is kept to a minimum.

The Group's exposure to interest rate risk arises mainly from the structure of its financial debt. However, since the debt is mostly fixed rate, this risk is very marginal. Financial debt commitments within the Group must be approved by the Board of Directors.

Capital management

The Group's capital management strategy aims to maintain sufficient equity to ensure operating continuity and produce a return on investment for shareholders.

The Board of Directors monitors return on equity, which is defined as the ratio of net operating income to shareholders' equity, net of the share of non-controlling interests. The Board also monitors dividends paid to shareholders.

The Group manages the capital structure and adjusts it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

No changes were made in the Group's approach to managing capital in 2023.

Compagnie Financière Tradition SA is not subject to any externally imposed capital requirements. However, on the local level, the main Group subsidiaries are subject to capital requirements imposed by regulators in the countries concerned. Monitoring and compliance with regulatory directives are the responsibility of local compliance officers. All subsidiaries comply with regulatory requirements set by local regulators in the jurisdictions in which the subsidiaries operate.

30 FINANCIAL INSTRUMENTS

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the Group's maximum exposure to credit risk. The following table presents the Group's exposure to credit risk at 31 December:

CHF 000	2023	2022
Loans and receivables	261,896	343,754
Financial assets at amortised cost	28,597	25,838
Derivative financial instruments	386	501
Cash and cash equivalents	325,037	308,269
Unavailable cash and cash equivalents	29,595	31,561
Total	**645,511**	**709,923**

The Group is not exposed to significant concentrations of credit risk on financial assets, due to its broad geographical footprint and the number of counterparties.More than 90% of the Group's counterparty exposure consisted of investment grade counterparties (rated BBB-/Baa3 or higher) at 31 December 2023 and 2022.

Expected credit losses
An analysis of ageing of trade receivables and expected credit losses is shown below:

	2023		2022	
CHF 000	Gross value	Expected credit losses	Gross value	Expected credit losses
Not overdue	112,968	-4	122,192	-10
Overdue by less than 30 days	28,451	-7	28,901	-34
Overdue by 31 to 60 days	10,681	-28	11,631	-15
Overdue by 61 to 90 days	5,090	-16	8,215	-8
Overdue by 91 to 180 days	6,212	-20	8,709	-7
Overdue by more than 180 days	8,913	-1,714	7,252	-1,373
Total	**172,315**	**-1,789**	**186,900**	**-1,447**

Since the adoption of IFRS 9 Financial Instruments, the Group has applied a simplified approach for measuring expected credit losses over the life of brokerage receivables. An analysis is carried out by Group companies based on the ageing of trade receivables, taking into account historical default data and the current and foreseeable situation at the balance sheet date. Most customers are major financial institutions with good credit ratings.
An analysis of ageing of receivables related to matched principal activities and expected credit losses is shown below:

	2023			2022		
CHF 000	Gross value	Expected credit losses	Net value	Gross value	Expected credit losses	Net value
Overdue by less than 5 days	12,281	-	12,281	64,791	-	64,791
Overdue by 6 to 15 days	27,477	-	27,477	35,054	-	35,054
Overdue by 16 to 30 days	1,555	-	1,555	2,172	-	2,172
Overdue by 31 to 45 days	1,813	-	1,813	382	-	382
Overdue by more than 45 days	15,789	-12,445	3,344	23,196	-16,478	6,718
Total	**58,915**	**-12,445**	**46,470**	**125,595**	**-16,478**	**109,117**

These amounts represent transactions that remain unsettled after the contractual delivery dates and are caused mainly by counterparty delays in the settlement of securities. Based on analyses of historical loss data, the Group believes that no impairment of matched principal receivables is necessary. Most counterparties are major financial institutions with good credit ratings. Transactions are subject to appropriate credit limits, established on the basis of the creditworthiness of the counterparty.
However, the various sanctions and counter-sanctions taken in the wake of the Russian invasion of Ukraine on 24 February 2022 have made the standard settlement process significantly more complex and have negatively impacted the Group's technical ability to complete a number of transactions in rouble-denominated bonds. As a result, certain counterparties and particularly those subject to sanctions, may be unable to meet their settlement obligations in the foreseeable future, regardless of their creditworthiness. The probability of default has therefore been estimated at 100% for those trades where the Group has received the underlying securities against payment but is currently unable to settle the trades. Receivables related to these unsettled transactions amounted to CHF 14,653,000 at 31 December 2023 (2022: CHF 16,478,000).
In the event of a counterparty default, the cash flows that the Group expects to receive include receipts from the sale of the underlying securities and/or the cash flows associated with the securities themselves. In these transactions, the securities to be delivered consist of Russian government bonds that are listed locally on an active market. At 31 December 2023, the market value of these securities, which were received but not delivered, was close to the balance sheet value of the receivables. However, in view of the existing transfer restrictions and the uncertain access to the local market, both for the sale of the securities and the receipt of the associated cash flows, the Group considers that the securities cannot be valued on the balance sheet at 31 December 2023.
The provision for expected credit losses on receivables related to unsettled matched principal trades amounted to RUB 1,330,390,000, unchanged from the previous year, equivalent to CHF 12,445,000 at 31 December 2023 (2022: CHF 16,478,000).

Movements in the provision for expected credit losses is shown below:

At 31 December 2023

CHF 000	Trade receivables and related accounts	Receivables related to matched principal activities	Total
At 1 January 2023	**-1,447**	**-16,478**	**-17,925**
Reclassifications	-297	-	**-297**
Recognised	-382	-	**-382**
Used	90	-	**90**
Reversed	149	3,531	**3,680**
Currency translation	98	502	**600**
At 31 December 2023	**-1,789**	**-12,445**	**-14,234**

At 31 December 2022

CHF 000	Trade receivables and related accounts	Receivables related to matched principal activities	Total
At 1 January 2022	**-630**	**-**	**-630**
Reclassifications	-95	-	**-95**
Recognised	-985	-17,497	**-18,482**
Used	96	-	**96**
Reversed	91	-	**91**
Currency translation	76	1,019	**1,095**
At 31 December 2022	**-1,447**	**-16,478**	**-17,925**

During the period, an amount of CHF 17,950,000 was recognised in the income statement for expected credit losses in connection with sanctioned Russian counterparties. These expected losses concern receivables related to unsettled matched principal trades and brokerage receivables.

