



# TRADE X BANK

2024

Annual Report

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# Report by the Board of Directors

to the Annual General Meeting of Shareholders

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# Message from Christian Lüscher Chairman of the Board of Directors & Camille Sednaoui Chairman of the Executive Board and CEO

## 2024 in review

The year 2024 was characterized by dynamic shifts and steady recovery in global markets. In Europe, including Switzerland, financial institutions operated in a complex environment marked by regulatory developments, geopolitical tensions and fluctuating commodity prices.

Commodity trade finance demonstrated notable resilience and growth throughout 2024. The global commodities market benefited from a stabilization of prices following the volatility of prior years. Increased demand for raw materials and energy, particularly from emerging markets, triggered a revival in trade volumes. This was further supported by improved logistical efficiencies and a rebound in industrial production. As a bank focused on commodity trade finance, we witnessed renewed client activity across energy, metals and agricultural sectors, reaffirming our belief in the long-term potential of this vital industry segment.

For our Bank, 2024 was a year of critical milestones and significant progress in our continued path toward full recovery. Throughout the year, we achieved several fundamental objectives essential to our future growth and operational stability. Most notably, after an extensive period of anticipation, we successfully obtained full clearance from the U.S. Office of Foreign Assets Control (OFAC), enabling us to re-engage confidently with key international markets.

In parallel, we have reestablished the core elements of our international banking infrastructure, including the restoration of USD transaction capabilities—an important step in rebuilding seamless operations for our clients and reactivating global transactional capacity.

Another significant milestone achieved in 2024 was securing our first-ever credit rating. We are proud to have received an investment grade rating from fedafin AG, a Swiss-based financial and data analytics agency specializing in ratings for financial institutions. This rating reflects not only the financial resilience and sound risk management practices we have implemented over the past year but also the growing market confidence in our strategic direction and governance standards. Receiving this investment grade designation reflects the strength of our recovery path and reinforces our position in the international banking environment, enhancing access to funding and deepening institutional relationships.

Operationally, the Bank demonstrated remarkable performance during the year. Our normalized net result (net of the one-off case described below) driven by operating results showed outstanding growth, achieving a five times' increase compared to the previous year, underscoring the effectiveness of our strategic repositioning, improved market confidence and renewed commercial activity.

However, despite these impressive operational successes, our overall financial results were significantly impacted by an unfavorable decision from the London arbitration court related to a legacy legal case from 2022. At that time, the Bank was offering USD/RUB non-deliverable forwards among other hedging instruments. One client, with whom we had such transactions dating back to 2020, did not meet a margin call

issued after the sharp depreciation of the RUB in early 2022. That same day, FINMA imposed protective measures on the Bank. We terminated the transactions based on the client's non-payment, which, under the contracts, resulted in a claim of EUR 50.7 million in the Bank's favor. The client, however, argued that the FINMA action constituted an event of default by the Bank, invalidating our termination and enabling them to terminate the trades later—after the RUB had recovered. Their termination resulted in a EUR 26.1 million claim against the Bank. The matter proceeded to arbitration, and, although advised by counsel that our position was strong, the tribunal ultimately ruled in favor of the client. This outcome was unexpected and frustrating, as it not only upheld their claim but also rejected our counterclaim.

While disappointing, we view this ruling as a critical closure of past uncertainties, allowing us to fully focus on our forward-looking strategies and sustainable growth.

### **Outlook**

As we look toward 2025, we are confident in our strategic positioning and ready to build on the strong foundation laid in 2024. We anticipate sustained momentum in the global commodities markets and foresee robust opportunities for expanding our core commodity trade finance business. Our priority remains enhancing operational efficiency, deepening relationships with existing clients and strategically expanding our market presence.

### **Thank you**

We would like to sincerely thank our clients, financial institution partners, and key vendors for their continued trust and support of TradeXBank AG. These strong relationships have been essential to our progress, and we remain committed to being a reliable and responsive partner.

We also extend our appreciation to our employees. Their dedication and professionalism have been central to everything we've achieved, and we look forward to their continued engagement as we move ahead.



Christian Lüscher  
*Chairman of the Board of Directors*



Camille Sednaoui  
*Chairman of the Executive Board and CEO*

# Corporate Governance

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# Board of Directors

The Board of Directors is responsible for the overall direction, supervision and control of the Bank. It consists of at least three members. All members are elected for one year, with the possibility of re-election. The Board of Directors has established an Audit and Risk Committee in accordance with the FINMA Circular 2017/1. In all cases the whole Board of Directors is collectively responsible for the delegated tasks of the Audit and Risk Committee or tasks delegated to individual persons within the Audit and Risk Committee. The internal organization and modus operandi of the Board of Directors are set out in the Articles of Incorporation and in the Organizational Guidelines and Regulations of the Bank.

**During the year under the review the Board of Directors was formed by the directors as outlined below:**

<b>Name</b>	<b>Domicile / Nationality</b>	<b>Board of Directors type of directorship</b>	<b>Audit and Risk Committee type of directorship</b>
Christian Lüscher	Geneva GE / Switzerland	Chairman, Independent Member	n/a
Nabil Jean Sab	Thônex GE / Switzerland	Vice-Chairman, Non-Independent Member	n/a
Bernard Fishman	Baar ZG / Switzerland	Member, Independent Member	Chairman
Nasri Malhamé	Genève GE / Switzerland	Member, Independent Member	Member
Christian Schuwey	Fribourg FR / Switzerland	Member, Independent Member	n/a



**Christian Lüscher**  
**Chairman**

Mr Lüscher studied law in Geneva where he passed the bar exam in 1990 and holds a Master of Law of Tulane School of Law (New Orleans, Louisiana).

In 2004 Mr Lüscher joined ZPG Ziegler Poncet Grumbach (Geneva) as a partner. In 2014 the firm merged with CMS Von Erlach Henrici (Zürich) to establish CMS Von Erlach Partners AG where he has been a partner ever since. Mr Lüscher is active in litigation on financial cases. He is acting as an advisor to banks, Swiss and international companies based in Geneva and abroad.

He has been a member of the National Council (the low Chamber of the Swiss Parliament) from 2007 to 2023. In 2020 and 2021 he was the Head of the Committee for Economic and Tax Affairs and was a member of the Committee for Legal Affairs and of the Judicial Committee during his political career.

In February 2024, he was elected Chairman of the board of Geneva Airport by the Geneva Government.



**Nabil Jean Sab**  
**Vice-Chairman, Non-Independent Member**

As to Mr Nabil Jean Sab in particular, he combines a university degree in economics and further education as a Swiss chartered accountant and as a financial analyst and portfolio manager with highly relevant experience as auditor with ATAG Ernst & Young, and later on significant Swiss banking experience with AAM Banque Privée SA. Mr Sab had the opportunity to audit commercial and commodity trade finance companies and banks mainly by reviewing their credit exposure and financing. He then went on to establish and head Compagnie Privée de Conseils et d'Investissements S.A. by way of a management buy-out, initially as a FINMA regulated securities dealer firm and later on as a diversified group active in the financial sector incl. audit and accounting services.

In his board roles, Mr Sab also has a focus on banking and related services with Hyposwiss Private Bank Genève SA, incl. experience with audit and internal audit services for financial institutions at a board level through his roles as chairman of Russell Bedford Audit Genève SA and Russell Bedford Fiduciaire Genève SA.



**Bernard Fishman**  
**Member, Independent Member**

Mr Fishman studied economics and political sciences in Lausanne (double bachelor in 1982) and is a Swiss Certified Public Accountant.

Mr Fishman held (1994 - 2011) a number of senior roles at Ernst & Young Switzerland and acted as lead partner on audits of local and international banks. Mr Fishman also had significant consulting engagement in relation with the prevention of large fraud in private banking. He was a speaker at numerous conferences on Risk Management, Fraud and Best Practices in Private Banking in Switzerland, USA, Caribbean, Japan and various European countries and wrote numerous articles on such topics.

He was the CFO (2011 - 2022) for all private banking activities of an important international banking group with banks, branches and representative offices around the world. He acted until 2020 as the representative of all foreign banks at the Swiss Bankers Association.



**Nasri Victor Malhamé**  
**Member, Independent Member**

Nasri Victor Malhamé has over 40 years of banking experience. He completed his doctorate graduation in Economics at Paris- Dauphine University in 1979.

From 1980 to 1992, he worked at BAI-Paris (BNPP affiliate) as director in Trade Finance and Corporate Banking departments. In 1992 he joined BNP Paribas Geneva as executive director in charge of Private Banking and Commodity trade Finance for Southern Europe and MENA region. In 2000 he was appointed member of the Executive Committee .

In 2009 he was appointed CEO of Arab Bank Switzerland based in Zurich and Geneva, where he provided the bank with a new strategy orientation by setting up a new Commodity Trade Finance activity as well as new products offering for its Private clients. He resigned in 2017 to set up his own consultancy firm.

He has served on numerous boards of banks and financial institutions. Presently, in addition to TradeXBank AG, he is board member of two other banks and Chairman of their Audit Committee.



**Christian Schuwey**  
**Member, Independent Member**

Mr Schuwey a veteran in the banking sector has global experience in the Foreign Exchange and Commodity markets. He completed his education in Fribourg and Zurich.

He started his career with UBS in Switzerland and gained experience as an allrounder within the bank during his first 5 years. Afterwards, he transitioned to Asia particularly UBS Singapore to run a team of foreign exchange and commodity specialists in Singapore, Hong Kong, Tokyo and Taipei covering wealth management clients.

Then he got hired by Citi Private Banking Singapore in 2019 to run its foreign exchange and commodity advisory team for South Asia.

In Switzerland he performed as an examiner for wealth management client advisors FINMA certification.

# Executive Board

The Executive Board manages the Bank's day-to-day operations.

During the year under the review the Executive Board has been formed as outlined below, headed by the Chief Executive Officer:

<b>Name</b>	<b>Domicile / Nationality</b>	<b>Executive Board function</b>
Camille Sednaoui <sup>1</sup>	Vésenaz GE / Switzerland, French, Lebanese	CEO, Chairman of the Executive Board
Ekaterina Emelianova	Zug ZG/ Russian Federation, Israel	CFO/Deputy CEO, Member
Viviane Gabard <sup>2</sup>	Collonge-Bellerive GE/ Switzerland, French	CRO, Member
Christof Albrecht <sup>3</sup>	Feusisberg SZ /Switzerland	COO, Member
Walter Boreatti <sup>4</sup>	Udligenswil LU / Switzerland	Head of Legal & Compliance, Member
Hendrik Weber-Grellet <sup>5</sup>	Zurich ZH/ Germany	CRO, Member

<sup>1</sup> Elected as of 01. January 2024

<sup>2</sup> Elected as of 01. April 2024

<sup>3</sup> Elected as of 02. August 2024

<sup>4</sup> Left as of 01. April 2025

<sup>5</sup> Left as of 27. March 2024



## **Camille Sednaoui** **CEO, Chairman of the Executive Board**

Camille Sednaoui has been appointed CEO of TradeXBank in 2024. He joined from Crédit Agricole Indosuez (Switzerland) SA where from 2020 to 2023 he was heading the International Trade & Transaction banking unit and a member to the Executive Committee. From 2018 to 2020 he was Head of Mining, Metal & Soft Commodities at Crédit Agricole Indosuez (Switzerland) SA. From 2005 to 2018 Camille was Team leader Transactional Commodity Finance – Energy and member of the Senior Management at Crédit Agricole Indosuez (Switzerland) SA. Between 1999 and 2005 he held various positions in the Commodities and Trade Finance business at Crédit Lyonnais.

Camille Sednaoui holds a Master Degree in Banking from the Institut Technique de Banque at the Conservatoire National des Arts et Métiers Paris.



**Ekaterina Emelianova**  
**CFO, Member of the Executive Board**

Ekaterina Emelianova joined the Bank in October 2017 as Chief Financial Officer (CFO). Prior to her position at the Bank she worked at CIB (Corporate and Investment Business) division of the largest Bank in CEE (Central and Eastern Europe) where she held the position of Finance Director/Acting CFO since December 2014.

Mrs Emelianova has over 20 years of experience in finance. Previously, she worked as Regional CFO in one of the top investment banks on CEE & CIS region, Finance Director at Troika Dialog and Deloitte CIS.

Mrs Emelianova graduated with a Master Degree of Management at Moscow State University named after MV Lomonosov. She holds an Executive MBA from INSEAD obtained under a corporate program as well as Executive MBA from London Business School. She also has a CFM, CMA, CSCA and CIA qualification.

Since July 2021 has been elected as a President of the Swiss Chapter of the Institute of Management Accountants (IMA), which is non-for-profit organization, focused on advancing management accounting profession.



