

2024

Consolidated financial statements

Consolidated Financial Statements

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Consolidated income statement for the years ended 31 December 2024 and 2023

CHF thousand	Note	2024	2023
Fee income from securities trading and investment activities		214,469	213,279
Net fee income	9	214,469	213,279
Result from trading activities and the fair value option	10	21,490	36,592
of which interest revenue on FVOCI and amortised cost instruments related to trading activities		56,433	48,894
of which interest expense on amortised cost instruments related to trading activities		(16,217)	(18,837)
Interest income from financial assets measured at amortised cost		7,315	15,148
Interest expense from financial liabilities measured at amortised cost		(8,236)	(10,633)
Credit loss (expense) / recovery		475	1,937
Net result from interest operations	11	(446)	6,452
Other operating income	12	2,998	3,659
Total operating income		238,511	259,982
Personnel expenses	13	(123,879)	(138,007)
Other operating expenses	14	(59,704)	(60,888)
Depreciation and amortisation of tangible & intangible assets	31	(36,022)	(35,302)
Changes to provisions, other value adjustments and losses	37	(10,999)	(7,423)
Total operating expenses		(230,604)	(241,620)
Result from operating activities		7,907	18,362
Income Taxes	15	(2,071)	2,237
Group net profit		5,836	20,599
of which allocated to shareholders of Leonteq AG		5,836	20,599
Share information			
Basic earnings per share (CHF)	17	0.33	1.15
Diluted earnings per share (CHF)	17	0.32	1.11

Consolidated statement of other comprehensive income for the years ended 31 December 2024 and 2023

CHF thousand	Note	2024	2023
Group net profit		5,836	20,599
Other comprehensive income/(loss) that will not be reclassified to the income statement (net of tax)			
Remeasurement of defined benefit plan	16, 35	2,186	(3,524)
Changes in own credit spread	16, 18	2,457	111
Total other comprehensive income/(loss) that will not be reclassified to the income statement		4,644	(3,413)
Other comprehensive income/(loss) that may be reclassified to the income statement (net of tax)			
Net unrealised gains/(losses) on debt instruments measured at fair value through other comprehensive income	16, 28	6,288	18,149
Expected credit loss changes on debt instruments measured at fair value through other comprehensive income	16, 36	(588)	(1,605)
Currency translation adjustments	16	26,228	(33,469)
Total other comprehensive income/(loss) that may be reclassified to the income statement		31,928	(16,926)
Total other comprehensive income/(loss)		36,572	(20,339)
Total comprehensive income		42,408	260
of which allocated to shareholders of Leonteq AG		42,408	260

The notes on pages 149 to 211 are an integral part of these consolidated financial statements.

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Consolidated statement of financial position as of 31 December 2024 and 2023

CHF thousand	Note	31.12.2024	31.12.2023
Assets			
Cash and balances at central banks	20	136,867	142,697
Amounts due from banks	21	514,950	462,923
Amounts due from securities financing transactions	23	43,307	20,667
Amounts due from customers	22	390,673	291,654
Trading financial assets	24	3,653,840	2,725,961
of which assets lent as collateral with the right to resell or repledge		544,793	434,350
Trading inventories	25	407,411	287,072
Positive replacement values of derivative financial instruments	26	2,765,464	2,398,656
Other financial assets designated at fair value through profit or loss	27	148,368	180,821
Financial investments measured at fair value through other comprehensive income	28	2,474,158	2,609,186
of which assets lent as collateral with the right to resell or repledge		554,322	387,512
Accrued income and prepaid expenses	29	7,257	6,586
Other assets	30	25,665	22,294
Current tax assets	15	156	279
Deferred tax assets	15	1,925	2,415
Interests in joint ventures	32	958	958
Tangible assets	31	37,096	44,812
Intangible assets	31	59,176	59,068
Total assets		10,667,271	9,256,049

CHF thousand	Note	31.12.2024	31.12.2023
Liabilities			
Amounts due to banks	21	320,861	252,242
Liabilities from securities financing transactions	23	1,136,406	805,197
Amounts due to customers	22	475,608	483,992
Trading financial liabilities	24	137,167	54,019
Negative replacement values of derivative financial instruments	26	2,421,330	1,999,595
Other financial liabilities designated at fair value through profit or loss	27	5,185,627	4,666,965
Accrued expenses and deferred income	29	101,718	126,160
Current tax liabilities	15	13,673	13,184
Deferred tax liabilities	15	—	544
Other liabilities	30	53,605	50,470
Provisions	37	17,446	23,548
Total liabilities		9,863,441	8,475,916
Equity			
Share capital	38	18,494	18,934
Share premium		195,857	213,445
Retained earnings ¹		665,888	680,999
Accumulated other comprehensive income/(loss)		(33,651)	(67,940)
Own shares	38	(42,758)	(65,305)
Total shareholders' equity		803,830	780,133
Total liabilities and equity		10,667,271	9,256,049

¹ Retained earnings comprise cumulated earnings, including Group net profit for the years ended 31 December 2024 and 31 December 2023, respectively.

The notes on pages 149 to 211 are an integral part of these consolidated financial statements.

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Consolidated statement of changes in equity for the years ended 31 December 2024 and 2023

CHF thousand

	Note	Share capital	Share premium	Retained earnings	Accumulated other comprehensive income/(loss)						Total shareholders' equity
					Defined benefit plan	Change in own credit	Unrealised income/(loss) related to debt instruments at fair value through OCI	Expected credit loss on debt instruments at fair value through OCI	Currency translation adjustments	Own shares	
Balance as of 1 January 2023		18,934	249,647	690,797	3,756	—	(27,098)	5,971	(29,946)	(42,027)	870,035
Equity-settled share-based payments	38	—	—	5,521	—	—	—	—	—	11,130	16,651
Net disposal/(purchase) of own shares	38	—	—	—	—	—	—	—	—	(34,409)	(34,409)
Dividends and other distributions	38	—	(36,202)	(36,202)	—	—	—	—	—	—	(72,404)
Other allocations to/(transfers from) other comprehensive income		—	—	—	(3,524)	111	18,149	(1,605)	(33,469)	—	(20,339)
Transfers within equity ¹		—	—	285	—	(285)	—	—	—	—	—
Group net profit		—	—	20,599	—	—	—	—	—	—	20,599
Balance as of 31 December 2023		18,934	213,445	680,999	233	(174)	(8,949)	4,366	(63,415)	(65,305)	780,133

CHF thousand

	Note	Share capital	Share premium	Retained earnings	Accumulated other comprehensive income/(loss)						Total shareholders' equity
					Defined benefit plan	Change in own credit	Unrealised income/(loss) related to debt instruments at fair value through OCI	Expected credit loss on debt instruments at fair value through OCI	Currency translation adjustments	Own shares	
Balance as of 1 January 2024		18,934	213,445	680,999	233	(174)	(8,949)	4,366	(63,415)	(65,305)	780,133
Equity-settled share-based payments	38	—	—	(5,642)	—	—	—	—	—	16,937	11,295
Capital increase/(decrease)	38	(440)	(8,780)	(8,780)	—	—	—	—	—	18,000	—
Net disposal/(purchase) of own shares	38	—	—	—	—	—	—	—	—	(12,390)	(12,390)
Dividends and other distributions	38	—	(8,808)	(8,808)	—	—	—	—	—	—	(17,616)
Other allocations to/(transfers from) other comprehensive income		—	—	—	2,186	2,457	6,288	(588)	26,228	—	36,572
Transfers within equity ¹		—	—	2,283	—	(2,283)	—	—	—	—	—
Group net profit		—	—	5,836	—	—	—	—	—	—	5,836
Balance as of 31 December 2024		18,494	195,857	665,889	2,419	0	(2,662)	3,778	(37,187)	(42,758)	803,830

¹ Changes in own credit risk recognised in other comprehensive income are subsequently transferred within equity to retained earnings. For further information, refer to Note 18.