Liquidity risk

An analysis of remaining contractual maturities of financial liabilities, including estimated interest payments, is shown below:

31 December 2023

CHF 000	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Total
Bond issues	-	-	3,808	216,388	-	**220,196**
Lease liabilities	4,281	3,661	7,317	30,439	8,617	**54,315**
Trade and other payables	227,020	15,919	13,941	-	-	**256,880**
Derivative financial instruments	93	21	15	-	-	**129**
Short-term financial debts	416	-	-	-	-	**416**
Total	**231,810**	**19,601**	**25,081**	**246,827**	**8,617**	**531,936**

31 December 2022

CHF 000	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Total
Bond issues	-	-	3,796	219,984	-	**223,780**
Lease liabilities	4,415	4,590	8,648	40,107	14,404	**72,164**
Trade and other payables	280,839	14,630	13,324	-	-	**308,793**
Derivative financial instruments	313	19	-	-	-	**332**
Short-term financial debts	9,853	-	-	-	-	**9,853**
Total	**295,420**	**19,239**	**25,768**	**260,091**	**14,404**	**614,922**

Currency risk

Sensitivity analysis

The Group is exposed to transaction risk, particularly on the US dollar (USD), sterling (GBP), yen (JPY), euro (EUR) and Swiss franc (CHF).

The table below details the Group's sensitivity to a 10% change in a transaction currency compared with corresponding functional currencies. This analysis includes monetary assets and liabilities denominated in a currency other than the functional currency of the Group's entities, and adjusts their value at the end of the period for a 10% change in the exchange rate.

This analysis is based on the assumption that all other variables remain constant and has been prepared on the same basis as the previous financial year.

At 31 December, an appreciation of 10% in a transaction currency compared with other corresponding functional currencies would have increased/(decreased) net profit for the year as shown below, with no impact on equity:

31 December 2023

	Transaction currencies					
CHF 000	USD	GBP	EUR	CHF	Other currencies	Total
Functional currencies						
USD	-	-82	-3	-139	97	**-127**
GBP	1,533	-	1,433	-15	223	**3,174**
EUR	84	80	-	-12	197	**349**
CHF	2,492	122	-5	-	1,812	**4,421**
Other currencies	2,132	23	17	-386	-	**1,786**
Total	**6,241**	**143**	**1,442**	**-552**	**2,329**	**-**

31 December 2022

	Transaction currencies					
CHF 000	USD	GBP	EUR	CHF	Other currencies	Total
Functional currencies						
USD	-	-207	171	-38	182	**108**
GBP	1,229	-	1,666	8	1,490	**4,393**
EUR	203	217	-	-11	105	**514**
CHF	1,659	189	217	-	1,387	**3,452**
Other currencies	1,454	-39	22	-39	-	**1,398**
Total	**4,545**	**160**	**2,076**	**-80**	**3,164**	**-**

Interest rate risk

Profile

The profile of interest-bearing financial instruments at 31 December was as follows:

CHF 000	2023	2022
Fixed rate instruments		
Financial assets	89,062	68,775
Financial liabilities	-255,695	-279,188
Net	**-166,633**	**-210,413**
Variable rate instruments		
Financial assets	187,526	140,099
Financial liabilities	-7,207	-9,885
Net	**180,319**	**130,214**

Sensitivity analysis of cash flows for variable rate instruments
Variable rate financial assets and liabilities essentially consist of cash and cash equivalents and financial debts. Financial debts with variable interest rates expose the Group to cash flow interest rate risk.
A 50 bps increase in interest rates at 31 December would have increased/(decreased) net profit and equity by the amounts shown below. This analysis is based on the assumption that all other variables remain constant and has been prepared on the same basis as the previous financial year.

31 December 2023

CHF 000	Net profit	Equity
Net financial assets	902	-

31 December 2022

CHF 000	Net profit	Equity
Net financial assets	651	-

Fair value

The table below shows the carrying amount of financial assets and liabilities and their fair value measurement according to the corresponding hierarchy level.
Fair value is not shown for items where the carrying amount is a reasonable estimate of their fair value. The methods used to measure fair value are disclosed in the section on significant accounting policies.

At 31 December 2023

CHF 000	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	**Total**
Financial assets at fair value					
Financial assets at fair value through other comprehensive income	3,671	-	3,671	-	**3,671**
Financial assets at fair value through profit or loss	1,630	1,630	-	-	**1,630**
Derivative financial instruments	386	-	386	-	**386**
Total	**5,687**	**1,630**	**4,057**	**-**	**5,687**
Financial assets at amortised cost					
Unavailable cash	29,595				
Trade and other receivables	261,896				
Financial assets at amortised cost	28,597				
Cash and cash equivalents	325,037				
Total	**645,125**				
Total financial assets	**650,812**	**1,630**	**4,057**	**-**	**5,687**
Financial liabilities at fair value					
Derivative financial instruments	129	-	129	-	**129**
Total	**129**	**-**	**129**	**-**	**129**
Financial liabilities at amortised cost					
Long-term bonds	209,553	210,125	-	-	**210,125**
Long-term lease liabilities	32,613				
Short-term financial debts:					
Bank overdrafts	*416*				
Short-term lease liabilities	*13,668*				
Trade and other payables	256,879				
Total	**513,129**	**210,125**	**-**	**-**	**210,125**
Total financial liabilities	**513,258**	**210,125**	**129**	**-**	**210,254**