**Viviane Gabard**  
**Chief Risk Officer**

Viviane Gabard joined the Bank in March 2024 as Chief Risk Officer (CRO). Prior to this position, she worked 28 years in the Credit Agricole Group with several positions in the Commodity Trade Finance business line (in New York), in the Inspection Team of the Group (in Paris) and in senior roles in the Risk and Permanent Control Department of the CIB (Corporate and Investment Bank) entity of the Group (in Paris). She joined the Executive Committee of Credit Agricole Indosuez (Switzerland) SA first as Chief Risk Officer, from 2009 to 2015, then as Head of Compliance and Central Files, from 2015 to 2020, covering the teams in Switzerland, Singapore, Hong-Kong and Dubai. She had an external expert role supporting the Banking Supervision Team of the European Central Bank in 2023.

Viviane Gabard has Master Degrees from ESSCA (Angers, France) and IAE (Poitiers, France) in business administration and international trading. She further completed a certification in NLP Coaching and a CAS in Mental Training at the University of Lausanne.



**Christof Albrecht**  
**Chief Operating Officer**

Christof Albrecht joined the TradeXBank in September 2024 as Chief Operating Officer (COO) and is a member of the Executive Board.

With over 30 years of extensive experience in the financial industry, Christof has held various senior management roles within Swiss private banks. He began his career as an equity floor trader for J. Safra Sarasin, where he spent 20 years, followed by four years at NZB Neue Zürcher Bank and 10 years at Reichmuth & Co, Privatbankiers heading Trading and Operations. Before joining TradeXBank, he served as Deputy COO and Head of Operations at Banque Internationale à Luxembourg in Zurich.

Throughout his career, Christof Albrecht has spearheaded numerous projects, driving digital transformation and streamlining processes to enhance operational efficiency. He is recognized for his ability to build and lead top performing teams and is highly regarded as a respected leader in the industry. He has a strong network and a reputation for fostering valuable relationships with stakeholders.

Christof Albrecht brings outstanding expertise in banking operations, trading, digital transformation, and change management, and has a high standard of excellence.



**Walter Boreatti**  
**Head of Legal & Compliance, Member of the Executive Board**

Walter Boreatti joined the Bank in May 2021 as Head of Legal. In August 2022, he assumed additional responsibility for Compliance. As of April 1, 2023, he was appointed General Counsel of the Bank and member of the Executive Board.

Mr. Boreatti has more than 20 years of experience with financial services law and compliance, especially in general banking and financing. He worked in the Legal Department of UBS AG in the Investment Banking (Traded Products and Derivatives) and Business Banking (Corporate and Structured Finance, Recovery Management) divisions in Zurich and London. Subsequently, he advised and represented various financial services providers as a lawyer in legal and compliance matters.

Walter Boreatti studied law and economics at the University of St. Gallen and graduated at the University of Bern law school, where he was also admitted to the bar. He further completed a CAS Banking & Insurance Law and an LL.M. in International Law, both at the University of Zurich, and a CAS Compliance in Financial Services at the University of St. Gallen.

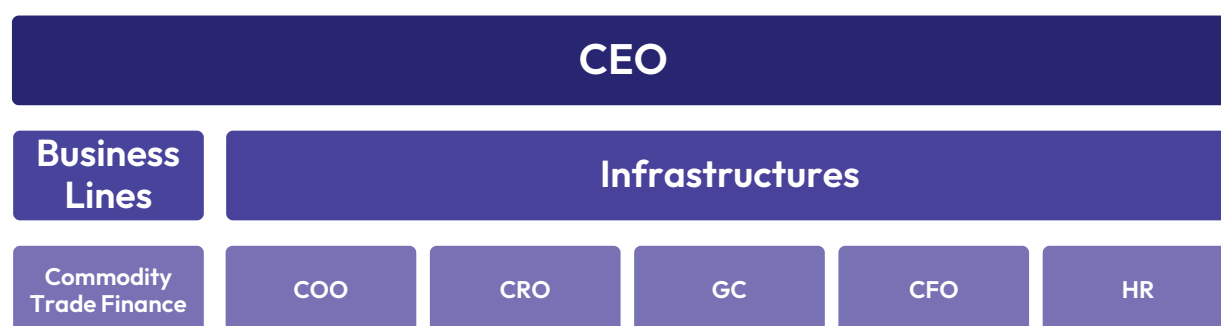
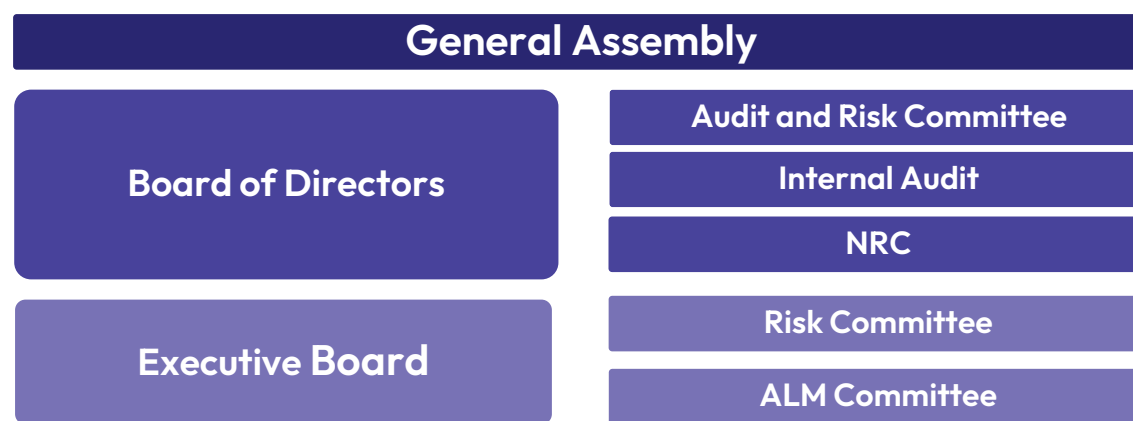
**Hendrik Weber-Grellet**  
*CRO, Member of the Executive Board*

Hendrik Weber-Grellet joined the predecessor of TradeXBank in December 2017 as Head of Credit and was appointed as CRO and Member of the Executive Board in July 2022.

Mr Weber-Grellet has a diploma in Economics from the University of Applied Science of Economics and Management, Essen, and an MBA and Master of Commerce from the Business School of Deakin University, Melbourne. In addition to a Diploma in Commodity Trading from the Geneva School of Economics and Management in Commodity, he recently completed an MBA in Business Engineering at the University of St. Gallen.

He brings with him over 15 years of commodity trade finance experience in different roles. Prior to joining the predecessor of TradeXBank, Mr Weber-Grellet was heading the Credit Risk Management for Commodity Trade Finance at Credit Suisse in Zurich where he managed a team of Credit Risk Specialists with credit risk responsibility for an USD 10bn credit portfolio. Prior to Credit Suisse, he spent 5 years at UniCredit in London and Munich in various Project and Structured Trade Finance roles.

# Organisation of TradeXBank AG



## Committees

The Board of Directors has established an Audit and Risk Committee. The function of the Audit and Risk Committee is to serve as an independent and objective body of the Board of Directors.

The Audit and Risk Committee meets as often as its business requires, but at least four times a year. The Chairman of the Audit and Risk Committee ensures that the Board of Directors is kept informed in a timely and appropriate manner. He regularly reports to the Board of Directors at its quarterly meetings on the current activities of the Audit and Risk Committee and on important committee issues, including all matters falling within the duties and responsibilities of the Board of Directors.

The Audit and Risk Committee's main responsibilities and authorities are:

- monitoring and assessing the financial reporting and the integrity of the financial statements;
- monitoring and assessing of the internal control function regarding financial reporting;
- monitoring and assessing the effectiveness and independence of the statutory and regulatory audit firm and its interaction with internal audit, including discussion of the audit reports with the lead auditor;
- monitoring and assessing the effectiveness of the internal control system, specifically risk control, the compliance function and internal audit;
- controlling whether the institution has adequate risk management with effective processes which are appropriate to the institution's particular risk situation;
- monitoring the implementation of risk strategies, ensuring in particular that they are in

line with the defined risk tolerance and risk limits defined in the institution-wide risk management framework;

- assessing, at least annually, the institution-wide risk management framework and ensuring that necessary changes are made;
- assessing the institution's capital and liquidity planning;
- Conduct or direct any investigation;
- Ensure that appropriate whistle-blowing mechanisms are in place.

The BoD has decided to establish a further committee, being the Nomination and Remuneration Committee ("NRC"). It is responsible to ensure that all requirements in this Regulation regarding the nomination of Board members are adhered to.

Furthermore, the NRC shall be responsible for negotiating the ExB members' (incl. CEO) employment terms and remuneration (incl. determination of annual bonuses), for the promotion of employees to ExB or to Managing Director, and for the determination of the Bank's annual bonus pool (in each case subject to BoD approval, as the case may be).

For the Risk and the Asset and Liability Committee (ALCO) of the Executive Board we refer to section "Risk strategy".

## External Auditors

Since 03 November 2023 PricewaterhouseCoopers AG, Zurich are statutory auditors. The scope of the audit work includes financial and regulatory audits, as well as other assurance services that can be provided by the statutory auditor.

## Internal Auditors

Internal audit provides an independent objective assurance and consulting activity designed to add value and improve the Bank's operations. It helps the Bank accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Since 12 September 2022, the internal audit function has been outsourced to Deloitte AG, Zurich.

# Ethics and Social Responsibility

## Our Priorities

As a responsible financial institution, the Bank endeavors to create sustainable value for its clients, shareholders, employees and other stakeholders. Competence, compliance, diligence, ethical and responsible conduct stand as pillars to the Bank's prosperity. The Bank proactively takes into account societal and environmental impact of its operations.

The Bank's core emphasis within Ethics and Social Responsibility lies particularly in the areas of Employees, Compliance, Environmental Stewardship and Security Measures.

## Employees

Well-trained, experienced, responsible and motivated employees are crucial for the Bank's success. The Bank is committed to providing and promoting equal opportunities, career development, an open and diverse corporate culture and transparent remuneration.

The diversity and heterogeneity of the Bank's workforce, including its different skills, mindsets, knowledge and experience gives the Bank a great opportunity to develop, grow and successfully operate across different markets. The Bank's employees come from 11 different nationalities and the average number of years of service is 4 years. In 2024, approximately 37% of our staff were women.

The Bank supports and encourages an open work environment and communication culture, with transparent decision-making and broad access to information. All employees are encouraged to participate in panel discussions, whereby questions can be directly addressed to top management thus keeping employees well informed about the Bank's business development and performance.

## Compliance

Compliance operates as a professionally independent function directly reporting to the CEO with a mandate to oversee all compliance and regulatory matters for the Bank. This includes being a proactive, independent support and control function that partners with the businesses by continuously challenging and supporting them to effectively manage compliance risk.

Sanctions compliance and prevention of money laundering, corruption, bribery and terrorist financing are key concerns of the Bank. It has detailed internal directives and regularly holds trainings for its employees on these matters. The Bank has established robust systems and procedures to prevent, detect and sanction money laundering activities and other financial crimes. This also includes reporting to the Swiss Money Laundering Reporting Office (MROS) when necessary.

The Bank recognizes the critical role of its employees in helping to preserve its financial integrity and aims for the highest standards of personal accountability and ethical conduct. All employees are responsible to report any concerns of potential legal, regulatory or ethical misconduct to their direct line managers or to the Head of Compliance in accordance with the Bank's Code of Conduct. Additionally, the Bank has a whistleblowing system (trust line) implemented for its employees. Via this trust line, employees can anonymously report any allegedly illegal or other significantly non-compliant behavior within the Bank.

## Environment

Admitting the collective responsibility for environmental preservation, the Bank is consistent in its commitments towards environmental stewardship. Through the integration of sustainable practices, innovation

and new ways of collaboration into all aspects of operations, the Bank strives to minimize its ecological footprint and works towards a sustainable tomorrow.

## **Security**

In 2024, the Bank maintained its strong focus on IT security as a cornerstone, safeguarding the interests of clients, employees, and stakeholders.

Key accomplishments included the operation of two fully redundant data centers with a minimal hardware footprint, ensuring uninterrupted service and operational resilience.

The Bank consistently applied the latest security patches to all servers, strengthening its defenses against evolving cyber threats. Regular penetration testing reinforced with sophisticated AI tools, enabling the Bank to address rapidly changing threat landscapes effectively. Comprehensive user training programs were conducted to heighten staff awareness and vigilance, while advanced traffic monitoring systems were deployed to detect and mitigate potential risks in real time.