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Consolidated statement of cash flows for the years ended 31 December 2024 and 2023

CHF thousand	Note	2024	2023
Group net profit		5,836	20,599
Adjustments for non-cash items in Group net profit			
Depreciation and amortisation expense	31	36,022	35,301
Increase/(Decrease) in deferred taxes	15	(54)	(463)
Change in expected credit loss provision	36	(459)	(1,967)
Change in provision	37	10,998	7,419
Expenses from employee participation schemes	13	11,235	16,895
Other non-cash income and expenses		768	(2,900)
Net (increase)/decrease in assets related to operating activities			
Amounts due from banks	21	(107,806)	110,638
Amounts due from securities financing transactions	23	(22,640)	(18,822)
Amounts due from customers	22	(34,636)	60,393
Trading financial assets	24	(990,230)	667,808
Trading inventories	25	(120,339)	(138,910)
Positive replacement values of derivative financial instruments	26	(366,808)	1,745,793
Other financial assets designated at fair value through profit or loss	27	32,453	36,407
Net (investment)/disposal of financial investments measured at fair value through other comprehensive income	28	141,316	14,068
Accrued income and prepaid expenses	29	(671)	1,455
Current tax assets	15	123	731
Other assets	30	(3,370)	10,986
Net increase/(decrease) in liabilities related to operating activities			
Amounts due to banks	21	12,276	(215,971)
Liabilities from securities financing transactions	23	331,209	(1,017,680)
Amounts due to customers	22	(12,169)	(573,956)
Trading financial liabilities	24	83,148	(147,524)
Negative replacement values of derivative financial instruments	26	421,735	(907,948)
Other financial liabilities designated at fair value through profit or loss	27	518,662	(7,340)
Accrued expenses and deferred income	29	(24,442)	(33,937)

CHF thousand	Note	2024	2023
Current tax liabilities	15	3,428	(2,885)
Other liabilities	30	15,851	3,321
Utilisation of general provision	37	(17,131)	(5,283)
Dividends received		62,351	53,354
Interest received		7,315	15,148
Interest paid		(7,806)	(10,152)
Current income taxes paid		(2,939)	(28,524)
Cash flow from operating activities		(16,774)	(313,944)
Purchases of tangible assets	31	(3,342)	(2,310)
Proceeds from sale of tangible assets	31	23	—
Purchases of intangible assets	31	(23,095)	(26,227)
Investment in a joint venture	32	—	(958)
Cash flow from investing activities		(26,414)	(29,495)
Lease payments (excluding short term/low-value leases)	31	(10,553)	(9,749)
Distribution of capital contribution reserves	38	(8,808)	(36,202)
Dividend distribution	38	(8,808)	(36,202)
Purchases of own shares	38	(12,390)	(34,409)
Cash flow from financing activities		(40,558)	(116,561)
Exchange rate differences		26,032	(33,391)
Net (decrease)/increase in cash and cash equivalents		(57,715)	(493,392)
Cash and cash equivalents, beginning of the year		389,112	882,504
Cash and cash equivalents at the balance sheet date		331,397	389,112
Cash and balances at central banks		136,867	142,696
Due from banks on demand ¹	21	181,106	237,247
Due to banks on demand ¹	21	(60,518)	(4,176)
Due from financial market infrastructure entities ²	22	77,748	13,365
Due to financial market infrastructure entities ²	22	(3,806)	(21)
Net cash and cash equivalents at the balance sheet date		331,397	389,112

¹ The "Due from/to banks on demand" balances are included in balance sheet line items "Amounts due from/to banks".

² The "Due from/to financial market infrastructure entities" are included in the balance sheet line items "Amounts due from/to customers".

Notes to the consolidated financial statements

1 General information

Leonteq AG (Leonteq or "the Company"), together with its subsidiaries (referred to hereinafter as "the Group"), is an independent expert in structured investment products and long-term savings and retirement solutions.

These solutions and services include the development, structuring, distribution, hedging and settlement, lifecycle management and market making of structured products, as well as the design and management of structured certificates and unit-linked life insurance policies.

The Group provides some of these core services to platform partners under the terms of cooperation agreements. The Group also distributes products to institutional investors and financial intermediaries who offer these products to retail investors.

The Company was incorporated in Zurich, Switzerland, in 2007. It is a public limited company with its registered office at Europaallee 39, 8004 Zurich, Switzerland. The Company's shares have been listed on the SIX Swiss Exchange (SIX) since 19 October 2012.

These consolidated financial statements were approved for publication by the Board of Directors on 4 February 2025.

2 Basis of presentation

The Group prepares its consolidated financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). They are prepared according to the historical cost approach, with the exception that financial assets and liabilities (including derivative instruments and trading inventories) are revalued at fair value through profit or loss and debt instruments are measured at fair value through other comprehensive income.

These financial statements are presented in Swiss francs and rounded to the nearest thousand. Consequently, the total may differ from the figures calculated when the individual numbers are added together.

3 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below and in the relevant notes. These policies have been consistently applied unless otherwise stated.

Subsidiaries

These consolidated financial statements comprise the financial statements of the parent company Leonteq AG and its subsidiaries. Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which the Group ceases to control them.

Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances. Intercompany transactions, balances and unrealised gains or losses on transactions between the Group companies are eliminated.

Foreign currency translation

The Group's presentation currency is the Swiss franc (CHF). The Group used the following main foreign exchange rates:

	Spot rate 31.12.2024	Spot rate 31.12.2023	Average rate 2024	Average rate 2023
EUR / CHF	0.9399	0.9290	0.9526	0.9716
USD / CHF	0.9073	0.8415	0.8806	0.8985
GBP / CHF	1.1355	1.0723	1.1252	1.1171
JPY / CHF	0.0058	0.0060	0.0058	0.0064
HKD / CHF	0.1168	0.1078	0.1129	0.1148
SGD / CHF	0.6644	0.6370	0.6589	0.6692

The Group companies prepare their financial statements in their respective functional currencies. Transactions in a currency other than the functional currency are recognised by the companies at the foreign exchange spot rate on the transaction date. Exchange differences arising between the date of a transaction and its subsequent settlement are recognised in the income statement.

At the balance sheet date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency using the closing exchange rate, and unrealised exchange differences are recognised in the income statement. Non-monetary assets and liabilities not measured at fair value are translated into the functional currency at the historical exchange rate. Non-monetary assets and liabilities measured at fair value are translated into the functional currency using the closing exchange rate. Any unrealised gains or losses arising on the foreign currency translation are recognised in line with the recognition of gains or losses on the change in fair value of the item.

Assets and liabilities of Group companies that are denominated in a different functional currency to the Group are translated into Swiss francs at the closing exchange rates. Average exchange rates for the business year are used for items in the income statement, statement of other comprehensive income and statement of cash flows. Exchange differences arising from the use of closing exchange rates and average exchange rates are recognised as currency translation adjustments in the statement of other comprehensive income.

Initial recognition and derecognition

The Group uses trade date accounting to recognise financial transactions. The Group recognises a financial asset or financial liability at the transaction date (i.e. trade date) at fair value of the consideration given or received, including directly attributable transaction costs. In the case of financial assets or financial liabilities measured at fair value through profit or loss, the transaction costs are immediately recognised in the income statement. At the date on which the Group enters into a sales contract for financial assets and the conditions for derecognition are met, the relevant financial asset is derecognised from the statement of financial position. Recognition or derecognition is mainly associated with the transfer of the contractual rights to receive cash as well as the respective risks and rewards (market risk).

Financial assets and financial liabilities

Financial assets are allocated to the following categories based on the type of assets, the solely payments of principal and interest (SPPI) test and the business model test: Fair value through profit or loss (FVTPL) or amortised cost or fair value through other comprehensive income (FVOCI). Financial liabilities are allocated to the following categories based on their type and designation: Fair value through profit or loss (FVTPL) or amortised cost.