At 31 December 2022

CHF 000	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	**Total**
Financial assets at fair value					
Financial assets at fair value through other comprehensive income	5,341	-	5,341	-	**5,341**
Financial assets at fair value through profit or loss	1,637	1,637	-	-	**1,637**
Derivative financial instruments	**501**	**-**	**501**	**-**	**501**
Total	**7,479**	**1,637**	**5,842**	**-**	**7,479**
Financial assets at amortised cost					
Unavailable cash	31,561				
Trade and other receivables	343,754				
Financial assets at amortised cost	25,838				
Cash and cash equivalents	308,269				
Total	**709,422**				
Total financial assets	**716,901**	**1,637**	**5,842**	**-**	**10,777**
Financial liabilities at fair value					
Derivative financial instruments	332	-	332	-	**332**
Total	**332**	**-**	**332**	**-**	**332**
Financial liabilities at amortised cost					
Long-term bonds	209,376	204,950	-	-	**204,950**
Long-term lease liabilities	46,177				
Short-term financial debts:					
Bank borrowings	*8,000*				
Bank overdrafts	*1,853*				
Short-term lease liabilities	*15,739*				
Trade and other payables	308,793				
Total	**589,938**	**204,950**	**-**	**-**	**204,950**
Total financial liabilities	**590,270**	**204,950**	**332**	**-**	**205,282**

31 BASIS OF CONSOLIDATION

The table below shows the main consolidated companies, the percentage interests held directly or indirectly, and the method of consolidation used for each company. All companies are active in the financial field unless otherwise stated.

Country		**New companies**	**Controlling interest**	**Equity interest**	**Capital in thousands**	**Method FCM/EM**
Switzerland	COMPAGNIE FINANCIÈRE TRADITION SA				CHF 19,366	Consolidating company
Europe, Middle East and Africa						
South Africa	Tradition Data Analytics Services (Pty) Ltd, Fourways		100.0	100.0	ZAR n/s	IG
	Tradition Government Bond Brokers and Derivative Brokers (Pty) Ltd, Johannesburg		100.0	100.0	ZAR 1,000	IG
	TFS Securities (Pty) Ltd, Johannesburg		100.0	100.0	ZAR 1,000	IG
Germany	Finacor Deutschland GmbH, Francfort		100.0	100.0	EUR 6,050	IG
	Tradition Financial Services GmbH, Francfort		27.5	27.5	EUR 75	MEE
Belgium	Finacor & Associés S.A., Bruxelles		100.0	99.9	EUR 1,967	IG
United Arab Emirates	Tradition Dubai Ltd, Dubai		100.0	100.0	USD 450	IG
Spain	C.M. Capital Markets Holding S.A., Madrid		32.4	32.4	EUR 379	MEE
	Tradition Financial Services España, S.V. S.A., Madrid, et succursales de Amsterdam et Varsovie		100.0	100.0	EUR 750	IG
France	Carax SA, Paris		90.9	90.9	EUR 1,320	IG
	Tradition Securities And Futures S.A., Paris, et succursales de Genève, Londres, Madrid et Milan		99.9	99.9	EUR 11,486	IG
	TSAF OTC S.A., Paris		100.0	99.9	EUR 4,836	IG
	Elixium SA, Paris		100.0	100.0	EUR 37	IG
Israel	TFS Israël (Brokers) Ltd, Tel Aviv		80.0	80.0	ILS 2,778	IG
Italy	Tradition Italia S.R.L., Milan		100.0	100.0	EUR 50	IG
Luxembourg	Tradition Luxembourg S.A., Luxembourg		100.0	100.0	EUR 11,321	IG
Monaco	Carax Monaco S.A.M, Monaco		100.0	100.0	EUR 300	IG
Netherlands	Starfuels B.V., Rotterdam	*	100.0	100.0	EUR 18	IG
United Kingdom	Tradition UK Holdings Ltd, Londres[1)]		100.0	100.0	GBP 100	IG
	Tradition (UK) Ltd, Londres		100.0	100.0	GBP 49,300	IG
	Tradition Financial Services Ltd, Londres		100.0	100.0	GBP 15,250	IG
	TFS Derivatives Ltd, Londres		100.0	100.0	GBP 17,700	IG
	TFS-ICAP Ltd, Londres		51.0	27.5	GBP 20	MEE
	Tradition London Clearing Ltd, Londres		100.0	100.0	GBP 28,500	IG
	Trad-X (UK) Ltd, Londres		100.0	100.0	GBP 200	IG
	ParFX (UK) Ltd, Londres		100.0	100.0	GBP n/s	IG
	Tradition Management Services Ltd, Londres 2)		100.0	100.0	GBP n/s	IG