These initiatives underscore the Bank's commitment to maintaining a robust and secure IT infrastructure, fully aligned with the highest industry standards.

# Management Report 2024

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## Financial performance

Global commodity markets in 2024 were shaped by fluctuating supply-demand dynamics and geopolitical developments, leading to periods of volatility across different sectors. While certain commodities experienced price corrections due to shifting trade flows and production adjustments, overall market activity remained resilient. While the industry continued to adapt to evolving economic conditions, the Bank focused on risk management and operational efficiency to navigate uncertainties.

In 2024, the Bank demonstrated stable performance, continuing its recovery from the consequences of the war in Ukraine, which began in 2022. Despite multiple challenges the Bank faced during the period, it has made significant progress in rebuilding its operations and reinforcing its position in commodity trade finance.

An operating income of CHF 9.5 million would have been reported by the Bank, had a one off event accounted for under Changes to provisions and other value adjustments and losses not occurred. This one off event amounting to CHF 31 million losses in the year 2024 related to an adverse arbitral ruling on a legacy derivatives dispute. The tribunal determined the client's claim to be substantiated in a controversial case concerning USD/RUB non-deliverable forwards from 2020-2022, finding that FINMA's protective measures imposed on the Bank constituted an event of default. This interpretation led to a EUR 33.4 million payment obligation, including interest and costs (the equivalent of CHF 31 million), while the Bank's EUR 50.7 million counterclaim (already fully provisioned in 2022) was rejected. Excluding this impact, the Bank's financial performance would have been more than 5 times stronger than in the previous year, reflecting the resilience of its underlying business.

The Bank's funding base remained stable throughout the year, primarily composed of equity and a steady share of current customer accounts. This structure provided a solid foundation for liquidity management and enabled the Bank to support its lending activities without significant exposure to market-driven funding risks. At the same time, in line with its strategic objectives, the Bank began exploring opportunities to further diversify and expand its funding base to support future growth and strengthen its financial position.

As implemented in 2023, the Bank continued to effectively hedge its open currency position, mitigating the adverse effects of foreign exchange volatility. This prudent risk management approach contributed to financial stability and allowed the Bank to navigate external challenges with agility.

The financial results for 2024 prove the Bank's ability to operate with resilience in a complex market environment. The combination of a well-managed loan portfolio, improving marginality, disciplined cost control and a stable funding structure provides a strong foundation for further recovery. While certain cost pressure remains, the Bank stays focused on enhancing profitability, maintaining financial stability and strengthening its position in the commodity trade finance sector.

## Risk strategy

Risk management is an integral part of the banking and trading services. As a guiding principle, the Bank assumes a conservative risk strategy. The Bank only has appetite for risks which are transparent, well understood and where the Bank has the needed competences, experience, resources and systems to manage these risks. The Bank has no appetite for risks which cannot be appropriately quantified, monitored or managed. The Bank aims to maintain an above-average level of capital and liquidity as well as relevant targets on risk-weighted assets. In order to achieve this, appropriate metrics are included in the risk appetite metrics as defined in the Risk and Capital Management regulation of the Bank.

The Bank has established its own Risk Management framework in accordance with regulatory requirements set by the applicable Swiss Banking Laws, principles issued by the Basel Committee on Banking Supervision and FINMA Circulars. The Bank's risk management policies are designed to identify and analyse, to set appropriate limits and controls, and to mitigate these risks in adherence to the risk appetite and risk limits as approved by the Board of Directors. The Bank regularly reviews its Risk Management framework to reflect changes in markets, products, operations and emerging best practice. Individual responsibility and accountability enable all employees to deliver a disciplined, conservative and constructive culture of risk management and control throughout the Bank.

The Bank has several management layers that provide a cohesive and effective internal risk governance framework:

- The Board of Directors carries the ultimate responsibility for the Bank's proper management of the risks taken through its business activities (risk appetite). It delegates responsibilities and competencies for the operational execution of risk management tasks to the Executive Board and other organisational units within its overall risk management framework.
- The Executive Board monitors and manages the overall aggregate risk exposure of the Bank through setting detailed policies for its management and determining the impact of the Bank's risk appetite on the implementation of strategic and immediate business targets. The Executive Board is responsible for executing, operating and supervising the risk management function, as well as reporting to the Board of Directors. In addition, the Executive Board ensures on behalf of the Board of Directors that all the Bank's material risks are properly identified, assessed, mitigated and reported through periodic risk analysis.
- The Executive Board delegates some of its responsibilities to the following committees:
  - The Risk Committee oversees the management of Credit and Market Risk. It is a governing body that regulates risk management decisions across the Bank and is independent of the Bank's business divisions. To ensure the execution of its tasks it has unrestricted access to information and documents within the scope of its function.
  - The Asset and Liability Committee (ALCO) is predominantly responsible for the setting of limits with regards to interest rate risks, e.g. net interest income (NII) and interest rate gap limits. Moreover, it stipulates that limits on foreign currency risks in the banking and where applicable trading book are in line with limits set by the Board of Directors. In addition, ALCO monitors and takes decision on liquidity risk (liquidity gaps), funding (funds transfer pricing, FTP) and regulatory capital management (capital plan).

The Risk Committee as well as the Asset and Liability Committee report directly to the Executive Board.

- The day to day risk control function is performed by the Risk department, which is independent of the Bank's other functions. It has unrestricted access to information, locations and documents within the scope of its function to ensure the execution of its tasks.

The Bank designates one member of the Executive Board to be responsible for the risk control management function, and guarantees the risk control management function unrestricted access to the Executive Board. The risk control management function reports to this designated member of the Executive Board – Chief Risk Officer (CRO). The Bank's CRO inform the Company's CEO, the Audit and Risk Committee of the Board of Directors, as well as the Board of Directors about the results of the work of the independent risk control functions of the Bank.

The Bank's risk management strategy follows the Three Lines of Defence (3LOD) approach. The 1st LOD refers to the Bank's risk generating units and the owners of these risks. In the 1st LOD these risks are managed within the defined risk appetite of the Bank. The 2nd LOD facilitates the implementation of a sound risk management framework and independently oversees and challenges the risk taking activities of the

1st LOD. The 3rd LOD encompasses Internal Audit which conducts an assessment of the design and effectiveness of risk management systems and processes with respect to internal control and risk management in line with established standards and regulatory requirements.

## Regulatory ratios

Capital adequacy and liquidity ratios were at comfortable level throughout whole year of 2024. Compared to the minimum regulatory requirements the Bank is well capitalized and has a healthy liquidity profile. Current level of regulatory ratios provides solid ground for the further business growth.

Key regulatory ratios	Regulatory requirement for the Bank	31.12.2024	31.12.2023
Total capital ratio	13.00%	106.86%	105.36%
Liquidity coverage ratio (average for the year)	100%	994%	479%
NSFR	100%	213%	230%

## Employees

As of 31 December 2024 the full-time equivalent number of employees was 54.0 (2023: 54.0). The average headcount during the year amounted to 54.0 employees in 2024 (2023: 57.5).

**Proposed appropriation  
of net profit for the year**

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# Proposed appropriation of net loss for the year

The Board of Directors proposes to the Annual General Meeting to carry forward the loss for the year.

	2024	2023	Change
	CHF 1'000	CHF 1'000	CHF 1'000
<b>Appropriation of profit (loss)</b>			
Loss brought forward	(66'310)	(68'120)	1'810
Profit/(loss) for the year	(21'605)	1'810	(23'415)
<b>Total available for appropriation</b>	<b>(87'915)</b>	<b>(66'310)</b>	<b>(21'605)</b>
<b>Appropriation of loss</b>			
Allocation to/from statutory retained earnings reserves	0	0	0
Allocation to/from voluntary retained earnings reserves (BoD reserve)	0	0	0
Distributions from distributable profit	0	0	0
<b>Loss carried forward</b>	<b>(87'915)</b>	<b>(66'310)</b>	<b>(21'605)</b>

# Financial Statements 2024

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# Balance sheet

	Note	31.12.2024 CHF 1'000	31.12.2023 CHF 1'000	Change CHF 1'000
<b>Assets</b>				
Liquid assets		199'181	253'391	(54'210)
Amounts due from banks		92'814	66'719	26'095
Amounts due from customers	3.1	344'026	346'606	(2'580)
Trading portfolio assets	3.2	0	0	0
Positive replacement values of derivative financial instruments	3.3	8	240	(232)
Financial investments	3.4	7	25	(18)
Accrued income and prepaid expenses		6'102	5'616	486
Tangible fixed assets	3.5	1'417	1'997	(580)
Other assets	3.6	472	327	145
<b>Total assets</b>		<b>644'027</b>	<b>674'921</b>	<b>(30'894)</b>
Total subordinated claims		0	0	0
- of which subject to mandatory conversion and / or debt waiver		0	0	0
<b>Liabilities</b>				
Amounts due to banks		65	76	(11)
Amounts due in respect of customer deposits		148'921	157'683	(8'762)
Negative replacement values of derivative financial instruments	3.3	1'458	0	1'458
Accrued expenses and deferred income		6'278	6'034	244
Other liabilities	3.6	1'706	1'311	395
Provisions	3.9	2'199	4'811	(2'612)
Bank's capital	3.10	484'751	484'751	0
Statutory capital reserve		84'843	84'843	0
- of which tax exempt capital contribution reserve		84'843	84'843	0
Voluntary retained earnings reserve		0	0	0
Statutory retained earnings reserve		1'721	1'721	0
Profit/ (loss) brought forward		(66'310)	(68'120)	1'810
Profit/ (loss) for the year		(21'605)	1'810	(23'415)
<b>Total liabilities</b>		<b>644'027</b>	<b>674'921</b>	<b>(30'894)</b>
Total subordinated liabilities		0	0	0
- of which subject to mandatory conversion and / or debt waiver		0	0	0
<b>Off-balance sheet transactions</b>				
Contingent liabilities	4.1	0	0	0
Irrevocable commitments		60	117	(57)

# Income statement

	Note	2024 CHF 1'000	2023 (Reclassified)* CHF 1'000	Change CHF 1'000
<b>Result from interest operations</b>				
Interest and discount income	5.2	36'936	26'469	10'467
Interest and dividend income on trading portfolios		0	0	0
Interest and dividend income on financial investments		0	1'795	(1'795)
Interest expense	5.2	(151)	(0)	(151)
<b>Gross result from interest operations</b>		<b>36'785</b>	<b>28'264</b>	<b>8'521</b>
Changes in value adjustments for default risks and losses from interest operations		(492)	4'879*	(5'371)
<b>Subtotal net result from interest operations</b>		<b>36'293</b>	<b>33'143</b>	<b>3'150</b>
<b>Result from commission business and services</b>				
Commission income from securities trading and investment activities		0	0	0
Commission income from lending activities		676	484	192
Commission income from other services		2'945	4'328	(1'383)
Commission expense		(155)	(84)	(71)
<b>Subtotal result from commission business and services</b>		<b>3'466</b>	<b>4'728</b>	<b>(1'262)</b>
<b>Result from trading activities and the fair value option</b>	5.1	<b>(695)</b>	<b>(124)*</b>	<b>(571)</b>
<b>Other result from ordinary activities</b>				
Other ordinary income		144	60	84
<b>Subtotal other result from ordinary activities</b>		<b>144</b>	<b>60</b>	<b>84</b>
<b>Operating expenses</b>				
Personnel expenses	5.3	(15'929)	(17'826)	1'897
General and administrative expenses	5.4	(12'378)	(12'214)	(164)
<b>Subtotal operating expenses</b>		<b>(28'307)</b>	<b>(30'040)</b>	<b>1'733</b>
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	3.5	(569)	(907)	338
Changes to provisions and other value adjustments, and losses		(31'113)	(4'179)*	(26'934)
<b>Operating result</b>		<b>(20'781)</b>	<b>2'681</b>	<b>(23'462)</b>
Extraordinary income	5.5	4	0	4
Extraordinary expenses	5.5	0	0	0
Taxes	5.7	(828)	(871)	43
<b>Profit / (loss) for the year</b>		<b>(21'605)</b>	<b>1'810</b>	<b>(23'415)</b>

\* Reclassified, refer to explanatory note to the income statement

## Explanatory note to the income statement

In 2024, the management of the Bank decided to change its accounting and valuation policy to reflect the currency translation effects of provisions under “Result from trading activities and the fair value option” as opposed to in “Changes in value adjustments for default risks and losses from interest operations” and “Changes to provisions and other value adjustments, and losses”. Those changes represent reclassifications without impacting the equity and the operating result. Presented below are the reclassification effects of this change for the year 2023:

	2023 Annual Report 31.12.2023 CHF 1'000	Reclassi- fication CHF 1'000	Reclassified 31.12.2023 CHF 1'000
Changes in value adjustments for default risks and losses from interest operations	9'191	(4'312)	4'879
<b>Result from trading activities and the fair value option</b>	<b>(4'450)</b>	<b>4'326</b>	<b>(124)</b>
Changes to provisions and other value adjustments, and losses	(4'165)	(14)	(4'179)

# Statement of Cash Flows

	2024		2023	
	Cash inflow	Cash outflow	Cash inflow	Cash outflow
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
<b>Cash flow from operating activities (internal financing)</b>				
Profit / loss for the year	0	21'605	1'810	0
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	569	0	907	0
Changes in value adjustments for default risks and losses	31'604	0	0	9'226
Provisions and other value adjustments	0	2'611	0	3'082
Accrued income and prepaid expenses	0	447	932	0
Accrued expenses and deferred income	244		0	184
Other assets	0	145	0	169
Other liabilities	394		0	455
<b>Subtotal</b>	<b>32'811</b>	<b>24'808</b>	<b>3'650</b>	<b>13'116</b>
<b>Cash flow from shareholder's equity transactions</b>				
Bank's capital	0	0	0	0
Statutory capital reserve	0	0	0	0
Changes in reserves from capital contributions	0	0	0	0
Dividends	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets</b>				
Tangible fixed assets	0	29	0	88
<b>Subtotal</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>88</b>
<b>Cash flow from banking operations</b>				
<b>Medium and long-term business (&gt; 1 year)</b>				
Amounts due to banks	0	0	0	0
Amounts due from customers	0	0	0	0
Amounts due in respect of customer deposits	0	0	0	0
<b>Short-term business</b>				
Amounts due to banks	0	11	0	672
Amounts due in respect of customer deposits	0	8'762	0	86'923
Negative replacement values of derivative financial instruments	1'458	0	0	0
Amounts due from banks	0	25'777	0	31'383
Amounts due from customers	0	29'342	0	17'321
Trading portfolio assets	0	0	0	0
Positive replacement values of derivative financial instruments	232	0	0	240
Financial investments	18	0	8'895	0
<b>Liquidity</b>				
Liquid assets	54'210	0	137'197	0
<b>Subtotal</b>	<b>55'918</b>	<b>63'892</b>	<b>146'092</b>	<b>136'539</b>
<b>Total</b>	<b>88'729</b>	<b>88'729</b>	<b>149'742</b>	<b>149'742</b>

# Statement of Changes in Equity

	Bank's capital	Capital reserve	Voluntary retained earnings reserves and profit / loss carried forward	Statutory retained earnings reserves	Profit / (loss) for the year	Total
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
<b>Equity at start of current period</b>	<b>484'751</b>	<b>84'843</b>	<b>0</b>	<b>1'721</b>	<b>(66'309)</b>	<b>505'006</b>
Capital increase / decrease	0	0	0	0	0	0
Other contributions / other capital paid in	0	0	0	0	0	0
Dividends and other distributions	0	0	0	0	0	0
Other allocations to (transfers from) the reserves for general banking risks	0	0	0	0	0	0
Offsetting with other reserves	0	0	0	0	0	0
Other allocations to (transfers from) the other reserves	0	0	0	0	0	0
Profit for the year	0	0	0	0	(21'605)	(21'605)
<b>Equity at end of current period</b>	<b>484'751</b>	<b>84'843</b>	<b>0</b>	<b>1'721</b>	<b>(87'914)</b>	<b>483'401</b>

# Notes to the Financial Statements 2024

## 1. Corporate and General Information

TradeXBank AG (hereinafter “the Bank”) is incorporated and domiciled in Switzerland. The Bank has its registered office at Gartenstrasse 24, CH-8027 Zurich, Switzerland.

### Main activities

The Bank specializes in providing services to corporate clients and financial institutions in the field of commodities, including Trade Finance, Documentary business and Global Markets products, as well as offering classical banking solutions and other services demanded by Bank’s customers in international markets.

The clients of the Bank are international trading companies and subsidiaries of large corporations with active trading and investment activities.

## 2.1 Accounting and Valuation Principles

The Bank standalone financial statements are prepared in the form of reliable assessment statutory single-entity financial statements in accordance with the regulations of the Swiss Code of Obligations, the Swiss Federal Banking Law and its Ordinance as well as the statutes and the FINMA Ordinance on Accounting as well as the requirements of the Swiss Financial Market Supervisory Authority (FINMA) concerning the preparation of financial statements for banks (FINMA Circular 2020/1).

Financial statements are stated in Swiss francs (CHF) which is the functional currency of the Bank and are prepared on a going-concern basis.

The financial year ends on December 31.

### Recording of transactions and revenue recognition

The balances under due to banks and customers and due from banks and customers and other items measured at amortized cost are recognized based on value date. All cash movements, spot transactions and derivative transactions are trade date captured. All other transactions are recorded and valued on the day they are conducted. In accordance with the periodic accrual principle, revenues and expenses are recorded in the financial statements in the periods they refer to according to the economic substance of the transactions. Where performance obligations are satisfied over time, revenues and expenses are accrued on a pro rata basis over the duration of the service.

### Going concern

When preparing financial statements, management and the Board of Directors assess the Bank’s ability and willingness to continue as a going concern in the foreseeable future (at least within 12 months following the balance sheet date). Financial statements are prepared on a going concern basis.

When performing such an assessment, management and the Board of Directors, using all available information about the future, consider the factors that relate to the Bank’s current and expected profitability, the timing of repayment of existing financing and potential sources of replacement financing. In case there are significant doubts about the Bank’s ability to continue as a going concern, management and the Board

of Directors incorporate in the analysis the assessment of the feasibility and effectiveness of the mitigating actions it plans to take.

If there are material uncertainties relating to the Bank’s ability to continue as a going concern, the respective disclosures are made in the notes.

If, before the financial statements are authorized for issue, circumstances were to deteriorate so that management and the Board of Directors no longer have any realistic alternative but to cease its operations, the financial statements shall be prepared on liquidation basis of accounting, with the fact being disclosed in the notes thereto.

**Foreign currency translation**

Cash (monetary) assets and liabilities denominated in foreign currencies are recorded in the currency of denomination and are translated into Swiss francs at the market spot exchange rate on the reporting date. All currency translation effects are recognized in the income statement.

Income and expenses in foreign currencies are translated into Swiss francs at the exchange rate applicable on the relevant date of the transaction.

The following foreign currency exchange rates were used for translation as per the relevant balance sheet dates:

	<b>2024</b>	<b>2023</b>
USD/CHF	0.90790	0.83630
EUR/CHF	0.93936	0.92637
GBP/CHF	1.13431	1.06591

**Liquid Assets, Amounts due to banks, and Amounts due in respect of customer deposits**

These items are stated in the balance sheet at their nominal value. Assets and liabilities related to precious metal accounts are valued at fair value if the precious metal concerned is traded on an efficient and liquid market.

**Amounts due from Banks, Amounts due from customers**

These items are reported at nominal value, less value adjustment, where applicable, to recognize default risk establishment on an individual basis. Assets related to precious metal accounts are valued at fair value if the precious metal concerned is traded on an efficient and liquid market.

Loans / receivables are considered to be impaired if it seems unlikely that the debtor will be able to fulfill its future obligations. Indications of impaired loans / receivables are:

- The debtor has significant financial difficulties;
- There has been a breach of contract;
- There is a high probability that the debtor will go bankrupt or will need restructuring;
- Concessions to the debtor that would not be granted under normal conditions;
- Active market for the particular financial asset has disappeared

Loans are classified as impaired when the contractually agreed principal and/or interest payment are more than 90 days outstanding, at the latest. Should a debtor be more than 90 days in arrears with interest payment, the accrued interest is allocated directly to valuation adjustment and provisions. Such interest is only credited to the income statement upon settlement thereof.

The impairment value is measured as the difference between the book value of the asset and the recoverable amount that can be collected, taking into account the net proceeds of the realization of any collateral and the counterparty risk.

The asset is written off from the balance sheet by netting it against the specific valuation adjustment if it is considered to be fully or partially unrecoverable or if the Bank agrees to waive the claim on the asset.

### **Trading portfolios in securities, precious metals and commodities**

Trading portfolios, which includes securities, precious metals and commodities are valued and stated in the balance sheet at their fair value. Fair value is considered to be the price quoted in an efficient and liquid market or the value resulting from the calculation using an appropriate valuation model. Trading portfolios, for which, as an exception, no fair value is available, are recorded in the balance sheet according to the principle of lower of cost or market. Any gains or losses resulting from the valuation are recorded under "Results from trading activities and the fair value option".

Interest, discount and dividend income from trading securities are offset against the refinancing expenses for treasury related trading positions and are recorded as income under "Results from trading activities and the fair value option". In this regard, interest income and interest expenses embedded in the trading results of treasury related swaps are reclassified from the trading result to the interest result.

### **Derivative financial instruments**

Derivative financial instruments are stated at fair value. All derivative financial instruments are allocated to the trading book unless they are used for hedging purposes outside of trading activities. The valuation result from trading activities is recognized in the income statement in the "Result from trading activities and the fair value option". Positive and negative replacement values of derivative financial instruments are reported in the corresponding balance sheet items.

Fair value is the price on the measurement date that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or in the most advantageous market in the absence of a principal market. The fair value of derivatives defined either based on quoted prices in active markets or based on valuation models for which observable market data are used as significant input.

### **Financial investments**

Fixed income debt securities that are planned to be held until maturity are valued using the amortized cost method and the premiums or discounts arising on acquisition are amortized or accrued over the remaining duration of the respective instrument and are recognised in Interest or dividend income on financial investments. Any interest-related profit or loss realized on premature sale or repayment is accrued over the residual term of the original maturity.

Other financial investments that are intended for resale are valued at the lower of cost or market value.

### **Tangible fixed assets and intangible assets**

New investments in fixed assets and software are capitalised and valued at cost provided they are used for more than one accounting period and the value exceeds CHF 5'000. Investments in existing fixed assets and software are capitalised if this investment enhances the market or utilisation value or significantly extends the estimated useful life of an existing fixed asset.

Tangible fixed assets and intangible assets are recorded in the balance sheet at cost less valuation adjustment (including accumulated depreciation). Straight-line depreciation method is applied over the estimated useful life of an individual asset. Depreciation is recorded in the income statement under the “Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets”.

In-house developed software is capitalized if they yield a measurable economic benefit over several years (at least 3 years). They may be capitalized if they are identifiable, the Bank possesses the right to freely dispose of them, the expenses accumulating during their generation are separately recognized and it is likely that the resources required to complete and market or use the software for the Bank’s own purpose are available or will be made available. In-house developed software is recorded in the balance sheet at lower of production value or recoverable amount. If the criteria for capitalization is not met, the related costs will be recorded directly to the profit and loss as software costs.

The value is reviewed on a regular basis. If a review reveals an impairment in value, an additional value adjustment is made accordingly. The adjusted book value is subsequently written down over the residual useful life.

The estimated useful life for different types of fixed assets is as follows:

- Premises 40 years
- Leasehold improvements 7 years
- Fixtures, fittings and installations 7 years
- Software and licenses 5 years
- Computers 3 years
- Other 5 years

Leasehold improvements are be depreciated over the shorter of the remaining lease term or estimated useful life of the improvement, whichever is shorter.

Realised profits or losses from the disposal of fixed assets and intangible assets are recorded in “Extraordinary income” or “Extraordinary expense” accordingly.

**Liabilities to pension plan**

The Bank does not have its own pension plan. The employees of the Bank are insured in the pension fund of Swiss Life. The pension fund of Swiss Life is a defined contribution scheme. All employees are insured against death and invalidity, and in addition, all employees who have reached the age of 24 are insured against old age from the start of the next calendar year. The pension age for men and women is as defined by law. The Bank includes the employer’s contributions within “Personnel expenses”. The Bank bears no further pension liabilities including in the event of the pension fund having an under-coverage of its liabilities.

**Taxes**

Provisions have been made for all Federal, Cantonal and Commune taxes. Current taxes on profits for the period are determined in accordance with the local fiscal provisions on the determination of profits and recognised as expense in the same accounting period at which profit has arised. Regular capital and income taxes payable are disclosed under “Accrued expenses and deferred income”. Stamp tax on capital increase is not included to current taxes and reflected under General and Administrative Expenses. Indirect taxes due/subject to refund such as VAT are disclosed under “Other liabilities”/“Other assets” accordingly.