Financial assets or liabilities held for trading purposes are measured at fair value and are disclosed in the statement of financial position in the line items "trading financial assets" or "trading financial liabilities".

The products issued by the Group contain hybrid financial instruments, certificates (including actively managed certificates) and mini-futures. Hybrid financial instruments are composed of debt components and embedded derivatives. Certificates may comprise an underlying instrument (or a basket of underlyings) combined with derivatives. Alternatively, the pay-off of a certificate could be achieved through the combination of a debt host and one or more embedded derivatives (similar to a hybrid financial instrument). As a result, the Group designates all of its issued products as other financial liabilities designated at fair value through profit or loss (FVTPL).

In addition to issued products, the Group applies the fair value option to selected receivables from customers and to interest rate instruments. The application of the fair value option to these instruments reduces an accounting mismatch that would otherwise arise from recognising these assets using a different measurement basis (e.g. amortised cost) to that used for offsetting liabilities, issued products as well as issued derivative instruments that are measured at fair value or designated at fair value through profit or loss (FVTPL).

Financial assets and financial liabilities designated at fair value are recognised in the statement of financial position in the line items "other financial assets designated at fair value through profit or loss" or "other financial liabilities designated at fair value through profit or loss".

Further information on accounting principles for financial assets and financial liabilities can be found in respective notes.

4 Critical judgements and key estimation uncertainties

The preparation of consolidated financial statements requires the Group's management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The most relevant areas in which the Group's management exercises judgement in applying the Group's accounting policies include the following:

Revenue recognition and determination of deferral period applied to fee income

In defining the Group's revenue recognition policy, the Group's management exercises judgement in allocating the fees earned to the Group's performance obligations, in determining the timing of when performance obligations are satisfied and defining the average effective lifetime of the issued products. Further information is disclosed in Note 9.

Depreciation period of intangible assets

The Group defines the useful economic lives and residual values of intangible assets on the basis of the anticipated period over which the Group will receive economic benefits from the use of the assets. Useful economic lives are reviewed annually on the basis of historical and forecast expectations concerning future technological developments, economic and legal changes as well as further external factors. Further information can be found in Note 31.

Determining the terms of leases

When determining the terms of leases, the Group's management considers all facts and circumstances that provide an economic incentive to exercise renewal options or not exercise termination options. Renewal and termination options are only included in the contract term where there is sufficient certainty that they will be exercised. This assessment is reviewed in the event of a material occurrence or change in circumstances that may affect the previous assessment, where this is within the lessee's control. Further information is disclosed in Note 31.

Income taxes

Judgement and interpretations about the application of tax laws are required when accounting for income taxes. In addition, judgement is required to assess the expected value of uncertain tax positions and the related probabilities, including interpretation of tax laws, the resolution of any income tax-related appeals and litigation. Disclosures on income taxes can be found in Note 15.

Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The assessment of control can be complex and requires the use of significant judgement. When making this judgement, the Group also considers voting and similar rights available to itself and other parties, who may limit the Group's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities. For disclosures of unconsolidated structured entities, see Note 43.

Determination of own credit spread

For other financial liabilities designated at fair value through profit and loss, changes in fair value related to own credit risk are recognised in other comprehensive income. The determination of the own credit spread used in the valuation of financial liabilities designated at fair value through profit and loss requires judgement by the Group's management. The Group determines its own credit spread regularly based on a model using observable market inputs and compares the determined credit spread with observable and paid credit spreads for publicly distributed products of the Group to ensure that all available market information is reflected. Further information is disclosed in Note 18.

Estimates and assumptions are mainly contained in areas listed in the following paragraphs. These estimates and assumptions are based on the best available information and are adapted continuously in line with new findings and circumstances. Sensitivities are presented solely to assist the reader in understanding the Group's consolidated financial statements and are not intended to suggest that other assumptions would be more appropriate.

Fair value of financial instruments (Level 3)

The use of valuation techniques, modelling assumptions and estimates of unobservable market inputs in the fair valuation of financial instruments requires significant judgement and could affect the amount of gain or loss recorded for a particular position. Valuation techniques that rely more heavily on unobservable inputs and sophisticated models inherently require a higher level of judgement and may require adjustment to reflect factors that market participants would consider in estimating fair value. The Group provides a sensitivity analysis of the estimated effects arising from changing significant unobservable inputs in Level 3 financial instruments to reasonably possible alternative assumptions in Note 18.

Retirement benefit obligation - Measurement of the defined benefit obligation

The measurement of the defined benefit obligation is based on various economic and demographic assumptions. A range of assumptions could be applied, and different assumptions could significantly alter the defined benefit liability or asset and pension expense recognised. The most significant assumptions include life expectancy, discount rate, expected salary and pension growth rate and interest rate used to calculate credits on saving-accounts. Sensitivity analysis for the Group's retirement benefit obligations to changes in significant actuarial assumptions is provided in Note 35.

5 Changes to critical accounting estimates

No changes in critical accounting estimates were applied compared to the year ended 31 December 2023.

6 Changes in accounting policies and presentation

New or revised standards and interpretations that have been adopted

The following new or revised standards and interpretations became effective for the first time on 1 January 2024 and did not have any significant impact on the Group when applied for the first time or were not relevant for the Group:

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

New standards and interpretations not yet adopted

Various other new and revised standards and interpretations must be applied with effect from 1 January 2024 or a later date:

- Amendments to IAS 21 – Lack of Exchangeability – effective 1 January 2025
- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments – effective 1 January 2026
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual improvements to IFRS Accounting Standards Volume 11 – effective 1 January 2026
- IFRS 18 Presentation and Disclosure in Financial Statements – effective 1 January 2027

The Group has performed an initial assessment of the new standards and interpretations and does not expect any of them to have a significant impact on the Group's net profit, comprehensive income and shareholders' equity or to be relevant to the Group.

7 Financial and other risk disclosures

In compliance with regulatory requirements in Switzerland and other applicable jurisdictions, the Group has established a comprehensive risk management and control framework covering market, credit, operational and liquidity risks and the capital management. Disclosures provided in the "Risk Management & Control" section of this report (pages 116 to 142) relate to financial risk disclosures in accordance with IFRS 7 and information on the objectives and process for managing capital. These disclosures form an integral part of the consolidated financial statements.

8 Segment reporting

Leonteq is an independent expert in structured investment products and long-term savings and retirement solutions. The Group focuses on industrialising the production process for structured investment products and unit-linked life insurance policies and on providing its clients and partners with high standards of service delivered by an international team of experienced industry professionals. Leonteq has a strong presence in its home market of Switzerland and in Europe, as well as an established footprint in Asia.

Leonteq's Executive Committee, which is the chief operating decision maker, is implementing the strategy and overseeing the operational management of the Group as a whole. The Executive Committee uses the Group's consolidated financial statements as the basis for its management decisions and for financial performance reviews.

In line with the applicable accounting standards and internal reporting to the chief operating decision maker, the Group consists of a single reportable operating segment. Consequently, and given that the external reporting in these financial statements reflects internal reporting to the chief operating decision maker, the Group does not disclose separate segment information.

Entity-wide disclosures

The Group has offices in various international locations and distributes its own structured investment products and those of its issuance partners, either through its own sales distribution and coverage desks or through the distribution channels of its issuance partners. The distribution network is supported by the related group companies outside Switzerland. The geographical allocation of the Group's operating income is undertaken based on the location of the distributing group entity, servicing primarily banks, insurance companies and asset managers/financial intermediaries.