Country		New companies	Controlling interest	Equity interest	Capital in thousands	Method FCM/EM
Switzerland	Tradition Service Holding SA, Lausanne [1]		100.0	100.0	CHF 21,350	IG
	Trad-X Holding SA, Lausanne [1]		100.0	100.0	CHF 100	IG
	ParFX Holding SA, Lausanne [1]		100.0	100.0	CHF 100	IG
	Tradition S.A., Lausanne, et succursales de Zürich et de Genève		100.0	100.0	CHF 450	IG
	Finarbit AG, Küsnacht		100.0	100.0	CHF 1,500	IG
	Gottex Brokers SA, Lausanne		49.0	49.0	CHF 360	MEE
	TFS SA, Lausanne [1]		100.0	100.0	CHF 100	IG
	Tradificom International SA, Lausanne [2]		100.0	100.0	CHF 200	IG
Americas						
Argentina	Tradition Argentina S.A., Buenos Aires		100.0	100.0	ARS 1,546	IG
Chile	Tradition Chile S.A., Santiago		100.0	100.0	CLP 476,805	IG
Colombia	Tradition Securities Colombia S.A., Bogota		100.0	100.0	COP 200,000	IG
	Tradition Colombia S.A., Bogota		100.0	100.0	COP 90,000	IG
United States	Tradition America Holdings Inc., New York [1]		100.0	100.0	USD 500	IG
	Bonds.com., New York		100.0	100.0	USD n/s	IG
	Tradition Americas LLC, New York		100.0	100.0	USD 500	IG
	Tradition SEF LLC, New York		100.0	100.0	USD n/s	IG
	Tradition Securities and Derivatives LLC, New York		100.0	100.0	USD 5	IG
	Trad-X US LLC, New York		100.0	100.0	USD n/s	IG
	TFS Derivatives Corp. LLC, New York		100.0	100.0	USD 95	IG
	TFS-ICAP LLC, New York		51.0	27.5	USD n/s	MEE
	TFS Energy LLC, Stamford		57.5	57.5	USD n/s	IG
	TFS Energy Futures LLC, Stamford		100.0	57.5	USD n/s	IG
	TFS Energy Solutions LLC, Stamford		60.0	60.0	USD n/s	IG
	Starfuels Holdings LLC[1]	*	100.0	100.0	USD n/s	IG
	Starfuels Inc	*	100.0	100.0	USD n/s	IG
	Starfuels Puerto Rico LLC	*	100.0	100.0	USD n/s	IG
	StreamingEdge.com Inc., New Jersey [2]		80.0	80.0	USD n/s	IG
Mexico	Tradition Services S.A. de C.V., Mexico		100.0	100.0	MXN 50	IG

Country		New companies	Controlling interest	Equity interest	Capital in thousands	Method FCM/EM
Asia-Pacific						
Australia	Tradition Australia Pty Ltd, Sydney		100.0	100.0	AUD n/s	IG
	TFS Australia Pty Ltd, Sydney		100.0	100.0	AUD 5	IG
	The Renewable Energy Hub Pty Ltd, Sydney		44.8	44.8	AUD 1,434	MEE
China	Tradition (Asia) Ltd, Hong Kong		100.0	100.0	HKD 25,001	IG
	TFS Derivatives HK Ltd, Hong Kong		100.0	100.0	HKD 65,200	IG
	Ping An Tradition International Money Broking Company Ltd, Shenzhen		33.0	33. 0	CNY 50,000	MEE
South Korea	Tradition Korea Ltd, Séoul		100.0	100.0	KRW 5,000,000	IG
India	Derivium Tradition Securities (India) Private Limited, Mumbai		50.0	50.0	INR 24,375	MEE
Indonesia	PT Tradition Indonesia, Jakarta		98.0	98.0	IDR 5,000,000	IG
Japan	Tradition Nihon Ltd, Tokyo		100.0	100.0	JPY 300,000	IG
	Tradition Japan FX Holdings Ltd, Tokyo[1]		100.0	100.0	JPY 500	IG
	Gaitame.com Co., Ltd, Tokyo		50.0	50.0	JPY 801,354	MEE
	Ueda Tradition Holdings Ltd, Tokyo[1]		60.0	60.0	JPY 1,000	IG
	Ueda Tradition Derivative Ltd, Tokyo		100.0	60.0	JPY 5,000	IG
	Ueda Tradition Securities Ltd, Tokyo		100.0	60.0	JPY 3,273,000	IG
New Zealand	Tradition Kiwi Brokers Ltd, Wellington		100.0	100.0	NZD 2,676	IG
Philippines	Tradition Financial Services Philippines Inc., Makati		100.0	100.0	PHP 515,000	IG
Singapore	Tradition Singapore (Pte) Ltd, Singapour		100.0	100.0	SGD 300	IG
	TFS Currencies Pte Ltd, Singapour		100.0	100.0	USD 700	IG
	Tradition Asia Pacific (Pte) Ltd, Singapour [1]		100.0	100.0	SGD n/s	IG
	Starfuels Pte Ltd, Singapour	*	100.0	100.0	SGD 1,147	IG
Thailand	Tradition Brokers (Thailand) Ltd, Bangkok		100.0	71.0	THB 12,000	IG
	Tradition Siam (Brokers) Ltd, Bangkok		100.0	71.0	THB 5,000	IG
	Tradition Fixed Income Co Ltd, Bangkok		100.0	71.0	THB 1,000	IG

[1] Holding company
[2] Service company

FCM: Full consolidation method
EM: Equity method

Changes in the basis of consolidation

The following changes were made in the basis of consolidation during the period, among several other insignificant changes.

Starfuels

On 25 January 2023, the Group increased its holding in the operating subsidiaries of Starfuels SA to 100%. Starfuels SA is a joint venture in which the Group previously held a 40% interest, accounted for using the equity method. The acquisition will enable the Group to expand its activity in the energy sector and generate synergies in terms of business processes. The fair value of previously held equity investments was estimated at about CHF 6,500,000 while the fair value of the consideration, transferred in cash, was CHF 4,337,000. This operation resulted in recognition of goodwill of CHF 7,343,000 (Note 8).

Tradition-ICAP

The currency options business is conducted mainly out of London, New York and Singapore through several companies which are grouped under the heading "Tradition-ICAP". The Group has a 27.5% ownership interest in operating companies in London and New York via holding companies in which it holds 55% of the share capital but exercises joint control under a contractual agreement with the partner.

A number of structural and governance changes were introduced in these London and New York companies earlier in the year, particularly with regard to the composition of the Board of Directors and the appointment of Board members. These changes resulted in a change in the method of consolidating the companies within the jointly controlled holding companies, which impacted investments in joint ventures and non-controlling interests in an amount of CHF 4,780,000 (Notes 9 and 17 respectively).

3

COMPANY FINANCIAL STATEMENTS

136> <149

STATUTORY AUDITOR'S REPORT

Statutory Auditor's Report to the General Meeting of Compagnie Financière Tradition SA, Lausanne.
Report on the Audit of the Financial Statements.