**Valuation adjustments and provisions**

Valuation adjustments and provisions are prudently made for all risks identifiable at the balance sheet date. The Bank uses a loan loss provision methodology using an expected loss model (ECL), as applied under IFRS 9, which is based on probability of default (PD), exposure at default (EAD), loss given default (LGD) and credit conversion factor (CCF).

Loan Loss Provisioning is estimated for all customer segments and calculated on a basis of Gross exposure for on and off-balance sheet items. Netting or reducing exposure for collaterals and Credit Conversion Factor is applicable for certain financial asset or group financial assets as outlined in the Loan Loss Provisioning Procedure.

Loan Loss Provisioning estimated for the on balance sheet exposure is recognized on the Bank's balance sheet through reduction of the underlying financial asset and the net change of the Loan Loss Provisioning will be reflected directly on the Bank's profit and loss in "Changes in value adjustments for default risks and losses from interest operations". Loan Loss Provisioning estimated for the off balance sheet exposure is recognized on the Bank's balance sheet through increase in liabilities and recorded under provisions. The net change of the Loan Loss Provisioning will be reflected directly on the Bank's profit and loss in "Changes to provisions and other value adjustments, and losses".

All currency translation effects arising from valuation adjustments and provisions are recognized in the income statement under "Result from trading activities and the fair value option".

### **Contingent liabilities and irrevocable commitments**

Contingent liabilities and irrevocable commitments are recorded at its nominal value under section "Off-balance-sheet transactions".

Provisions for foreseeable risks are made and recorded under the respective liabilities section in the balance sheet.

### **Changes in comparison to the previous year**

In 2024 the Bank changed its accounting and valuation principles with respect to the recording of the currency translation effects arising from valuation adjustments and provisions which previously were recorded in the income statement under "Changes in value adjustments for default risks and losses from interest operations" and "Changes to provisions and other value adjustments, and losses" respectively. As per the financial statements 2024 these effects are now recorded under the "Result from trading activities and the fair value option" consistent to the recording of all other effects from currency translations. Those changes represent reclassifications without impacting the equity and the operating result.

## **2.2 Risk management**

The risk management function within the Bank is carried out in respect of liquidity, credit and market risks ("financial risks"), as well as operational risks. The primary objective of the risk management function is to ensure that the overall risk framework is adapted and aligned with the risk appetite determined by the Bank and allows a proper management of the risk exposures.

### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The liquidity risk is managed to ensure that the Bank always has sufficient liquidity to be able to

fulfil its payment obligations, even in stress scenarios. The liquidity risk framework comprises of functional risk measurement and control systems to ensure the Bank is continuously able to pay its obligations at any time and to comply with relevant regulatory requirements. It also defines strategies and requirements for the management of liquidity risk under stress conditions within the defined liquidity risk tolerance. They mainly include risk mitigation measures, the holding of highly liquid assets as a liquidity buffer, and a contingency plan to manage liquidity shortfalls. The Bank's liquidity is managed, monitored, reported and assured on a daily basis.

### **Credit risk**

Credit risk is the risk of a borrower not being able or not willing to honor its obligations vis-à-vis a creditor arising out of a contractual agreement. The Bank might be confronted with losses from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions. Losses or provisions may also result from revaluation of the loan portfolio due to its credit quality and risk factors. For the Bank, loans are the largest source of credit risk; however, credit risk could result from both, on and offbalance sheet items and trading products.

The process to capture and manage credit risks consists of structured recurrent tasks which identify, measure, control, monitor, mitigate and report on credit risks. The Bank applies high standards to assess the credit risk of its counterparties. All credit exposures are monitored using a differentiated limit system and are supported by an active monitoring of the conditions of the credit documentation. Concentration risk is countered by limiting the credit risk per counterparty and its related group.

### **Market risk**

The Bank is exposed to market risks. Market risks arise from open positions on interest rate, currency and commodity products, all of which are exposed to general and specific market movements. The Risk management function which is independent from business generating units, develops the Bank's market risk management policies and measurement techniques. There is an independent market risk control function which is responsible for measuring market risk exposures and reporting these exposures against the prescribed limits on a regular basis.

### **Operational risk**

Operational risk is the risk resulting from inadequate or failed internal processes, people and systems, or from external causes (deliberate, accidental or natural) and including cyber risk. Operational Risk events may result in direct financial losses or indirect in the form of revenue forgone as a result of business suspension. Events may also result in damage to Bank reputation and to the business franchise, which has longer-term financial consequences. The Operational Risk Framework is designed to identify, assess, mitigate, monitor and report on operational risk exposure.

Operational Risk Management, which is independent of Bank's revenue-producing units and reports into the Chief Risk Officer, has primary responsibility for developing and implementing a formalized framework for managing Operational Risk. The aim of Bank's operational risk approach is not to eliminate every source of operational risk, but to provide a framework that supports the identification and assessment of all material Operational Risks and potential concentrations, in order to achieve an appropriate balance between risk and return.

Operational Risk is identified, monitored and managed by implementing appropriate mitigating factors such as an Internal Control Inventory, Risk Control Assessment, Risk Assessment, investigation of operational risk incidents and financial events, loss data collection and through regular management reporting. The reporting provides Executive Management with additional support in their assessment of the inherent risks with respect to the adequacy and effectiveness of the internal control environment.

## **2.3 Events after the Balance Sheet date**

No events occurred after the balance sheet date that could have a significant impact on equity, financial state or results of the Bank with regard to the year under review.

### 3. Information on the Balance Sheet

#### 3.1 Presentation of collateral for loans / receivables and off-balance-sheet transactions, as well as impaired loans / receivables

	Secured by mortgage	Other collateral (Cash and commodities*)	Unsecured	Total
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
<b>Loans (before netting with value adjustments)</b>				
Amounts due from customers	0	233'011	160'692	393'703
<b>Total loans (before netting with value adjustments)</b>				
Current year	0	233'011	160'692	393'703
Previous year	0	187'937	253'233	441'170
<b>Total loans (after netting with value adjustments)</b>				
Current year	0	232'131	111'895	344'026
Previous year	0	187'039	159'568	346'606
<b>Off-balance-sheet</b>				
Contingent liabilities	0	0	0	0
Irrevocable commitments	0	60	0	60
Credit commitments	0	0	0	0
<b>Total off-balance-sheet</b>				
Current year	0	60	0	60
Previous year	0	117	0	117

##### \*Commodities collateral

In relation to its Commodity Trade Finance activity, the Bank benefits from the pledge of physical commodities in storage or transit as well as from the assignment of their respective sales proceeds.

Its portfolio is mostly covering bilateral transactional financings of commodity trade transactions in the following sectors: Energy (oil, oil product, petrochemicals), Mining & Metals (aluminium, copper, steel, iron ore, coal), Soft Commodities (grains, seeds, pulses, edible oils) and other categories such as fertilizers.

	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
<b>Impaired loans / receivables</b>				
Current year	47'230	0	47'230	47'230
Previous year	92'903	0	92'903	92'903

##### Impaired loans and non-performing receivables

As at 31 December 2024 the Bank made value adjustments amounting to CHF 47.230 million (2023: CHF 92.903 million) for customer loans / receivables which are considered as impaired or defaulted. The deviation to prior year is driven by the derecognition of fully provisioned receivables following the decision of London Court of International Arbitration with regards to legacy legal case.

##### Value adjustments for expected losses for non-impaired customer loans

As at 31 December 2024 the Bank had value adjustments for expected losses for non-impaired customer loans / receivables amounting to CHF 2.447 million (2023: CHF 1.660 million).

### 3.2 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities)

	31.12.2024 CHF 1'000	31.12.2023 CHF 1'000
<b>Assets</b>		
<b>Trading portfolio assets</b>		
Debt securities, money market securities / transactions <i>of which, listed</i>	0 0	0 0
Precious metals and commodities	0	0
<b>Total trading portfolio assets</b>	<b>0</b>	<b>0</b>
<i>of which, determined using a valuation model</i>	0	0
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	0	0
	<b>31.12.2024 CHF 1'000</b>	<b>31.12.2023 CHF 1'000</b>
<b>Liabilities</b>		
<b>Trading portfolio liabilities</b>		
Debt securities, money market securities / transactions* <i>of which, listed</i>	0 0	0 0
<b>Total trading portfolio liabilities</b>	<b>0</b>	<b>0</b>
<i>of which, determined using a valuation model</i>	0	0

\* for short positions (booked using the trade date accounting principle)

### 3.3 Presentation of derivative financial instruments (assets and liabilities)

	Own trading contracts			Hedging instruments		
	Positive	Negative	Contract	Positive	Negative	Contract
	replacement	replacement		replacement	replacement	
	values	values	volume	values	values	volume
CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	
<b>Interest rate instruments</b>						
Swaps	0	0	0	0	0	0
Interest Options (OTC)	0	0	0	0	0	0
<b>Foreign exchange/precious metals</b>						
Forward contracts	8	1'458	88'019	0	0	0
Combined interest rate currency swaps	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	0	0	0	0	0	0
<b>Credit derivatives</b>						
Credit default swaps	0	0	0	0	0	0
<b>Total before netting agreements:</b>						
<b>Current year</b>	<b>8</b>	<b>1'458</b>	<b>88'019</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>of which, determined using a valuation model</i>	8	1'458	88'019	0	0	0
Previous year	240	0	29'058	0	0	0
<i>of which, determined using a valuation model</i>	240	0	29'058	0	0	0
<b>Total after netting agreements</b>						
<b>Current year</b>	<b>8</b>	<b>1'458</b>				
Previous year	240	0				
<b>Breakdown by counterparty</b>						
	<b>Central clearing houses</b>	<b>Banks and securities dealers</b>	<b>Other customers</b>			
	CHF 1'000	CHF 1'000	CHF 1'000			
Positive replacement values (after netting agreements)	0	8	0			

### 3.4 Breakdown of financial investments

	Book value 31.12.2024 CHF T'000	31.12.2023 CHF T'000	Fair value 31.12.2024 CHF T'000	31.12.2023 CHF T'000
<b>Financial investments</b>				
Debt securities	0	0	0	0
<i>of which intended to be held to maturity</i>	0	0	0	0
Equity securities	7	25	7	25
<i>of which, qualified participations*</i>	0	0	0	0
Precious metals	0	0	0	0
<b>Total</b>	<b>7</b>	<b>25</b>	<b>7</b>	<b>25</b>

of which, securities eligible for repo transactions in accordance with liquidity requirements

0 0 0 0

\* At least 10% of capital or votes

Breakdown of counterparties by rating (in CHF T'000)	AAA to A	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC to C	without rating
Debt securities: book values	0	0	0	0	0	0

### 3.5 Presentation of tangible fixed assets

	Acquisition cost	Accumulated depreciation	Book value as at end of previous year	31.12.2024							Book value as at end of current year
				Reclas-sifi-cations	Addi-tions	Dispo-sals	Depre-ciation	Write-offs	Rever-sals		
				CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	
Proprietary or separately acquired software	5'523	(4'081)	1'442	(40)	0	0	(232)	0	0	1'170	
Other tangible fixed assets	6'080	(5'525)	555	0	28	0	(336)	0	0	247	
<b>Total tangible fixed assets</b>	<b>11'603</b>	<b>(9'606)</b>	<b>1'997</b>	<b>(40)</b>	<b>28</b>	<b>0</b>	<b>(568)</b>	<b>0</b>	<b>0</b>	<b>1'417</b>	

### 3.6 Breakdown of other assets and other liabilities

	31.12.2024		31.12.2023	
	Other assets	Other liabilities	Other assets	Other liabilities
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
Transit account	0	30	0	7
Indirect taxes	411	43	248	88
Prepaid direct taxes	8	0	8	0
Other assets and liabilities	53	1'632	71	1'216
<b>Total</b>	<b>472</b>	<b>1'705</b>	<b>327</b>	<b>1'311</b>

### 3.7 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

	31.12.2024		31.12.2023	
	Collateral book value	Liability amount used	Collateral book value	Liability amount used
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
<b>Pledged/assigned assets</b>				
Liquid assets (collateral eligible for minimum reserves)	30	0	59	0
Due from banks (margin deposits FX forward contracts)	0	0	3'023	0
Other assets (rent deposits)	53	0	71	0
<b>Total of pledged assigned assets</b>	<b>83</b>	<b>0</b>	<b>3'153</b>	<b>0</b>

Neither in the year under review nor in the previous year there were assets subject to ownership reservation.

At the balance sheet date there were no securities lending and borrowing transactions or repo transactions outstanding.

### 3.8 Disclosure of liabilities relating to pension schemes, and number and nature of equity instruments of the bank held by own pension schemes

The Bank has no own pension scheme. The employees of the Bank are insured under an occupational defined contribution plan with an independent pension company (Swiss Life). The last audited financial statements of this independent pension company (31 December 2023) showed a coverage of above 100%. There are no economic benefits or economic costs attributable to the Bank.