The Group's net fee income increased by 1% to CHF 214.5 million in 2024 compared to CHF 213.3 million in the prior year. Net fee income in Switzerland grew by 8% to CHF 99.7 million in 2024. In Europe, net fee income totalled CHF 96.2 million (2023: CHF 99.6 million). In the Asia region (including the Middle East), net fee income was CHF 18.6 million (2023: CHF 21.4 million). In 2024, no single client accounted for more than 10% of the Group's net fee income (2023: one client for approx. 11%). The Group saw its result from trading activities and the fair value option continue to normalise with limited but positive contributions of CHF 16.0 million from Switzerland (2023: CHF 20.1 million) and CHF 4.6 million from Europe

(2023: CHF 29.7 million), while operations in Asia saw the result from trading activities and the fair value option recover to CHF 0.8 million in 2024 (2023: CHF -13.3 million). The net result from interest operations decreased to CHF -0.4 million in 2024 compared to CHF 6.5 million in the prior year. Other operating income comprises mainly rental income from office sub-leases as well as cost reimbursements from partners. In the reporting period, other operating income in Switzerland decreased to CHF 3.0 million compared to CHF 3.6 million in 2023. As a result of these combined factors, total operating income decreased to CHF 238.5 million in 2024, compared to CHF 260.0 million in the prior year. In 2024, the offices in Monaco and Milan generated approximately 17% and 10% of the Group's total operating income, respectively (2023: 30%; <10%).

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia (incl. Middle East)	Total 2024
Net fee income	99,708	96,189	18,572	214,469
Result from trading activities and the fair value option	16,009	4,639	842	21,490
Net result from interest operations	109	(464)	(91)	(446)
Other operating income	2,984	—	14	2,998
Total operating income	118,810	100,364	19,337	238,511

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia (incl. Middle East)	Total 31.12.2024
Trading financial assets	2,139,099	1,514,741	—	3,653,840
Positive replacement values of derivative instruments	1,524,944	1,240,520	—	2,765,464
Other financial assets designated at fair value through profit or loss	115,845	32,523	—	148,368
Financial investments measured at fair value through OCI	512,214	1,961,944	—	2,474,158
Total financial assets measured at fair value	4,292,102	4,749,728	—	9,041,830
Non-current assets	90,105	6,636	1,564	98,305
Trading financial liabilities	100,173	36,994	—	137,167
Negative replacement values of derivatives	1,285,678	1,135,652	—	2,421,330
Other financial liabilities designated at fair value through profit or loss	923,709	4,261,918	—	5,185,627
Total financial liabilities measured at fair value	2,309,560	5,434,564	—	7,744,124

Switzerland consists of the Group's headquarters in Zurich and its office in Geneva. Europe comprises the Group's operations in Amsterdam, Frankfurt, Guernsey, London, Milan, Monaco, Paris and Lisbon. Asia (including the Middle East) consists of its operations in Dubai, Hong Kong, Singapore and Tokyo.

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia (incl. Middle East)	Total 2023
Net fee income	92,304	99,611	21,364	213,279
Result from trading activities and the fair value option	20,145	29,697	(13,250)	36,592
Net result from interest operations	3,223	2,617	612	6,452
Other operating income	3,633	—	26	3,659
Total operating income	119,305	131,925	8,752	259,982

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia (incl. Middle East)	Total 31.12.2023
Trading financial assets	2,001,057	724,904	—	2,725,961
Positive replacement values of derivative instruments	1,526,363	872,293	—	2,398,656
Other financial assets designated at fair value through profit or loss	131,172	49,649	—	180,821
Financial investments measured at fair value through OCI	60,606	2,548,580	—	2,609,186
Total financial assets measured at fair value	3,719,198	4,195,426	—	7,914,624
Non-current assets	95,186	8,011	2,541	105,738
Trading financial liabilities	22,354	31,665	—	54,019
Negative replacement values of derivatives	1,196,391	803,204	—	1,999,595
Other financial liabilities designated at fair value through profit or loss	860,880	3,806,085	—	4,666,965
Total financial liabilities measured at fair value	2,079,625	4,640,954	—	6,720,579

Financial assets and liabilities are shown in the booking location accordingly.

9 Net fee income

Fees earned are allocated to Leonteq's main service offerings (performance obligation). The services are provided either when a product is issued or over the lifetime of a product. Consequently, certain types of fees are deemed to be earned when a product is issued, while other types of fees are deemed to be earned over the effective lifetime of the products issued.

For structured investment products, fees are generally collected when a product is issued or repurchased and are deemed to be earned when performance obligations are satisfied. The following performance obligation groups are deemed to be predominantly satisfied at the point in time when products are issued: Product design and launch; product documentation and reporting; issuance, settlement and order management and pricing and trading services. Performance obligations that are principally satisfied over the lifetime of issued products include: Risk management; lifecycle management; risk, regulatory and financial reporting. The fees are allocated to the individual performance obligations based on the estimated share of the total effort required (input method) over the lifetime of the products as it best reflects the compensation for services rendered. A portfolio approach is applied to determine the average effective lifetime of products issued, which is determined based on the historical effective lifetime of expired products and the expected effective lifetime of existing products at the balance sheet date. The calculation only excludes products or product categories that show a unique revenue recognition profile that differs significantly from the majority of issued products. The average effective lifetime is estimated to be nine months (31 December 2023: nine months). Material and customised contracts are accounted for to best reflect the actual patterns of the individual agreements.

For long-term savings and retirement products, some fees are collected upfront and recognised upon satisfaction of the respective performance obligation. The satisfaction of performance obligation groups and the effective lifetime of Leonteq's products are determined on a product group and client group basis. The following performance obligations are deemed to be predominantly satisfied upfront: Structuring, creation and origination of interest rate products for predefined cash flows of client groups, and coordination of insurance and banking partners acting as issuers of capital protected products. Performance obligations that are principally satisfied over the lifetime of the products include: Servicing of recurring pay-out obligations and financing activities.

In addition, some services are delivered over the product's lifetime, for which fees are collected and recognised at the point in time when the following performance obligation groups are deemed satisfied: Creation and origination of capital protected products, as well as creation and origination of the participation products, risk management and lifecycle management of products and platform and platform services.

The allocation of the total fee to the performance obligations, as well as the determination of when these performance obligations are satisfied, involves the application of judgement. Management is of the opinion that the methods and judgement applied provide a best estimate of the real circumstances at the balance sheet date.

Revenue recognised from contracts with clients is shown in the income statement in the line item "fee income from securities trading and investment activities". The amount of deferred fee income is included in the statement of financial position line item "accrued expenses and deferred income". Fees are generally not discounted when recognised. The Group presents fee income net of any costs that are directly attributable to the issuance of partner products and Leonteq products. Since Leonteq does not sell its products to the end investor but acts through distribution partners, Leonteq discloses its fee income net of directly attributable costs that were agreed upfront.

CHF thousand	2024	2023
Fee income from structured investment products	192,600	192,106
of which recognised at a point-in-time	167,185	168,810
of which recognised over time	25,415	23,296
Fee income from long-term savings and retirement products	21,869	21,173
of which recognised at a point-in-time	6,566	8,419
of which recognised over time	15,303	12,754
Total fee income from securities trading and investment activities	214,469	213,279
Fee expenses	—	—
Net fee income	214,469	213,279

Net fee income increased by 1%, or CHF 1.2 million, to CHF 214.5 million in 2024, compared to CHF 213.3 million in the prior year. The increase was driven by a slight growth in fee income from long-term savings and retirement products by CHF 0.7 million to CHF 21.9 million (2023: 21.2 million), and a CHF 0.5 million higher fee income from structured investment products to CHF 192.6 million (2023: CHF 192.1 million). Leonteq further registered a decrease in large ticket transaction totaling to CHF 13.9 million, or 6% of the Group's net fee income in 2024, compared to CHF 22.5 million, or 11% in 2023.

The following table provides a reconciliation of the balance of deferred fees:

CHF thousand	2024	2023
Balance of deferred fees as of 1 January	57,772	62,723
Deferred fees of structured investment products		
Recognition of deferred fees in the income statement	(25,415)	(23,296)
Deferral of fees collected	26,101	22,428
Deferred fees of long-term savings and retirement products		
Recognition of deferred fees in the income statement	(15,303)	(12,754)
Deferral of fees collected	5,800	8,671
Balance of deferred fees as of 31 December	48,955	57,772
of which recognised within the next 12 months	14,204	15,133
of which recognised after 12 months	34,751	42,639

Deferred fees are included in the consolidated statement of financial position in the line item "accrued expenses and deferred income". The balance of deferred fees is recognised in the consolidated income statement when the respective service obligations are satisfied.