Opinion

We have audited the financial statements of Compagnie Financière Tradition SA (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 142 to 149) comply with Swiss law and the Company's articles of incorporation.

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, together with 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.

Key Audit Matters

VALUATION OF EQUITY INVESTMENTS

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

VALUATION OF EQUITY INVESTMENTS

Key Audit Matter

Equity investments amounted to CHF 126.9 million as at 31 December 2023 arising mainly from Tradition Service Holding SA (CHF 105.2 million).
Equity investments are valued at a maximum of the acquisition cost less necessary value adjustments, considering the general principle of individual valuation. Annually, management carries out an impairment test of equity investments with indications of possible impairment.
Due to the significance of the equity investments and the inherent uncertainty in determining the value in use, this is deemed to be a significant area of judgment.

Our response

Our procedures included, amongst others, assessing the process used to identify equity investments with indications of possible impairment.
For a sample of such equity investments, we performed the following audit procedures:

- evaluating the appropriateness of the valuation methods applied;
- verifying the underlying data and assumptions used by management to determine the value in use;
- comparing the value in use to the carrying amount;
- verifying the arithmetical accuracy of the impairment tests.

We also considered the appropriateness of disclosures in relation to equity investments in the financial statements.

For further information on the valuation of equity investments refer to the following:

- Note II.1 to the financial statements.

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 stand-alone financial statements of the Company, 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 incorporation, 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.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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.

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

Report on Other Legal and Regulatory Requirements

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

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

KPMG SA

Philippe Ruedin Licensed Audit Expert Auditor in Charge	**Philippine Bouvard** Licensed Audit Expert

Lausanne, 20 March 2024

INCOME STATEMENT

CHF 000	Notes	2023	2022
Income from equity investments		52,416	7,240
Other income		35,503	31,208
Financial income		7,876	5,514
Reversal of provision for impairment of equity investments		443	-
Reversal of provision for bad debts		176	-
Total income		**96,414**	**43,962**
Staff costs		-9,779	-8,711
Other expenses		-9,745	-9,111
Financial expenses		-8,303	-7,322
Provision for impairment of equity investments		-	-1,276
Provision for bad debts		-	-1,090
Depreciation and amortisation		-167	-144
Total expenses		**-27,994**	**-27,654**
Profit before tax		**68,420**	**16,308**
Income tax		-2,199	-1,255
Net profit for the year		**66,221**	**15,053**

BALANCE SHEET

CHF 000	Notes	31.12.2023	31.12.2022
ASSETS			
Current assets			
Cash and cash equivalents		3,952	4,900
Short-term receivables from Group companies		17,034	10,641
Short-term receivables from shareholders		222	503
Other short-term receivables		2,700	3,151
Prepayments and accrued income		1,786	2,130
Total current assets		**25,694**	**21,325**
Non-current assets			
Long-term receivables from Group companies			
(net of allowance of CHF 11,704,000 (31.12.2022: CHF 11,880,000))		224,540,	222,719,
Other long-term investments		1,627	1,627
Equity investments	II.1	126,894	126,451
Property and equipment		1,230	1,119
Intangible assets		143	104
Total non-current assets		**354,434**	**352,020**
TOTAL ASSETS		**380,128**	**373,345**

BALANCE SHEET

CHF 000	Notes	31.12.2023	31.12.2022
LIABILITIES			
Current liabilities			
Short-term bank borrowings	II.4	-	8,000
Short-term liabilities to Group companies		1,294	2,690
Short-term liabilities to shareholders		10	7
Other short-term liabilities		3,019	659
Accruals and deferred income		5,899	5,520
Total current liabilities		**10,222**	**16,876**
Non-current liabilities			
Long-term interest-bearing liabilities	II.5	210,000	210,000
Total non-current liabilities		**210,000**	**210,000**
Total liabilities		**220,222**	**226,876**
Shareholders' equity			
Share capital	II.2	19,366	19,136
Legal reserve from capital contributions		1,132	1,132
Legal reserve from retained earnings		3,034	3,034
Reserve for treasury shares	II.3	27,510	23,527
Retained earnings carried forward		*70,153*	*108,114*
Net profit for the year		*66,221*	*15,053*
Available earnings		136,374	123,167
Treasury shares	II.3	-27,510	-23,527
Total shareholders' equity		**159,906**	**146,469**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**380,128**	**373,345**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

I. BASIS OF PREPARATION

The 2023 annual accounts of Compagnie Financière Tradition SA, Lausanne, were prepared in accordance with Swiss law on accounting and financial reporting (Part Thirty-two of the Code of Obligations). As provided in Section 961d(1) of the Code of Obligations, Compagnie Financière Tradition SA has dispensed with the presentation of a cash flow statement and additional information in the notes to the annual accounts, as the Company prepares consolidated accounts in accordance with the International Financial Reporting Standards (IFRS).

II. NOTES TO THE BALANCE SHEET

II.1 Equity investments

Compagnie Financière Tradition SA holds significant interests in the following companies:

	Capital In thousands		Percentage held[1]		Acquisition cost CHF 000	
			2023	2022	2023	2022
Tradition Service Holding SA, Lausanne	CHF	21,350	100.0	100.0	105,222	105,222
TFS SA, Lausanne	CHF	100	100.0	100.0	50,214	50,214
Tradificom International SA, Lausanne	CHF	200	100.0	100.0	200	200
StreamingEdge.com Inc., New Jersey	USD	n/s	80.0	80.0	2,872	2,872
Ping An Tradition International Money Broking Company Ltd, Shenzhen	CNY	50,000	33.0	33.0	2,610	2,610
C. M. Capital Markets Holding S. A., Madrid	EUR	379	30.0	30.0	9,984	9,984
Trad-X Holding SA, Lausanne	CHF	100	100.0	100.0	100	100
ParFX Holding SA, Lausanne	CHF	100	100.0	100.0	100	100
Other equity investments					813	813
GROSS TOTAL					**172,115**	**172,115**
Impairment allowance					-45,221	-45,664
NET TOTAL					**126,894**	**126,451**

1) The percentage of voting rights is equal to the percentage of equity ownership with the exception of C.M. Capital Markets Holding SA, Madrid, in which the percentage of voting rights was 32.4% at 31 December 2023, unchanged from the previous year.