### 3.9 Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year

	Previous year end	31.12.2024						
		Use in conformity with designated purpose	Reclassifications	Currency differences	Past due interest, recoveries	New creations charged to income	Release to income	Balance at current year end
		CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
Provisions for contingent liabilities on base metal contracts and guarantees (expected losses for non-impaired exposures)	0	0	0	0	0	0	0	0
Provisions for expected losses on non-impaired exposures in bonds	0	0	0	0	0	0	0	0
Other provisions	4'811	(33'737)	0	(16)	0	31'291	(150)	2'199
<b>Total provisions</b>	<b>4'811</b>	<b>(33'737)</b>	<b>0</b>	<b>(16)</b>	<b>0</b>	<b>31'291</b>	<b>(150)</b>	<b>2'199</b>
<b>Value adjustments for default and country risk</b>	<b>95'750</b>	<b>(47'031)</b>	<b>0</b>	<b>1'045</b>	<b>0</b>	<b>2'923</b>	<b>(2'432)</b>	<b>50'255</b>
of which, value adjustments for default risk in respect of impaired customer loans / receivables / bonds	93'484	(46'699)	0	1'029	0	2	(344)	47'472
of which, value adjustments for expected losses for non-impaired customer loans / receivables / bonds	1'780	(0)	0	13	0	2'437	(1'790)	2'440
of which, value adjustments for expected losses for other non-impaired exposures	486	(332)	0	3	0	484	(298)	343

Valuation adjustments and provisions are prudently made for all risks identifiable at the balance sheet date. The Bank uses a loan loss provision methodology using an expected loss model (ECL), as applied under IFRS 9, which is based on probability of default (PD), exposure at default (EAD), loss given default (LGD) and credit conversion factor (CCF).

The amount of the provisions is further based upon information available to the Bank taking into account positive and negative factors known at the time these financial statements have been prepared.

The new creations within the year are attributed to legacy issue: on the 9<sup>th</sup> October 2024, an arbitral tribunal (constituted under the LCIA rules) ordered the Bank to pay to a client EUR 26.1 million, plus interest and costs (EUR 33.4 million in total). The Bank paid in full in December 2024.

The Bank used to offer hedging derivative financial instruments to its clients, including USD/RUB non-deliverable forwards. By the beginning of 2022, the Bank maintained with the client a portfolio of such transactions, entered into in 2020. When the Russian-Ukrainian war started, RUB severely depreciated against USD, which resulted in a margin call by the Bank to the client. On the same day, in accordance with Swiss financial market supervisory law, FINMA introduced so-called protective measures in respect of the Bank. The client did not pay the margin call, and on that basis the Bank unilaterally terminated the outstanding transactions (which resulted in EUR 50.7 million due by the client to the Bank). The client, in turn, insisted that the protective measures in respect of the Bank constituted the Bank's event of default as per the underlying ISDA Master Agreement, thus invalidating the margin call by the Bank (and the Bank's termination of the transactions), and allowing the client to terminate the transactions when the client chose so. The client terminated the transactions at a later point, when RUB had appreciated against USD again, resulting in the client's claim to the Bank in the amount of EUR 26.1 million. In September 2022, the client initiated arbitral proceedings against the Bank for this amount, and the Bank made a counterclaim of EUR 50.7 million.

Following advice of its UK counsel, the Bank assessed the prospects of success in this case as positive (i.e. significantly higher than 50%), hence no provisions were made for the claim of the client (the Bank's counterclaim against the client, on the other hand, had already been fully provided for in 2022). Much to the negative surprise of the Bank, the arbitral tribunal ruled that the protective measures imposed on the Bank by FINMA had immediately and quasi automatically led to an event of default under the ISDA Master Agreement, so that as a result the position of the client was supported and its claim against the Bank was upheld (and the Bank's counterclaim rejected accordingly).

### 3.10 Presentation of the bank's capital

	31.12.2024			31.12.2023			
	Total value	par value	No. of shares	Capital eligible for dividend	Total value	No. of shares	Capital eligible for dividend
	CHF 1'000			CHF 1'000	CHF 1'000		CHF 1'000
<b>Bank's capital</b>							
Share capital / cooperative capital	484'751		1'700'879	484'751	484'751	1'700'879	484'751
<i>of which, paid up</i>	<i>484'751</i>		<i>1'700'879</i>	<i>484'751</i>	<i>484'751</i>	<i>1'700'879</i>	<i>484'751</i>
<b>Total Bank's capital</b>	<b>484'751</b>		<b>1'700'879</b>	<b>484'751</b>	<b>484'751</b>	<b>1'700'879</b>	<b>484'751</b>

### 3.11 Number and value of equity securities or options on equity securities held by all executives and directors and by employees

The Bank does not have equity securities or option on equity securities scheme for members of the Board of Directors, members of executive bodies or employees.

### 3.12 Disclosure of amounts due from / to related parties

	Amounts due from related parties		Amounts due to related parties	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
Holders of qualified participations	0*	0*	0	6
Group companies	0	0	0	0
Linked companies	0	0	0	0
Transactions with members of governing bodies	0	0	0	0
Other related parties	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>

\*Amounts due from related parties as of 31 December 2024 represent an uncollateralized receivable related to the settlements under the change of control transaction in the amount of CHF 36.213 million and fully provisioned. The loan expires in September 2027 and has the annually reviewed interest rate as the minimum rate set by the Swiss Federal Tax Administration for shareholder loans + 0.5%.

The Bank does not grant loans to the Bank's governing bodies.

### 3.13 Disclosure of holders of significant participations

	31.12.2024		31.12.2023	
	Nominal CHF 1'000	% of equity	Nominal CHF 1'000	% of equity
<b>Significant shareholders of TradeXBank AG</b>				
<b>Voting shareholders</b>				
M3 Groupe Holding SA	363'563	75.00	407'191	84.00
Mountaindale Investment Holdings DE L.P.	48'475	10.00	48'475	10.00
ORION Participations SA	29'085	6.00	29'085	6.00
Other minority shareholders	43'628	9.00	0	0
<b>Total Bank's capital</b>	<b>484'751</b>	<b>100</b>	<b>484'751</b>	<b>100</b>
<b>Total non-distributable reserves</b>	<b>84'843</b>		<b>84'843</b>	

### 3.14 Presentation of the maturity structure of financial instruments

	Due							Total
	At sight	Cancellable	within 3 months	within 3 to 12 months	within 1 to 5 years	after 5 years	No maturity	
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	
<b>Assets / financial instruments</b>								
Liquid assets	199'151	30	0	0	0	0	0	199'181
Amounts due from banks	36'767	0	56'047	0	0	0	0	92'814
Amounts due from customers	4'109	0	291'802	48'115	0	0	0	344'026
Trading portfolio assets	0	0	0	0	0	0	0	0
Positive replacement values of derivative financial instruments	8	0	0	0	0	0	0	8
Financial investments	0	0	0	0	0	0	7	7
<b>Total current year</b>	<b>240'035</b>	<b>30</b>	<b>347'849</b>	<b>48'115</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>636'036</b>
Total previous year	303'317	59	332'962	30'618	0	0	25	666'981
<b>Debt capital / financial instruments</b>								
Amounts due to banks	65	0	0	0	0	0	0	65
Amounts due in respect of customer deposits	148'921	0	0	0	0	0	0	148'921
Negative replacement values of derivative financial instruments	1'458	0	0	0	0	0	0	1'458
<b>Total current year</b>	<b>150'444</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150'444</b>
Total previous year	157'759	0	0	0	0	0	0	157'759

### 3.15 Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle

	31.12.2024		31.12.2023	
	Domestic	Foreign	Domestic	Foreign
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
<b>Assets</b>				
Liquid assets	199'181	0	253'391	0
Amounts due from banks	49'104	43'710	7'854	58'865
Amounts due from customers	176'780	167'246	110'263	236'343
Trading portfolio assets	0	0	0	0
Positive replacement values of derivative financial instruments	8	0	240	0
Financial investments	0	7	0	25
Accrued income and prepaid expenses	4'183	1'919	3'454	2'162
Tangible fixed assets	1'417	0	1'997	0
Other assets	472	0	327	0
<b>Total assets</b>	<b>431'145</b>	<b>212'882</b>	<b>377'526</b>	<b>297'395</b>
<b>Liabilities</b>				
Amounts due to banks	0	65	0	76
Amounts due in respect of customer deposits	96'098	52'823	104'198	53'485
Negative replacement values of derivative financial instruments	1'458	0	0	0
Accrued expenses and deferred income	6'217	61	5'749	285
Other liabilities	1'706	0	1'311	0
Provisions	2'199	0	4'811	0
Bank's capital	484'751	0	484'751	0
Statutory capital reserve	84'843	0	84'843	0
Voluntary retained earnings reserve	0	0	0	0
Statutory retained earnings reserve	1'721	0	1'721	0
Profit / (loss) brought forward	(66'310)	0	(68'119)	0
Profit / (loss) for the year	(21'605)	0	1'810	0
<b>Total liabilities</b>	<b>591'078</b>	<b>52'949</b>	<b>621'075</b>	<b>53'846</b>

### 3.16 Breakdown of total assets by country or group of countries (domicile principle)

	31.12.2024		31.12.2023	
	Amount CHF 1'000	Share as %	Amount CHF 1'000	Share as %
<b>Assets</b>				
Switzerland	431'145	66.9	377'526	55.9
<b>Europe</b>				
Turkey	46'117	7.3	35'736	5.3
Isle of Man	28'303	4.4	0	0
Italy	18'831	2.9	41'659	6.2
France	10'593	1.6	0	0
Germany	9'434	1.5	0	0
United Kingdom	536	0.1	0	0.0
Belgium	87	0.0	103	0.0
Malta	0	0.0	25'065	3.7
Netherlands	0	0.0	91	0.0
<b>Americas</b>				
United States	30'409	4.7	19'640	2.9
<b>Asia</b>				
United Arab Emirates	68'510	10.6	142'290	21.1
Bahrain	0	0.0	32'811	4.9
China	62	0.0	0	0.0
<b>Total assets</b>	<b>644'027</b>	<b>100.0</b>	<b>674'921</b>	<b>100.0</b>

### 3.17 Breakdown of total foreign assets by credit rating of country groups (risk domicile view)

	Net foreign exposure 31.12.2024		Net foreign exposure 31.12.2023	
	CHF 1'000	Share as %	CHF 1'000	Share as %
SERV Categories				
HI-0	98'194	46.1	86'557	29.1
1-2	68'571	32.2	142'290	47.8
3-4	0	0	0	0
5-6	46'117	21.7	68'548	23.0
7	0	0	0	0
Without rating	0	0	0	0
<b>Total net foreign exposure</b>	<b>212'882</b>	<b>100.0</b>	<b>297'395</b>	<b>100.0</b>

The country rating is based on SERV country risk categories.