For structured investment products, performance obligations that are not satisfied upon issuance of the product are deemed to be satisfied over the average effective lifetime of issued products, which is estimated to be 9 months as of 31 December 2024 (31 December 2023: 9 months).

Due to the long-term nature of the pension savings business, performance obligations arising from long-term savings and retirement products are satisfied over a period of up to 48 years (31 December 2023: 48 years). CHF 17.7 million are expected to be recognised as fee income between 2 and 5 years, CHF 12.4 million between 6 and 20 years and CHF 4.6 million after 20 years.

10 Result from trading activities and the fair value option

CHF thousand	2024	2023
Debt securities (including funds)	26,875	22,765
Equity securities (including funds)	2,034	3,705
Forex	3,088	2,648
Precious metals / commodities / crypto assets	(20,827)	(1,508)
Multi Asset Class	10,320	8,982
Result from trading activities and the fair value option	21,490	36,592
of which result due to financial assets designated at fair value	8,050	12,047
of which result due to financial liabilities designated at fair value	(335,665)	(395,659)
of which effective interest income from debt instruments at FVOCI	47,404	44,060
of which effective interest income from financial instruments at amortised cost	9,029	4,834
of which effective interest expense from financial instruments at amortised cost	(16,217)	(18,837)

Positive contributions from hedging activities were recorded on the back of the short-term increase in market volatility in August, while negative hedging contributions resulted from an operational risk event in October as well as a continued reduction in market volatility in November and December 2024 following the US elections. As a result, the result from trading activities and the fair value option decreased to CHF 21.5 million in 2024, compared to CHF 36.6 million in 2023.

The result from trading activities due to financial liabilities designated at fair value represents the gross results from products issued. The offsetting result from hedging activities is reflected in various components of the trading result (excluding trading related costs). The net result from trading inventories (crypto assets) is reflected in the line item "Precious metals / commodities / crypto assets". The table above shows the net results from trading activities and the fair value option allocated to risk categories based on the underlying (broken down by asset class).

11 Net result from interest operations

CHF thousand	2024	2023
Interest income from financial assets measured at amortised cost	7,315	15,148
Total interest income	7,315	15,148
Interest expense from financial liabilities measured at amortised cost	(8,236)	(10,633)
Total interest expenses	(8,236)	(10,633)
Gross result from interest operations	(921)	4,515
Credit loss (expense) / recovery	475	1,937
Net result from interest operations	(446)	6,452

In view of the new regulatory regime, Leonteq extended available credit facilities, which negatively impacted its 2024 net interest result totalling CHF -0.4 million compared to CHF 6.5 million in 2023.

For further information on credit loss expense and recovery, refer to Note 36.

12 Other operating income

CHF thousand	2024	2023
Rental income	2,603	2,496
Other fee income from platform partners	—	646
Other	395	517
Total other operating income	2,998	3,659

Other operating income mainly consists of rental income generated through the sub-leasing of office space and non-recurring income earned in connection with other services rendered to platform partners (i.e. onboarding, technical integration). In 2024, other operating income decreased to CHF 3.0 million, compared to CHF 3.7 million in the prior year, mainly due to the absence of non-recurring income from platform partners.

13 Personnel expenses

CHF thousand	2024	2023
Salaries and variable compensation	107,409	119,569
of which share-based compensation	9,820	16,895
Social security contributions	8,658	9,986
Pension plan expenses	5,899	6,263
of which expenses for defined benefit plans	3,570	2,217
of which expenses for defined contribution plans	2,329	4,046
Other personnel expenses	1,913	2,189
Total personnel expenses	123,879	138,007

Personnel expenses declined by 10% to CHF 123.9 million in 2024, mainly reflecting a further reduction in variable compensation for the year 2024 as well as a stricter approach to new hires and replacements.

The Group employed 592 employees as of 31 December 2024 (31 December 2023: 600 employees). It had 583 full-time equivalents as of 31 December 2024 (31 December 2023: 591 FTEs).

For information on retirement benefit obligations, refer to Note 35.

Variable compensation plans for employees

Personnel expenses include the impact of variable compensation plans which are operated by the Group for its employees. A portion of each employee's variable compensation is deferred if the variable compensation is equal to or greater than CHF 50 thousand. Depending on the function of the employee and the individual variable compensation amount granted, the deferred proportion ranges from 20% to 80% of their total variable compensation.

Non-deferred variable compensation component is paid in cash and recognised as personnel expenses in the income statement during the service period. The deferred variable compensation component of less than CHF 40 thousand is fully paid in cash over a three-year period in three equal instalments (stage vesting). For deferred variable compensation of CHF 40 thousand or more, one half is generally paid in cash over a three-year period, in three equal instalments, and one half is paid in form of restricted share units (RSUs) over a vesting period of three years (stage vesting). The awards are subject to vesting conditions.

Deferred variable compensation expenses incurred in cash are recognised as personnel expenses in the income statement with one third of the expenses recognised each year on a straight-line basis. Deferred variable compensation expenses incurred in RSUs are recognised as personnel expenses in the income statement over the respective vesting period based on the grant value of the RSUs.

Restricted share unit plans

The Group operates restricted share unit (RSU) plans for eligible Leonteq employees who receive part of their deferred compensation in the form of RSUs. The RSUs are converted into Leonteq AG shares at the end of the vesting period, whereby one RSU is equivalent to one Leonteq AG share. RSUs carry no dividend entitlement or voting rights during the vesting period.

The number of RSUs granted is determined by the amount of deferred variable compensation awarded to the employee, as well as the fair value of Leonteq AG shares at the grant date. Allocations made under this plan are based on deferred compensation for services rendered in the financial year ending on 31 December prior to the grant date. Eligible employees earn the RSUs over the pre-defined vesting period (stage vesting), provided they fulfil the vesting conditions in March of each of the following years.

The Group also operates an employee long-term incentive plan (ELTIP). The plan comprises RSUs only, is fully deferred and is subject to cliff-vesting after a period of three and a half years. If employees leave the Group voluntarily before the granted awards are vested, the respective RSUs are forfeited. Expenses incurred in RSUs are recognised as personnel expenses in the income statement over the respective vesting period based on the grant value of the RSUs.

RSU plans align the deferred variable compensation of eligible employees with the long-term performance of the Group and are therefore aligned with the interests of shareholders.

Number of RSUs	Employees	Executive Committee	Total 2024
Unvested committed RSUs at the beginning of the year	516,938	5,184	522,122
Allotted RSUs in the year under review	148,374	19,464	167,838
Reclassification between categories	(3,727)	3,727	—
Forfeited RSUs in the year under review	(8,663)	(12,725)	(21,388)
Settlement of RSUs by Leonteq AG shares	(247,114)	(7,762)	(254,876)
Unvested committed RSUs at the balance sheet date	405,808	7,888	413,696

CHF

Average grant price of unvested committed RSUs (programmes 2021 to 2029)	47.06
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CHF thousand	Employees	Executive Committee	Total 2024
Personnel expenses to be recognised over the vesting period for RSUs	19,227	242	19,469
Market value of RSUs at the allocation date	19,227	242	19,469
Charged as personnel expenses in the year under review	8,805	232	9,037
Cumulative charges recognised as personnel expenses up to the balance sheet date	14,544	114	14,658
Estimated personnel expenses for the remaining vesting periods excluding future terminations	4,683	128	4,811

Number of RSUs	Employees	Executive Committee	Total 2023
Unvested committed RSUs at the beginning of the year	413,887	5,963	419,850
Allotted RSUs in the year under review	214,565	—	214,565
Forfeited RSUs in the year under review	(13,163)	—	(13,163)
Settlement of RSUs by Leonteq AG shares	(98,351)	(779)	(99,130)
Unvested committed RSUs at the balance sheet date	516,938	5,184	522,122

CHF

Average grant price of unvested committed RSUs (programmes 2021 to 2026)	55.28
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CHF thousand	Employees	Executive Committee	Total 2023
Personnel expenses to be recognised over the vesting period for RSUs	28,627	235	28,862
Market value of RSUs at the allocation date	28,627	235	28,862
Charged as personnel expenses in the year under review	13,025	72	13,097
Cumulative charges recognised as personnel expenses up to the balance sheet date	18,787	194	18,981
Estimated personnel expenses for the remaining vesting periods excluding future terminations	9,840	41	9,881

Variable compensation plans for members of the Executive Committee

The Group operates short- and long-term incentive plans for the members of the Executive Committee.