Tradition Service Holding SA, TFS SA, Trad-X Holding SA and ParFX Holding SA are sub-holding companies, which in turn hold significant interests in companies broking financial and non-financial products for a wide range of clients consisting mainly of financial institutions and large corporations. The list of significant holdings is presented in Note 31 of the Group's consolidated financial statements.
The net asset value, used for estimating appropriate provisions, was determined on the basis of the annual or, where applicable, consolidated financial statements of the subsidiaries at 31 December 2023 and 2022, translated at the exchange rates prevailing on those dates.

II.2 Shareholders' equity

Share capital

The share capital at 31 December 2023 was CHF 19,366,000, consisting of 7,746,385 bearer shares with a nominal value of CHF 2.50.
Following the conversion of subscription rights during the period, 92,000 new Compagnie Financière Tradition SA shares were issued at a price of CHF 2.50 per share. This operation increased capital by CHF 230,000.
The share capital at 31 December 2022 was CHF 19,136,000, consisting of 7,654,385 bearer shares with a nominal value of CHF 2.50.
Following the conversion of subscription rights during the year, 30,000 new Compagnie Financière Tradition SA shares were issued at a price of CHF 2.50 per share. This operation increased the share capital by CHF 75,000.
The share capital at 31 December 2021 was CHF 19,061,000, consisting of 7,624,385 bearer shares with a nominal value of CHF 2.50.
Following the conversion of subscription rights during the year, 91,667 new Compagnie Financière Tradition SA shares were issued at a price of CHF 2.50 per share. This operation increased the share capital by CHF 229,000.
The share capital at 31 December 2020 was CHF 18,832,000, consisting of 7,532,718 bearer shares with a nominal value of CHF 2.50.

Major shareholders

Financière Vermeer NV, Amsterdam held 71.26% of the share capital of Compagnie Financière Tradition SA at 31 December 2023 (2022: 71.40%).
Financière Vermeer NV, Amsterdam, is wholly owned by VIEL & Cie, Paris, in which VIEL et Compagnie-Finance held a 62.52% interest at 31 December 2023 (2022: 61.99%).
Michael Leibowitz, Chief Operating Officer Americas, held 3.23% of the share capital of Compagnie Financière Tradition SA at 31 December 2023 against 3.76% in the previous year.

Authorised capital

The Company's share capital may be increased by up to CHF 5,758,328, representing 29.73% of the existing share capital, through the issuance of up to 2,303,331 new bearer shares with a par value of CHF 2.50. The Board of Directors will set the issue price and the date from which the new shares are to carry dividend rights. This authority is valid until 24 May 2024.
The Board has authority to disapply or limit current shareholders' pre-emptive rights to enable acquisitions or equity investments. Subscription rights for which a pre-emptive right is granted but not exercised are available to the Board to be used in the Company's interest.

Capital conditionnel

The Company's share capital may be increased by up to CHF 1,875,845 or 9.68% of the existing share capital, through the issuance of up to 750,338 bearer shares with a par value of CHF 2.50. The increase will be effected through the exercise of a pre-emptive subscription right by Company employees. The pre-emptive rights of existing shareholders would be disapplied. The conditions for employee participation will be defined by the Board of Directors.
There were 511,000 share options awarded to Group employees outstanding at 31 December 2023 (2022: 397,000), representing a potential capital increase of CHF 1,267,500 (2022: CHF 992,500). These options entitle the holder to subscribe one share with a nominal value of CHF 2.50.
In addition, the Board of Directors may decide to increase share capital by up to CHF 3,600,000, or 18.58% of the existing share capital, through the issuance of up to 1,440,000 bearer shares with a nominal value of CHF 2.50. The new shares will be fully paid-up. The increase will be effected as follows:

- up to CHF 2,500,000 through the exercise of a conversion right, granted in relation to the Company's issuance of bonds or similar convertible debt securities on national and international capital markets. The pre-emptive rights of existing shareholders would be disapplied. The terms and conditions of issue of such borrowings will be defined by the Board of Directors, with a conversion option based on an issue price that shall not be less than the average market price during the twenty days preceding the issue. Shareholders' pre-emptive right to subscribe such borrowings will be disapplied. Conversion rights must be exercised within five years of the issue date, after which they expire.
- Up to CHF 1,100,000 through the exercise of stand-alone options granted free of charge to shareholders pro rata to their existing holdings of share capital. The terms and conditions for allotting and exercising share options by shareholders or future option holders (transferrable options) will be defined by the Board of Directors.

Holders of conversion rights and/or options may subscribe new shares.

II.3 Treasury shares

	Carrying amount *CHF 000*	Acquisition or redemption price *CHF 000*	Number of shares *of CHF 2.50 nominal*
At 1 January 2022	**12,544**	**12,544**	**142,555**
Acquisitions	18,168	18,168	172,991
Disposals	-298	-384	-3,502
Share distribution	-6,887	-7,676	-72,416
Realised gains	-	875	-
At 31 December 2022	**23,527**	**23,527**	**239,628**
Acquisitions	12,058	12,058	105,179
Disposals	-294	-395	-3,402
Share distribution	-7,781	-8,355	-73,290
Realised gains	-	675	-
At 31 December 2023	**27,510**	**27,510**	**268,115**

A gain of CHF 574,000 was recognised on the distribution of treasury shares in 2023 (2022: CHF 789,000). This was reported as financial income in the income statement.
An amount corresponding to the acquisition value of the treasury shares was transferred to the reserve for treasury shares under shareholders' equity.