### 3.18 Presentation of assets and liabilities broken down by the most significant currencies for the Bank

	CHF CHF 1'000	EUR CHF 1'000	USD CHF 1'000	Other CHF 1'000	31.12.2024 Total CHF 1'000
<b>Assets</b>					
Liquid assets	199'181	0	0	0	199'181
Amounts due from banks	49'109	36'352	7'352	1	92'814
Amounts due from customers	236'860	62'480	44'624	62	344'026
Trading portfolio assets	0	0	0	0	0
Positive replacement values of derivative financial instruments	8	0	0	0	8
Financial investments	7	0	0	0	7
Accrued income and prepaid expenses	4'550	390	1'162	0	6'102
Tangible fixed assets	1'417	0	0	0	1'417
Other assets	472	0	0	0	472
<b>Total assets shown in balance sheet</b>	<b>491'604</b>	<b>99'222</b>	<b>53'138</b>	<b>63</b>	<b>644'027</b>
Delivery entitlements from spot exchange, forward forex and forex options transactions	56'983	31'000	0	0	87'983
<b>Total assets</b>	<b>548'587</b>	<b>130'222</b>	<b>53'138</b>	<b>63</b>	<b>732'010</b>
<b>Liabilities</b>					
Amounts due to banks	0	65	0	0	65
Amounts due in respect of customer deposits	56'632	92'198	91	0	148'921
Negative replacement values of derivative financial instruments	1'458	0	0	0	1'458
Accrued expenses and deferred income	6'216	61	1	0	6'278
Other liabilities	1'654	32	20	0	1'706
Provisions	2'070	0	129	0	2'199
Bank's capital	484'751	0	0	0	484'751
Statutory capital reserve	84'843	0	0	0	84'843
- of which tax exempt capital contribution reserve	84'843	0	0	0	84'843
Voluntary retained earnings reserve	0	0	0	0	0
Statutory retained earnings reserve	1'721	0	0	0	1'721
Profit brought forward	(66'310)	0	0	0	(66'310)
Profit for the year	(21'605)	0	0	0	(21'605)
<b>Total liabilities shown in balance sheet</b>	<b>551'430</b>	<b>92'356</b>	<b>241</b>	<b>0</b>	<b>644'027</b>
Delivery obligations from spot exchange, forward forex and forex options transactions	0	37'272	52'160	0	89'432
<b>Total liabilities</b>	<b>551'430</b>	<b>129'628</b>	<b>52'401</b>	<b>0</b>	<b>733'459</b>
<b>Net position per currency</b>	<b>(2'843)</b>	<b>594</b>	<b>737</b>	<b>63</b>	

## 4. Information on Off-balance Sheet transactions

### 4.1 Breakdown of contingent liabilities and contingent assets

	31.12.2024	31.12.2023	Change
	CHF 1'000	CHF 1'000	CHF 1'000
Guarantees to secure credits and similar	0	0	0
Performance guarantees and similar	0	0	0
Irrevocable commitments arising from documentary letters of credit	0	0	0
<b>Total contingent liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
Pledge agreements to cover customer positions	0	0	0
Committed loan agreement (CLA)	0	0	0
<b>Total contingent assets</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 4.2 Breakdown of credit commitments

As of 31 December 2024 the Bank had no credit commitments outstanding (2023: 0 CHF)

## 5. Information on the income statement

### 5.1 Breakdown of the result from trading activities and the fair value option

	2024 CHF 1'000	2023 (Reclassified) CHF 1'000
<b>a) Breakdown by business area</b>		
Global Markets (discontinued, merged with Treasury)	N/a*	N/a*
Treasury	N/a*	N/a*
<b>Total result from trading activities</b>	<b>(695)</b>	<b>(124)</b>
<b>b) Breakdown by underlying risk</b>		
<b>Result from trading activities from:</b>		
Interest rate instruments (including funds)	0	0
Foreign currencies	(695)	(130)
Commodities/precious metals	0	6
<b>Total result from trading activities</b>	<b>(695)</b>	<b>(124)</b>
<i>of which, from false value option</i>	0	0
<i>of which, from fair value option on assets</i>	0	0
<i>of which, from fair value option on liabilities</i>	0	0

\*Throughout the financial year 2024 the Bank did not manage its trading activities through separate business units, the performance was assessed on an aggregate basis only.

### 5.2 Disclosure of material refinancing income in the item Interest and discount income as well as material negative interest

	2024 CHF 1'000	2023 CHF 1'000
<b>Negative interest</b>		
Negative interest included in interest and discount income	0	0
Negative interest included in interest expense	0	0
<b>Interest income and interest expenses from SWAP transactions</b>		
Interest income on SWAP transactions included in interest and discount income	0	0
Interest expense on SWAP transactions included in interest expense	0	0

Trading result of treasury related SWAP transactions is recorded in results from trading activities and the fair value options.

The interest portion of these transactions is reallocated to interest income and interest expenses.

## 5.3 Breakdown of personnel expenses

	2024	2023	Change
	CHF 1'000	CHF 1'000	CHF 1'000
<b>Personnel expenses</b>			
Salaries and benefits (including meeting attendance fees and fixed compensation to members of the Board of Directors of the Bank)	12'843	15'201	(2'358)
of which, expenses relating to share-based compensation and alternative forms of variable compensation	0	0	0
Social insurance benefits	2'717	2'476	241
Changes in book value for economic benefits and obligations arising from pension schemes	0	0	0
Other personnel expenses	369	149	220
<b>Total personnel expenses</b>	<b>15'929</b>	<b>17'826</b>	<b>(1'897)</b>

## 5.4 Breakdown of general and administrative expenses

	2024	2023	Change
	CHF 1'000	CHF 1'000	CHF 1'000
<b>General and administrative expense</b>			
Office space expenses	1'482	1'541	(59)
Expenses for information and communications technology	6'810	5'079	1'731
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	0	0	0
Fees of audit firm(s) (Art. 961a no. 2 CO)	916	1'047	(131)
of which, for financial and regulatory audits	728	768	(40)
of which, for other services *	188	279	(91)
Other operating expenses	3'170	4'547	(1'377)
<b>Total general and administrative expense</b>	<b>12'378</b>	<b>12'214</b>	<b>164</b>

\* of which CHF 168k related to internal audit services provided by Deloitte for 2024 (2023: CHF 138k provided by Deloitte)

## 5.5 Explanations regarding material losses, extraordinary income and expenses, as well as material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required

	2024 CHF 1'000	2023 CHF 1'000	Change CHF 1'000
<b>Extraordinary income</b>			
Profit on sale of fixed assets	4	0	4
<b>Total extraordinary income</b>	<b>4</b>	<b>0</b>	<b>4</b>
<b>Extraordinary expense</b>			
Loss on sale of fixed assets	0	0	0
Other expenses related to the previous business year	0	0	0
<b>Total extraordinary expense</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 5.6 Disclosure of and reasons for revaluations of participations and tangible fixed assets up to acquisition cost at maximum

There were no revaluations of tangible fixed assets during the year under review or in the previous year.

## 5.7 Presentation of current taxes, deferred taxes, and disclosure of tax rate

	2024 CHF 1'000	2023 CHF 1'000	Change CHF 1'000
Expenses for current income taxes*	0	0	0
Expenses for current capital taxes	828	871	(43)
Expenses for deferred taxes	0	0	0
<b>Total taxes</b>	<b>828</b>	<b>871</b>	<b>(43)</b>
Average weighted tax rate on the basis of the operating profit*	0%	0	

\* The effective income tax rate is 0% for 2024, reflecting the impact of the compensation of available tax loss carry forwards (CHF 90m) with taxable profits.

In 2024, the Bank reported capital taxes for the year in the amount of CHF 828k

## **6. Additional Information**

### **6.1 Extraordinary events**

No extraordinary events have occurred during the financial year 2024.

### **6.2 Report about Participations**

The Bank does not own shares or participations in any company.

### **6.3 Outsourcing**

The Bank outsourced in line with FINMA Circular 2018/3 (Outsourcing – banks and insurers) the operation of the Swiss-based core banking system (AVALOQ) and the electronic banking platform both to a reputable Swiss company. The SWIFT gateway applications and infrastructure are outsourced as well to a reputable Swiss company in line with FINMA Circular 2018/3, furthermore, the Bank outsourced the hosting of its general ledger solution to the cloud, engaging a major global provider of cloud computing services, while the development and maintenance of the solution are outsourced to a European service provider.

The internal audit, tax and payroll functions are outsourced to professional services firms. These activities are not considered as outsourcing under the terms of FINMA Circular 2018/3.

# **Report of the Statutory Auditor on the Financial Statements**

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# Report of the statutory auditor to the General Meeting of TradeXBank AG, Zurich

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of TradeXBank AG ('the Company'), which comprise the balance sheet as at 31 December 2024, the income statement, the statement of cash flows and the statement of changes in equity 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 25 to 55) 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 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 financial statements and our auditor's report 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 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 scepticism throughout the audit. We also:

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

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.

## Report on other legal and regulatory requirements

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

Based on our audit according to art. 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Romer  
Licensed audit expert  
Auditor in charge

Roland Holl  
Licensed audit expert

Zurich, 25 April 2025

**Additional disclosures of capital and  
liquidity information according to  
FINMA circular 2016/1**

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# Additional disclosures of capital, liquidity and interest rate risk information according to FINMA circular 2016/1

In respect of the qualitative information to accompany the FINMA circular 2016/1 (Disclosure – Banks), the reader should refer to the Management Report section and the Notes of these Financial statements where Risk Management activities have been described in detail.

## 1. Basic regulatory key figures (table KM1 FINMA Circular 2016/1)

Ciph	Key figure	31.12.2024	31.12.2023			
<b>Eligible capital (CHF'000)</b>						
1	Common equity tier 1 capital (CET1)	483'401	503'195			
2	Eligible tier 1 capital (T1)	483'401	503'195			
3	Total eligible capital	483'401	503'195			
<b>Risk weighted positions (CHF T'000)</b>						
4	Risk weighted assets (RWA)	452'375	477'591			
<b>Required minimum capital requirements (CHF T'000)</b>						
4a	Required minimum capital requirements	36'191	38'207			
<b>Risk based capital quotas (in % of RWA)</b>						
5	CET1 ratio	106.86%	105.36%			
6	Tier 1 ratio	106.86%	105.36%			
7	Capital adequacy ratio (CAR)	106.86%	105.36%			
<b>CET1 buffer requirements (in % of RWA)</b>						
8	Capital conversion buffer requirements according to Basel minimum requirements	2.5%	2.5%			
9	Countercyclical buffer requirements according to Basel minimum requirements	0.00%	0.00%			
10	Additional buffer requirements (Bank G-SIB and / or D-SIB)	0.00%	0.00%			
11	Total of Bank CET1 specific buffer requirements according to Basel minimum requirements	2.5%	2.5%			
12	CET1 available after meeting the Bank's minimum capital requirements	98.86%	97.36%			
<b>Target capital quotas according to annex 8 CAO (in % of RWA)</b>						
12a	Capital conversion buffer requirements according to annex 8 CAO	2.5%	2.5%			
12b	Countercyclical buffer requirements according to art. 44 / 44a CAO	0.0%	0.0%			
12c	CET1 target quota according to annex 8 CAO including countercyclical capital buffer	7.0%	7.0%			
12d	T1 target quota according to annex 8 CAO including countercyclical capital buffer	8.5%	8.5%			
12e	Total capital target ratio according to annex 8 CAO including countercyclical capital buffer	10.5%	10.5%			
<b>Basel III leverage ratio</b>						
13	Basel III leverage ratio exposure (CHF T'000)	644'920	675'235			
14	Basel III leverage ratio (%)	74.9552%	74.5215%			
<b>Liquidity coverage ratio</b>						
		Average	Average	Average	Average	Average
		<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q4 2023</b>
15	Total High-Quality Liquid Assets (HQLA) in CHF T'000	170'757	254'607	274'718	273'264	299'610
16	Total Net Cash Outflow in CHF T'000	20'643	21'055	20'731	44'570	53'222
17	Liquidity Coverage Ratio (LCR)	827.19%	1209.25%	1325.16%	613.11%	562.94%
<b>Net stable funding ratio (NSFR)</b>						
18	Available stable refinancing (CHF T'000)	628'198	632'104			
19	Required stable refinancing (CHF T'000)	294'966	275'335			
20	Net stable funding ratio (NSFR) in %	213%	230%			

## Overview of risk weighted assets (table OVI FINMA circular 2016/1)

	Risk-weighted assets 31.12.2024	Risk-weighted assets 31.12.2023	Minimum capital 31.12.2024
	CHF 1'000	CHF 1'000	CHF 1'000
Credit risk	377'585	383'353	30'207
<i>thereof non-counterparty risk</i>	1'417	1'997	113
<i>thereof credit value adjustments and settlement risk</i>	926	1'387	74
Securitisations / threshold 2 / CCP	0	0	0
Market risk	1'394	2'452	112
Operational risk	73'396	91'786	5'872
Amounts below the threshold for deductions (amounts subject to a risk weighting of 250%)	0	0	0
<b>Total</b>	<b>452'375</b>	<b>477'591</b>	<b>36'191</b>

The Bank uses the standard approach (SA BIZ) as defined by FINMA for the calculation of the required capital for credit risk. Required capital for market risk has been quantified by using the standard approach and for operational risk the basic indicator approach has been used, as defined by FINMA.

## 2. Management of liquidity risk (table LIQA FINMA circular 2016/1)

Represented below is the liquidity gap in CHF million as of 31 December 2024:

Article	Call and up to 1M	1M to 6M	6M to 1Y	1Y - 3Y	More than 3Y	Non-matu- ring ac- counts	TO- TAL
<b>Assets</b>							
Cash and equivalents	0	0	0	0	0	199	199
Securities portfolio	0	0	0	0	0	0	0
Accounts with other banks	55	2	0	0	0	36	93
Loans and advances to corporate customers	190	102	20	28	0	4	344
Fixed assets	1	0	0	0	0	0	1
Other assets	7	0	0	0	0	0	7
<b>Total Assets</b>	<b>253</b>	<b>104</b>	<b>20</b>	<b>28</b>	<b>0</b>	<b>239</b>	<b>644</b>
<b>Liabilities</b>							
Deposits from banks	0	0	0	0	0	0	0
Due from corporate customers	149	0	0	0	0	0	149
Securities Issued	0	0	0	0	0	0	0
Other liabilities	8	0	0	0	0	0	8
Capital	0	0	0	0	483	0	483
<b>Total Liabilities</b>	<b>157</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>483</b>	<b>0</b>	<b>640</b>
<b>Liquidity gap</b>	<b>96</b>	<b>104</b>	<b>20</b>	<b>28</b>	<b>(483)</b>	<b>239</b>	<b>4</b>
<b>Cumulative liquidity gap</b>	<b>96</b>	<b>200</b>	<b>220</b>	<b>248</b>	<b>(235)</b>	<b>4</b>	<b>0</b>

For qualitative information refer to the Notes of the Financial Statements.