Variable compensation for the short-term incentive plan (STIP) is deferred at a rate of 50% and paid in cash. The non-deferred variable component of the STIP plan is recognised in the income statement during the service period. The deferred variable compensation component is fully paid in cash over a three-year period in three equal instalments (stage vesting). Deferred variable compensation expenses incurred in cash are recognised as personnel expenses in the income statement on a straight-line basis, with one third of the expense recognised each year.

Performance share units plans

Variable compensation for the long-term incentive plan (LTIP) for the members of the Executive Committee is granted in form of performance share units (PSUs). The number of PSUs is calculated as a multiple of the annual base salary for each member of the Executive Committee, with the volume-weighted average share price from the last quarter prior to the start of the three-year performance period serving as the grant reference price. The PSUs allocated vest after a period of three years (cliff vesting) and are converted into Leonteq AG shares. PSUs carry no dividend entitlement or voting rights during the vesting period. The number of shares that vest depends on the level of achievement of the performance target.

Two thirds of the performance target is measured against the Group's return on shareholder's equity (RoE) target, while one third is measured against the total shareholder return (TSR) of the Leonteq share compared with the performance of a basket of equity indices.

Compensation expense arising from the LTIP performance condition RoE is recognised over the service period based on the estimated number of shares expected to vest. The number of shares and the recognition of the related expense are adjusted over the three-year performance period to reflect the anticipated actual outcome. Compensation expense arising from the LTIP performance condition TSR is determined based on its fair value at grant date and recognised over the service period, even if vesting awards may change or be forfeited. Share-based compensation arising from the performance condition TSR is not re-measured unless the condition would be modified in such a way that the fair value after modification exceeds the fair value prior to modification.

	2024	2023
Maximum number of PSUs granted for the compensation year	106,101	97,290
Fair value of each PSU at the grant date (in CHF)	32.30	52.70
Anticipated expense recognition arising from PSUs granted over vesting period (in CHF thousand)	356	849
Estimated fair value of PSUs granted over vesting period (in CHF thousand)	28	229

As of 31 December 2024, estimated LTIP financial impacts amounted to CHF 0.4 million for the newly established plan in the year under review for the three-year performance period. The grant reference price of CHF 36.39 of each PSU granted reflects the volume-weighted average share price from the last quarter prior to the start of the three-year performance period (i.e. the fourth quarter of the year 2023).

The anticipated expense recognition arising from the LTIP performance condition RoE reflects the estimated number of shares expected to vest over the three-year performance period applying the fair value at grant date. For the LTIP performance condition TSR, the expense recognition is determined based on the fair value at grant date. The fair value for the performance criteria TSR has been determined using a Monte Carlo pricing model and was estimated to be 33.56%, corresponding to CHF 356 thousand at the measurement date. Leonteq chose to value the market condition TSR internally given its valuation capabilities. Share-based compensation arising from the performance condition TSR is not re-measured.

The basis for the estimated fair value of the PSUs granted are the anticipated achievement rates as of year-end 2024 for the RoE and the TSR performance conditions as well as the fair value of the underlying Leonteq AG shares at the end of the financial year (CHF 19.74 for 2024). For further information on the variable compensation of the Executive Committee including LTIP, refer to the compensation report (pages 88 to 113).

14 Other operating expenses

CHF thousand	2024	2023
Occupancy costs	2,303	2,117
Information and communication technology	27,908	31,444
Office equipment expenses	71	272
Audit fees	2,015	1,588
of which for financial and regulatory audit by external auditor	1,099	1,051
of which for other services by external auditors	79	27
Other administrative expenses	27,407	25,467
of which for professional services other than audits	11,741	9,114
Total other operating expenses	59,704	60,888

Other operating expenses decreased slightly to CHF 59.7 million in 2024 from CHF 61.1 million in 2023. This was mainly driven by lower expenses for information and communication technology, partially offset by higher expenses for professional services primarily related to the new regulatory regime.

15 Income Taxes

Income taxes comprise current and deferred income taxes. The Group is subject to income taxes in numerous jurisdictions.

Current income taxes are calculated based on the applicable tax laws in the relevant jurisdictions and recognised as an expense in the period in which the related profits are generated. The current tax assets and current tax liabilities reported as of the balance sheet date, as well as the resulting current tax expense for the year under review, are based partly on estimates and assumptions and may therefore differ from the amounts determined by the tax authorities in the future. In certain cases where complex tax questions arise, external tax specialists are consulted, or a preliminary clarification is obtained from the tax authorities.

Deferred income taxes are considered for the expected future tax consequences of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax values.

Deferred tax assets arising from temporary differences and from loss carry-forwards eligible for offsetting are capitalised if it is likely that enough taxable profits will be available against which those temporary differences or loss carry-forwards can be offset in the future. The level of recognised deferred tax assets is essentially based on budget figures and mid-term planning. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities are calculated at the tax rates expected to apply in the period in which the tax assets will be realised or the tax liabilities settled.

Current and deferred taxes are credited or charged to other comprehensive income if the taxes refer to items that are credited or charged to other comprehensive income. Otherwise, taxes are recognised in the income statement.

Income taxes

CHF thousand	2024	2023
Income tax expenses		
Switzerland	—	(1,050)
Foreign	2,114	(1,435)
Current income tax expenses	2,114	(2,485)
Switzerland	(64)	198
Foreign	22	51
Deferred income tax (benefit)/expenses	(42)	249
Total income tax expenses	2,071	(2,237)
Profit before tax	7,907	18,362
Income tax expenses calculated at the statutory group tax rate	1,550	3,608
Explanations for higher/(lower) tax expenses		
Tax rate differential	(12,016)	(8,688)
Impact due to IFRS 16 lease accounting	34	11
Intercompany interest adjustments	—	—
Addition/(utilisation) of unrecognised tax loss carry-forwards	11,117	1,932
Adjustments related to prior years	29	(4,001)
Impact of uncertain tax position	—	—
Revaluation pension fund	(110)	184
Impact from FX translation on equity	—	2,192
Non-deductible expenses	1,427	2,409
Other impacts	39	116
Total income tax expenses	2,071	(2,237)

The above table is based on an income tax rate of 19.61% (2023: 19.65%), which corresponds to the statutory tax rate in Zurich, Switzerland, where the Group is headquartered. The difference between the calculated statutory income tax expense and the actual corporate tax expense is mainly attributable to the Group's foreign operations, which are taxed at varying rates.