II.4 Short-term bank borrowings

Compagnie Financière Tradition has a syndicated credit facility for CHF 172,000,000, undrown down at 31 December 2023 (CHF 8,000,000 had been drown down at 31 December 2022).

II.5 Bond issues

Issuer	Year of issue and maturity	Outstanding face value *CHF 000*		Coupon	Effective interest rate	Carrying amount *CHF 000*	
						31 December 2023	31 December 2022
Compagnie Financière Tradition SA	2021-2027	CHF	80,000	1.875%	1.980%	80,000	80,000
Compagnie Financière Tradition SA	2019-2025	CHF	130,000	1.750%	1.850%	130,000	130,000
TOTAL						**210,000**	**210,000**

III. ADDITIONAL DISCLOSURES

III.1 Headcount

The number of employees did not exceed 50 full-time jobs on average in each of the years 2023 and 2022.

III.2 Lease commitments

CHF 000	2023	2022
Remaining term of contract less than 1 year	770	770
Remaining term of contract between 1 and 5 years	964	1,734
Remaining term of contract more than 5 years	-	-
Total	**1,734**	**2,504**

These off-balance sheet commitments relate to office space leased by the Company. The amounts shown relate to the non-cancellable period only.

III.3 Share options for directors, executive management and employees

The following share options were awarded to directors, executive management and employees of Compagnie Financière Tradition SA in 2023 and 2022:

	2023		2022	
	Number	Value (CHF 000)	Number	Value (CHF 000)
Options awarded to directors and executive management	24,000	473	27,000	532
Options awarded to staff	-	-	-	-
Total	**24,000**	**473**	**27,000**	**532**

The value of the above options is determined in accordance with IFRS principles.

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

CHF 000	2023	2022
AVAILABLE EARNINGS		
Retained earnings carried forward	74,136	119,097
Movements in the reserve for treasury shares	-3,983	-10,983
Retained earnings carried forward	**70,153**	**108,114**
Net profit for the year	66,221	15,053
AVAILABLE EARNINGS	136,374	123,167
APPROPRIATION OF 2022 AVAILABLE EARNINGS AND PROPOSED APPROPRIATION OF 2023 AVAILABLE EARNINGS		
Dividend [1]	-44,870	-49,031
RETAINED EARNINGS CARRIED FORWARD	91,504	74,136

[1] Excluding treasury shares at 31 December 2022.

The dividend for 2022, totalling CHF 49,031,000, was paid on 3 June 2023 in accordance with the General Meeting resolution of 25 May 2023, as follows:

CHF 000	
Payment in shares	8,355
Cash payment	40,676
Total	**49,031**

At the Annual General Meeting to be held on 21 May 2024, the Board of Directors will be seeking shareholder approval for a cash dividend of CHF 6.00 per share to be paid from available earnings, for an estimated distribution of CHF 44,870,000 for the 2023 financial year on the share capital conferring entitlement to a dividend. No dividend is to be paid on treasury shares held by the Company on the payment date.
If the Annual General Meeting approves the Board's proposal, the dividend will be paid on 27 May 2024.

4

REMUNERATION REPORT

150>
<159

STATUTORY AUDITOR'S REPORT

Report of the Statutory Auditor to the General Meeting of Compagnie Financière Tradition SA, Lausanne.
Report on the Audit of the Remuneration Report.

Opinion

We have audited the Remuneration Report of Compagnie Financière Tradition SA (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" of the Remuneration Report.
In our opinion, the information pursuant to Art. 734a-734f CO in the Remuneration Report (pages 156 to 159) complies with Swiss law and the Company's articles of incorporation.

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 of the Company 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 incorporation, 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. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 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 to 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.

KPMG SA

Philippe Ruedin
Licensed Audit Expert
Auditor in Charge

Philippine Bouvard
Licensed Audit Expert

Lausanne, 20 March 2024

This Remuneration Report presents information on compensation, loans and credit facilities extended to members of the Board of Directors and Executive Board of Compagnie Financière Tradition SA, in accordance with Swiss law on accounting and financial reporting (Part Thirty-two of the Code of Obligations) and provisions on compensation in publicly listed companies (art 732 et seq. of the Code of Obligations).

Valuation principles

Compensation paid in cash is measured at its nominal value and allocated to financial years using the accrual method.
Compensation paid in foreign currencies is translated into Swiss francs at the annual average exchange rate. Loans and other credit facilities denominated in foreign currencies are translated into Swiss francs at the year-end exchange rate.
All amounts are presented gross with the employer's share of social security contributions shown separately.
Share options are measured at fair value on the grant date in accordance with IFRS principles. This amount is included in the compensation amount paid on the grant date.

Compensation paid to directors

Name	Position	2023	2022
CHF 000			
P. Combes	Chairman of the Board of Directors	-	-
C. Baillet*	Director/Member of the Audit Committee	50.0	-
Blanc-Brude	Director	27.5	30.0
J.M Descarpentries	Director/Member of the Audit Committee	47.5	47.5
C. Goecking	Director/Member of the Remuneration Committee	40.0	40.0
M. Illy	Director	30.0	30.0
R. Pennone	Director/Chairman of the Audit Committee/ Chairman of the Remuneration Committee	60.0	60.0
U. Schneidert	Director	-	25.0
E. Solvet	Director/Member of the Audit Committee	50.0	50.0
Total		**305.0**	**282.5**

* was appointed at the AGM on 23 May 2023.

Loans and credit facilities
No loans and credit facilities were extended to members of the Board of directors as of December 31, 2023 and 2022.

Compensation paid to Executive Board membersrale

CHF 000	2023	2022
Salaries and bonuses	13,186	18,272
Share options	3,929	1,540
Benefits in kind	8	22
Total	**17,123**	**19,834**
Social security contributions	726	1,052
Total (including the above items)	**17,849**	**20,886**

Highest total compensation paid to a member of the Executive Board
The highest total compensation paid to a member of the Executive Board was conferred to M. Leibowitz, COO Americas in 2023 and 2022. The amounts below are included in the Executive Board compensation disclosed above.