### 3. Credit risk: Credit quality of assets (table CR1 FINMA circular 2016/1)

	Gross book value defaulted ex- posures 31.12.2024 CHF 1'000	Gross book value non-defaulted ex- posures 31.12.2024 CHF 1'000	Value adjustments / im- pairments 31.12.2024 CHF 1'000	Net expo- sures 31.12.2024 CHF 1'000
Loans / Receivables (excluding debt securities)	47'230	439'584	49'975	436'839
Debt securities	0	0	0	0
Off-balance sheet exposures	0	60	0	60
<b>Total</b>	<b>47'230</b>	<b>439'644</b>	<b>49'975</b>	<b>436'899</b>

The default classification is applied by using of the following criteria:

- The customer is past due for more than 90 days (Basel II requirements) on any material credit debt;
- A coupon or principal payment on the interest-bearing security is delinquent for at least 90 days;
- The customer is in breach of its granted overdraft facility limit for more than 90 days;
- The customer is declared insolvent by a court or through arbitration.

A decision to classify an exposure as defaulted can be exercised on an individual basis through the Credit Committee approval.

### 4. Credit risk: Changes in portfolio of impaired loans / receivables and debt instruments (table CR2 FINMA circular 2016/1)

	Gross debt amount 31.12.2024 CHF 1'000
Defaulted loans / receivables and debt securities at the end of previous reporting period	93'484
Loans / receivables and debt securities that have defaulted since the end of the previous reporting period	0
Exposures that have returned to non-defaulted status	0
Amounts written-off	(46'752)
Other changes	740
<b>Defaulted loans / receivables and debt securities at the end of reporting period</b>	<b>47'472</b>

## 5. Credit risk: Additional information for credit quality of assets (table CRB FINMA circular 2016/1)

### Qualitative information

For definition of defaulted assets please refer to table CR1. For other qualitative information please refer to the Credit Risk section as part of the Management Report 2024 and to the Notes of to the Financial Statements.

### Quantitative information

#### Geographical credit risk of assets

Loan business	North					Total
	Switzerland	Europe	America	Asia	Other	
	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
Balance sheet / amounts due:						
from banks	49'104	36'953	6'756	0	0	92'814
from customers	176'780	76'537	22'583	68'125	0	344'026
trading portfolio assets	0	0	0	0	0	0
positive replacement values	8	0	0	0	0	8
financial investments	0	7	0	0	0	7
accrued income and prepaid expenses / other as-sets	4'655	404	1'070	445	0	6'574
<b>Total - current year</b>	<b>230'547</b>	<b>113'901</b>	<b>30'409</b>	<b>68'570</b>	<b>0</b>	<b>443'429</b>
Total - previous year	122'164	102'629	19'640	175'101	0	419'533

#### Credit risk of assets: Distribution by contractor or industry

Loan business	Public				Other Exposures	Total
	Banks	Bodies	Enterprises	Equity		
	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
Balance sheet / amounts due:						
from banks	92'814	0	0	0	0	92'814
from customers	0	0	344'026	0	0	344'026
trading portfolio assets	0	0	0	0	0	0
positive replacement values	8	0	0	0	0	8
financial investments	0	0	7	0	0	7
accrued income and prepaid expenses / other as-sets	146	931	4'069	0	1'428	6'574
<b>Total - current year</b>	<b>92'968</b>	<b>931</b>	<b>348'102</b>	<b>0</b>	<b>1'428</b>	<b>443'429</b>
Total - previous year	67'497	1'044	349'362	0	1'630	419'533

#### Credit risk of assets: Distribution by maturity

Please refer to table 3.14 of the Financial Statements.

## 6. Credit risk: Overview of mitigation techniques (table CR3 FINMA circular 2016/1)

	Unsecured exposures	Secured exposures	Exposures secured with financial guarantees or credit derivatives
	book values	actual collateralized amount	actual collateralized amount
	31.12.2024 CHF 1'000	31.12.2024 CHF 1'000	31.12.2024 CHF 1'000
Loans / Receivables inclusive debt securities	641'633	969	0
Off-balance sheet exposures	3'273	0	0
<b>Total</b>	<b>644'906</b>	<b>969</b>	<b>0</b>
of which defaulted	47'472	0	0

The table represents the amount that has been used as credit risk mitigation for calculation of minimum capital requirements after risk mitigation but before risk weighting.

## 7. Credit risk: exposures by exposure category and risk weightings according to the standard approach (table CR5 FINMA circular 2016/1)

Exposure category / risk weight	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
<b>as per 31 December 2024</b>										
Central governments and central banks	199'327	0	0	0	0	0	0	0		199'327
Banks and securities dealers	0	0	87'430	0	575	0	8'071	0		96'075
Public-sector entities and multilateral development banks	0	0	12	0	0	0	0	0		12
Corporates	97	0	0	0	0	0	346'961	0		347'058
Retail	0	0	0	0	0	0	0	0		0
Equity interests	0	0	0	0	0	0	7	0		7
Other exposures	0	0	0	0	0	0	2'427	0		2'427
<b>Total</b>	<b>199'424</b>	<b>0</b>	<b>87'442</b>	<b>0</b>	<b>575</b>	<b>0</b>	<b>357'466</b>	<b>0</b>	<b>0</b>	<b>644'906</b>
Of which mortgage-backed exposures	0	0	0	0	0	0	0	0	0	0
Of which overdue exposures	0	0	0	0	0	0	0	0	0	0

The table represents balance sheet and off-balance sheet exposures with credit risks. These values are used for the calculation of minimum capital requirements after risk mitigation but before risk weighting.

## 8. Counterparty risk: exposures by exposure category and risk weightings according to the standard approach (table CCR3 FINMA circular 2016/1)

As a Category 5 Bank, the Bank has exercised the option not to disclose table CCR 3 in accordance with the FINMA circular 2016/1 due to the immaterial nature of the data and refers to the information disclosed in table CR5.

## Interest rate risk: Objectives and guidelines for the management of interest rate risk in the banking book (table IRRBBA FINMA circular 2016/1)

Qualitative disclosure requirements for interest in the banking book

a.	In regards to interest rate risk management, the bank focuses on both value and earnings-based metrics. In particular, it controls the following measures: a. Net Present Value sensitivity of the equity (NPV sensitivity) b. Net Interest Income (NII) sensitivity For this purpose the Bank includes banking book positions to derive above mentioned metrics.
b.	For interest rate risk management and mitigation purposes, NPV and NII sensitivities are reported on a monthly basis to the Asset & Liability Committee (ALCO). The ALCO sets targets and limits which are in line with the stipulated interest rate risk tolerance and risk-appetite limits that are approved on BoD level. In addition, several IRRBB scenarios are performed monthly (for further details please refer to section d below). Furthermore, ALM/Treasury checks regularly that the worst case regulatory IRRBB stress test result is compliant with regulatory limitations.
c.	Two measures are calculated and presented to ALCO on a monthly basis: NPV sensitivity (NPV of equity change triggered by a parallel shift in accordance with FINMA regulatory scenario / NPV of equity) as well as NII sensitivity (NII change / regulatory capital base). Specific interest rate stress tests are performed and presented on a semi-annual basis to ALCO and on an annual basis to Board of Directors (BoD).
d.	The bank calculates interest rate risks for several scenarios: parallel up / down, flattener, steepener, short term up / down based on regulatory interest rate shock scenarios
e.	Currently the Bank is re-establishing its access to the financial markets and its ability to hedge IRR with derivative instruments. Still the Bank can use balance sheet instruments for IRR management, e.g. loan portfolio term structure.
f.	Key model assumptions and calculation parameters applied to derive tables IRRBBA1 and IRRBB1
1.	Interest cash flows used for EVE change computation include client credit spreads.
2.	Interest cash flows and repricing positions are included in the respective time bucket in accordance with the date of the interest payment or the repricing date, respectively. Hence, for EVE change computations the actual payment date or repricing date are applied.
3.	For discounting purposes, the SARON/OIS, SOFR/OIS, Euribor/IRS rates in the respective currencies are used. Moreover, linear interpolation method is applied where generic yield figures are not available.
4.	NII change is computed based on NII resulting from prevailing contractually agreed positions (assumption on run-off balance sheet) and future transactions, which fall into the defined 12 months horizon. As a result of the constant volume, lifetime and margin assumption, actual maturing deals are rolled-over or renewed and modelled as future transactions.
5.	In case of non-maturing assets (NMA) and non-maturing liabilities (NML), the interest repricing date are determined based on internal replication keys. Longest assumed repricing frequency is 0.28 years.
6.	The Bank has no material asset positions with embedded early termination optionalities. Hence, cashflows from loans are shown on the next repricing or maturity date.
7.	Bank has no term deposits on its balance sheet as of reporting date. All client funding concentrated on current accounts.
8.	Except for very few loans disposing of prepayment optionality in favour of the borrower, there are no automatic interest rate options. The prepayment options are not modelled for IRRBB purposes as they are immaterial in relation to balance sheet size.
9.	The Bank does not make use of non-linear derivatives in the banking book.
10.	The EVE change results by currency are simply added-up in line with regulatory requirements (FINMA circular 2019/2 "interest rate risk - banks"). As a result, this aggregation disregards correlation effects and thus, tends to overstate results.

## 9. Interest rate risk: Quantitative information on the exposure's structure and interest fixing date (table IRRBBA1 FINMA circular 2016/1)

in CHF '000's	Amounts as per 31.12.2024			Average time to repricing of interest rates (in years)		Maximum time to repricing of interest rates (in years) for positions with modelled (non-deterministic) fixing of the repricing date	
	Total	- of which in CHF	- of which in other significant currencies (>10%)	Total	- of which in CHF	Total	- of which in CHF
<b>Define repricing date of interest rates</b>							
Due from banks	56'637	47'990	8'647	0.03	0.02		
Due from customers	353'506	242'783	110'723	0.15	0.17		
Fixed-term mortgages	-	-	-	-	-		
Financial investments	7	7	-	0.00	0.00		
Other assets	-	-	-	-	-		
Receivables on derivatives	88'019	56'991	31'028	0.06	0.07		
Due in respect of banks	-	-	-	-	-		
Due in respect of customers	-	-	-	-	-		
Other liabilities	-	-	-	-	-		
Payables on derivatives	88'019	-	88'019	0.06	-		
<b>Non-defined repricing date of interest rates</b>							
Due from banks	36'766	1'133	35'633	0.08	0.08	0.08	0.08
Due from customers	62	-	62	0.22	-	0.22	-
Variable-term mortgages	-	-	-	-	-	-	-
Other assets held at sight	-	-	-	-	-	-	-
Due in respect of customers held at sight	148'921	56'632	92'289	0.22	0.22	0.22	0.22
Other liabilities held at sight	-	-	-	-	-	-	-
Due in respect of customers (savings accounts)	-	-	-	-	-	0.36	0.36
<b>Total</b>	<b>771'937</b>	<b>405'536</b>	<b>366'401</b>	<b>0.07</b>	<b>0.03</b>	<b>0.36</b>	<b>0.36</b>

## 10. Interest rate risk: Quantitative information on the exposure's net present value and interest rate income (table IRRBB1 FINMA circular 2016/1)

Quantitative information on the economic value of equity (EVE) and net interest income (NII):

	<b>EVE change T*</b>	<b>EVE change T-1**</b>	<b>NII change T</b>	<b>NII change T-1</b>
	CHF 1'000	CHF 1'000	CHF 1'000	CHF 1'000
<b>Parallel up</b>	(340)	(62)	6'852	7'210
<b>Parallel down</b>	340	58	(6'762)	(7'116)
<b>Steepener</b>	189	73		
<b>Flattener</b>	(239)	(78)		
<b>Short rate up</b>	(306)	(79)		
<b>Short rate down</b>	305	75		
<b>Worst scenario</b>	(340)	(79)	(6'762)	(7'116)
<b>Tier I capital</b>	483'401	503'195		

\*T = 31.12.2024

\*\*T-1 = 31.12.2023

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