Both Swiss entities, the ultimate Swiss parent company of the Group, Leonteq AG, and the Swiss operating entity, Leonteq Securities AG, apply the tax participation relief for Swiss income taxes at Federal as well as Cantonal/Communal level leading to the following reduction in the Swiss income tax base:

CHF thousand	2024	2023
Income tax expenses		
Leonteq AG	4,456	12,544
Leonteq Securities AG	—	—

The Group applied the participation relief for Swiss income tax purposes in 2023, as well as in prior year, line with the applicable Swiss legislation. The Group's position remains unchanged regarding the tax assessments of Leonteq Securities AG issued by the Zurich Cantonal Tax Office for the fiscal years 2013 to 2015, for which the tax authority applied a different method of calculating the income tax participation relief. Upon an appeal of Leonteq Securities AG, the Zurich Cantonal Tax Appeal Court (1st instance) decided widely in favour of Leonteq Securities AG in March 2023. The Zurich Cantonal Tax Office appealed against the ruling of the Zurich Cantonal Tax Appeal Court to the Zurich Cantonal Administrative Court (2nd instance). The latter generally confirmed the Zurich Cantonal Tax Appeal Court's decision in February 2024 while it however concluded that (further) financial expenses attributable to the option component of capital-protected structured products are to be considered for the calculation of the participation relief. The Cantonal Administrative Court therefore sent the case back to the Zurich Cantonal Tax Office to further assess the relevant financial expenses. In April 2024, Leonteq Securities AG filed an appeal against the Zurich Cantonal Administrative Court's ruling to the Swiss Federal Supreme Court that however decided to not enter into the legal case. The Swiss Federal Supreme Court thereby confirmed that the inclusion of additional financing expenses does not constitute a final decision. The assessment of relevant financial expenses by the Zurich Cantonal Tax Office is pending at the time of this report being published.

Until its expiry at the end of the fiscal year 2018, the Group applied a tax ruling regarding its international allocation of net issuance proceeds agreed with the Zurich Cantonal Tax Office. Since 2019, the Group has applied a transfer pricing method defined by an external tax advisor and based on an OECD recognised standard to account for the international allocation of net issuance proceeds.

The Group performs an in-depth risk analysis of uncertainties in the application and acceptance of transfer pricing methods, developments in international transfer pricing rules, changes of respective practices by tax authorities and resulting litigation exposure on a semi-annual basis. The update of the calculation of uncertain tax positions as of 31 December 2024 did not lead to any financial impact in the reporting period.

Deferred taxes

CHF thousand	Assets 31.12.2024	Assets 31.12.2023	Liabilities 31.12.2024	Liabilities 31.12.2023
Composition of deferred taxes				
Pension liability	1,473	1,906	—	—
Tangible assets	124	386	—	—
Tax loss carry-forwards	34	52	—	—
Other	295	72	—	544
Total deferred taxes	1,925	2,415	—	544

CHF thousand	Assets 2024	Assets 2023	Liabilities 2024	Liabilities 2023
Changes in deferred taxes				
Balance at the beginning of the year	2,415	1,798	544	390
Changes affecting the income statement	42	(247)	—	—
Changes affecting the statement of other comprehensive income	(533)	864	(544)	154
Translation adjustments	—	—	—	—
Balance at the end of the year	1,925	2,415	—	544

16 Tax effects relating to components of other comprehensive income

	2024		
CHF thousand	Amount before tax	Tax yield / (Tax expense)	Amount net of tax
Other comprehensive income/(loss) that will not be reclassified to the income statement			
Remeasurement of defined benefit plan	2,719	(533)	2,186
Changes in own credit spread	2,412	45	2,457
Other comprehensive income/(loss) that may be reclassified to the income statement			
Net unrealised gains/(losses) on debt instruments measured at fair value through other comprehensive income	5,789	498	6,288
Expected credit loss changes on debt instruments measured at fair value through other comprehensive income	(588)	—	(588)
Currency translation adjustments	26,228	—	26,228
Total Other comprehensive income	36,560	12	36,572

	2023		
CHF thousand	Amount before tax	Tax yield / (Tax expense)	Amount net of tax
Other comprehensive income/(loss) that will not be reclassified to the income statement			
Remeasurement of defined benefit plan	(4,386)	862	(3,524)
Changes in own credit spread	156	(45)	111
Other comprehensive income/(loss) that may be reclassified to the income statement			
Net unrealised gains/(losses) on debt instruments measured at fair value through other comprehensive income	18,259	(110)	18,149
Expected credit loss changes on debt instruments measured at fair value through other comprehensive income	(1,605)	—	(1,605)
Currency translation adjustments	(33,469)	—	(33,469)
Total Other comprehensive income	(21,046)	707	(20,339)

17 Earnings per share

	2024	2023
Group net profit (CHF thousand)	5,836	20,599
Weighted average number of shares issued	18,494,242	18,934,097
Less weighted average number of treasury shares	920,662	1,006,290
Weighted average number of shares outstanding - undiluted	17,573,580	17,927,807
Effect of dilution of share-based payments (weighted number of shares)	644,415	674,011
Weighted average number of shares outstanding - diluted	18,217,995	18,601,818
Basic earnings per share CHF	0.33	1.15
Diluted earnings per share CHF	0.32	1.11

The dilution effect (number of shares) includes the effects of employee share-based benefit plans as explained in Note 13.

18 Fair values of financial instruments and trading inventories

The fair value of financial instruments and trading inventories contained in the Group's statement of financial position based on the valuation methods explained below is the same as the book value. There is no difference between fair value and book value.

Initial recognition

Purchases and disposals of financial assets are recognised in the balance sheet at the trade date. At the time of initial recognition, all financial instruments are measured at fair value and assigned to one of the following categories in accordance with IFRS 9 criteria: "Fair value through profit or loss (FVTPL)", "Fair value through other comprehensive income (FVOCI)" or "Amortised cost". In the case of financial instruments in the categories "Fair value through other comprehensive income" and "Amortised cost", this original fair value is adjusted to reflect the directly attributable transaction costs.

Measurement methodologies

Derivative financial instruments, traded financial assets and liabilities, other financial assets designated at fair value and other financial liabilities designated at fair value are recognised at fair value in the statement of financial position. Transaction costs that are directly attributable to the acquisition or issuance are recognised in "result from trading activities and the fair value option" at the date of the transaction. Trading inventories comprises crypto assets held as an economic hedge for issued structured products and are measured under the commodity broker exemption at fair value less costs to sell (see also Note 25). Changes in the fair values, gains and losses on the sale and redemption of these instruments, interest and dividend income are recognised in the income statement as "result from trading activities and the fair value option".

Financial investments measured at fair value through other comprehensive income are recognised at fair value, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset, in the statement of financial positions and changes in fair values attributable to changes in the issuer credit risk or the benchmark interest rate are initially recognised in the statement of other comprehensive income (OCI). Either due to the application of hedge accounting or upon disposal of the respective investment, amounts initially recognised in OCI are reallocated to the income statement as "result from trading activities and the fair value option".

The transaction price represents the best indication of the fair value of financial instruments unless the fair value of the instrument can be better determined by comparing it with other observable current market transactions involving the same instrument (level 1 instrument) or it is based on a valuation method that uses only observable market data (level 2 instrument). In this case, any difference between fair value and the transaction price is recognised as day-1 profit or loss in the line item "result from trading activities and the fair value option". For level 3 instruments, day-1 result is deferred over the duration of the product.

Fair value is determined using quoted prices in active markets when these are available. In other cases, fair value is determined using a valuation model. Valuation models use inputs and rates derived from observable market data, such as interest rates and foreign exchange rates, when available. Valuation models are primarily used for the valuation of issued structured products and derivatives.

The output of a model is typically an estimate or approximation of a value that cannot be determined with certainty, and the valuation techniques employed may not fully reflect all factors relevant to the positions held. Significant risks arise when models are used to value financial instruments and calculate hedging ratios. The consequence of an inadequate model could be an incorrect valuation, leading to an incorrect risk assessment and an incorrect hedging position, both of which could have a financial impact.

All models are validated before they are used as a basis for financial reporting, and they are periodically reviewed thereafter by qualified specialists who operate independently from model developers and users. Whenever possible, the valuations derived from models are compared with the prices of similar financial instruments and with actual values once realised in order to further validate and calibrate the models. Valuation models are generally applied consistently across products from one period to the next, ensuring the comparability and continuity of valuations over time.

There were no significant changes in the valuation models used for the year ended 31 December 2024.

Fair value hierarchy

All financial instruments and trading inventories carried at fair value are assigned to one of three fair value hierarchy levels at year-end, depending on how fair value has been determined.