CHF 000	2023	2022
Salaries and bonuses	4,492	5,039
Share options	-	1,182
Benefits in kind	-	-
Total	**4,492**	**6,221**
Social security contributions	9	75
Total (including the above items)	**4,501**	**6,296**

No other compensation, guarantees or additional fees were paid to current or former Directors or Executive Board members in 2023 and 2022.
No compensation, loans or other credit facilities were extended to persons closely associated with the Board of Directors or Executive Board in 2023 and 2022.

Loans and credit facilities
Total outstanding loans and credit facilities for Executive Board members were CHF 6,917,000 as of December 31, 2023 (December 31, 2022: CHF 7,802,000), including CHF 1,597,000 for M. Leibowitz, COO – Americas (December 31, 2022: CHF 1,912,000).

Shareholdings, conversion rights and share options of Directors and Executive Board members

Pursuant to the requirements of Section 734d of the Swiss Code of Obligations, the shareholdings in the Company and share options held by each Director and Executive Board member at 31 December 2023 and 2022 are disclosed below. No conversion rights were held at those dates.

Directors' shareholdings and share options

		31 December 2023		31 December 2022	
Name	Position	Shareholding	Share options	Shareholding	Share options
(Number of shares/options of CHF 2.50 nominal value)					
P. Combes	Chairman of the Board of Directors	5,520,068	-	5,465,414	
C. Baillet*	Director/Member of the Audit Committee	26,043	-	-	-
A. Blanc-Brude	Director	4,133	-	4,093	
J.M Descarpentries	Director/Member of the Audit Committee	8,950	1,000	8,862	1,000
C. Goecking	Director/Member of the Remuneration Committee	2,566	1,000	2,541	1,000
M. Illy	Director	-	-	-	-
R. Pennone	Director/Chairman of the Audit Committee/ Chairman of the Remuneration Committee	7,352	1,000	7,280	1,000
U. Schneidert	Director	-	-	6,060	1,000
E. Solvet	Director/Member of the Audit Committee	-	1,000	-	1,000
Total		**5,569,112**	**4,000**	**5,494,250**	**5,000**

* was appointed at the AGM on 23 May 2023.

Shareholdings and share options of Executive Board members

		31 December 2023		31 December 2022	
Name	**Position**	**Shareholding**	**Share options**	**Shareholding**	**Share options**
(Number of shares/options of CHF 2.50 nominal value)					
M. Anderson	CEO Tradition London Group and affiliated offices in EMEA	51,409	50,000	50,901	50,000
A. Bell	COO Asia-Pacific	63,658	203,000	11,543	100,000
F. Brisebois	Group Chief Financial Officer	32,156	70,000	31,838	50,000
M. Leibowitz	COO Americas	250,384	60,000	287,649	60,000
L. Rosenshein	COO Tradition Americas	16,453	10,000	6,291	20,000
D. Velter	Strategic Marketing Director	11,683	4,000	11,568	-
Total		**425,743**	**397,000**	**399,790**	**280,000**

Activities carried out by directors in comparable positions in other undertakings with commercial objects

Nom	Activities carried out at 31 December 2023	Activities carried out at 31 December 2022
P. Combes	Chair and Chief Executive Officer of VIEL et Compagnie-Finance SE (France), Chair and Chief Executive Officer of VIEL & CIE S.A. (France), Chair of the Management Board of Financière Vermeer B.V. (Netherlands), Vice-Chairman of the Board of Swiss Life Banque Privée SA (France)	Chair and Chief Executive Officer of VIEL et Compagnie-Finance SE (France), Chair and Chief Executive Officer of VIEL & CIE S.A. (France), Chair of the Board of Directors of Financière Vermeer B.V. (Netherlands), Member of the Supervisory Board of Swiss Life Banque (France)
C. Baillet*	Director of VIEL & Cie SA (France), Viel et Compagnie-Finance SE (France), Xerys (France, BELHYPERION (Belgium), Otito Properties (Luxembourg), GPI Invest (Luxembourg), Lithos (Luxembourg), QS Bic (Luxembourg), Colors Properties (Spain), Propiedades Millerty (Spain), Turboc Properties (Spain), Yellow Oceans (BVI), Longchamps (Nevis) et Financière Vermeer BV (Netherlands), Member of the Supervisory Board of Swisslife Banque Privée SA (France), Bourse Direct (France), Longchamps Investment (Switzerland), Berlynvest (Luxembourg), Balinda (Spain).	-
A. Blanc-Brude	Chair of the Board of Directors of Apef Advisory Company SAM; Chair of Midas Wealth Management Luxembourg	Chair of the Board of Directors of Apef Advisory Company SAM; Chair of Midas Wealth Management Luxembourg
J.M Descarpentries	Director of VIEL & Cie (France).	Director of VIEL & Cie (France)
C. Goecking	Director of Carmeuse Trading & Services SA, wholly-owned subsidiary of the Belgian Carmeuse group	Director of Carmeuse Trading & Services SA, wholly-owned subsidiary of the Belgian group Carmeuse
M. Illy	Director of Innosuisse – Swiss Innovation Agency, Chair of the Board of Directors of The Medical Supply Company of Switzerland (MSCS) SA, member of the Board of Directors of biotech company Rocket AG.	Director of Innosuisse – Swiss Innovation Agency, Chair of the Board of Directors of The Medical Supply Company of Switzerland (MSCS) SA, member of the Board of Directors of biotech company Rocket AG.
R. Pennone	-	-
U. Schneider†	-	-
E. Solvet	-	-

* was appointed at the AGM on 23 May 2023.

Executive Board members did not carry out any activities in comparable positions in other undertakings with commercial objects as of December 31, 2023 and 2022.