Transfers between levels resulting from changes due to the availability of market prices or market liquidity are made when a change of market liquidity occurs.

Level 1 instruments

The fair value of level 1 instruments is based on unadjusted quoted prices in active markets. Equity securities, interest rate or debt securities issued by governments, public sector entities or companies, quoted investment funds, precious metals, trading inventories, commodities and positive or negative replacement values of exchange traded derivatives are allocated to this category. The quoted market price used for the Group's equity securities, debt securities, quoted funds and exchange traded derivative instruments is the exit price. Generally accepted market prices are used for foreign currencies, precious metals, trading inventories and commodities. Mid-market prices are used for the valuation of debt securities, which are categorised as financial assets designated at fair value through profit or loss if the market price risks of these positions are offset fully or to a significant extent by issued structured products or other trading positions.

Level 2 instruments

The fair value of level 2 instruments is based on quoted prices in markets that are not active or on a valuation method using significant input parameters that are directly or indirectly observable. Level 2 instruments comprise positive or negative replacement values of derivative instruments, issued structured products, debt securities with reduced market liquidity and investment funds that are not quoted. The Group uses valuation methods to determine the fair value of positive and negative replacement value of derivative instruments and issued structured products if there is no active market pursuant to the definition in IFRS 13 or if market liquidity varies significantly over time. For the valuation of derivative instruments, including the option components and interest rate components of structured products, generally recognised option pricing models and generally recognised valuation methods – e.g. discounted cash flow models – are used. If quoted prices for instruments are available but low trading volumes indicate that there is no active market or quoted prices are not available, then the fair values of equity securities, debt securities, other securities and trading inventories are based on pricing information from counterparties, brokers or other pricing services. In the case of investment funds, published net asset values are used. The input parameters for the valuation models are contract-specific and include the market price of the underlying asset, foreign exchange rates, yield curves, default risk, dividend estimates, volatilities and correlations. Derivative instruments are traded on a collateralised basis. The Group's own credit risk, as well as third-party credit risk in the case of assets, is not included in the valuation of collateralised derivative instruments.

Level 3 instruments

The fair value of level 3 instruments is based on a valuation method that uses at least one significant input parameter that cannot be observed directly or indirectly in the market. The Group's level 3 instruments comprise unlisted equity instruments presented in financial investments measured at fair value through other comprehensive income and positive or negative replacement values for long-term derivative financial instruments.

The fair value of the unlisted equity instrument is based on an independent valuation assessment using a multiple approach, taking account of any further valuation-relevant factors.

For the determination of the fair value of derivative financial instruments, the Group uses generally recognised pricing valuation models. The input parameters for the valuation models are contract-specific and include the market prices of the underlying asset, yield curves, volatilities and possibly other parameters. Derivative financial instruments are traded predominantly on a collateralised basis and the Group's own credit risk, as well as third-party credit risk in the case of assets, is not included in the valuation of collateralised derivative instruments. Whenever possible, the Group uses input parameters observable in the market to determine the fair value of financial instruments. However, due to the long-term nature of some instruments, significant input parameters are not always observable for those long-dated products and they are therefore classified as level 3 instruments. The Group estimates these unobservable input parameters using market information as well as historical data. The estimated input parameters are reviewed during monthly independent price verification processes and are further reviewed by an independent risk control function.

Valuation adjustments

The fair values of level 2 and level 3 instruments are based on valuation methods and therefore a level of uncertainty is inherent in those values. The valuation methods used do not always reflect all relevant factors when determining fair values. The Group considers additional factors in the case of issued structured products as well as derivative instruments to ensure that the valuations are appropriate. The factors include uncertainties in relation to models used, to parameters used, to liquidity risks and, in the case of structured products, to the risk of early redemption. The adjustments reflect the uncertainty in model assumptions and input parameters in relation to the valuation method used. The adjustments relating to the liquidity risk take into account the expected cost of hedging open net risk positions. The Group believes that it is necessary and appropriate to take these factors into account to determine the fair value of these instruments correctly.

Clearly defined processes, methods and independent controls are applied to ensure that an appropriate valuation is assigned to financial instruments. The controls comprise the analysis and approval of new instruments, the approval and regular assessment of the valuation models used, the daily analysis of profit and loss, and regular independent price verification, including the review of the input parameters used. The controls are performed by risk control specialists who possess the relevant knowledge and operate independently from trading and treasury functions

Own credit risk

Under IFRS 9, changes in fair value related to own credit risk for other financial liabilities designated at fair value through profit or loss are recognised in other comprehensive income. The changes in own credit risk recognised in other comprehensive income are subsequently transferred within equity to retained earnings when the associated liability is deemed to be derecognised.

Leonteq regularly determines its own credit spread based on a model using observable market inputs such as market capitalisation, debt and product type-specific adjustments. Management compares the determined credit spread with observable and paid credit spreads for publicly distributed products of Leonteq to ensure that all available market information is reflected in the determined credit spread. In 2024, the own credit spread was adjusted for callable products denominated in US dollars, euros and Swiss francs, with an impact of CHF 2.4 million on OCI (2023: CHF 111 thousand).

Day 1 result

According to IFRS 13, the transaction price represents the best indication of the fair value of a financial instrument unless the fair value of the instrument can be better determined by comparing it with another observable current market transaction involving the same instrument (level 1 instrument) or it is based on a valuation method that uses only observable market data (level 2 instrument). If this is the case, the difference between the transaction price and the fair value is recognised as day-1 profit or loss in the line item "result from trading activities and the fair value option".

For level 3 instruments, day-1 result is deferred over the duration of the product. During the current and previous reporting period, the Group had no positions with deferred day-1 result.

CHF thousand	Level 1	Level 2	Level 3	Total 31.12.2024
Financial assets				
Trading financial assets				
Debt securities (listed)	385,494	104,074	—	489,568
Equity securities	1,616,618	1,370	—	1,617,988
Funds	1,467,923	9,936	—	1,477,859
Other securities	—	68,425	—	68,425
of which hybrid financial instruments	—	68,425	—	68,425
Total trading financial assets	3,470,035	183,805	—	3,653,840
Positive replacement values of derivative instruments	1,728,742	1,036,722	—	2,765,464
Other financial assets designated at fair value through profit or loss	—	148,368	—	148,368
Financial investments measured at fair value through other comprehensive income	2,458,903	14,180	1,075	2,474,158
Total financial assets	7,657,680	1,383,075	1,075	9,041,830
Trading inventories	407,411	—	—	407,411
Total trading inventories	407,411	—	—	407,411

CHF thousand	Level 1	Level 2	Level 3	Total 31.12.2024
Financial liabilities				
Trading financial liabilities				
Debt securities (listed)	3,889	130	—	4,019
Equity securities	132,963	—	—	132,963
Funds	185	—	—	185
Other securities	—	—	—	—
of which hybrid financial instruments	—	—	—	—
Total trading financial liabilities	137,037	130	—	137,167
Negative replacement values of derivative instruments	1,466,954	945,429	8,947	2,421,330
Other financial liabilities designated at fair value through profit or loss				
Interest rate instruments	—	583,115	—	583,115
Equities	—	4,029,092	—	4,029,092
Foreign currency	—	6,326	—	6,326
Commodities (including precious metals and crypto assets)	—	567,094	—	567,094
Total other financial liabilities designated at fair value through profit or loss	—	5,185,627	—	5,185,627
Total financial liabilities	1,603,991	6,131,186	8,947	7,744,124

In 2024, there were no significant reclassifications of positions between level 1 and level 2 and vice versa.

CHF thousand	Level 1	Level 2	Level 3	Total 31.12.2023
Financial assets				
Trading financial assets				
Debt securities (listed)	194,865	41,799	—	236,664
Equity securities	1,494,403	980	—	1,495,383
Funds	783,521	696	—	784,217
Other securities	—	209,697	—	209,697
of which hybrid financial instruments	—	209,697	—	209,697
Total trading financial assets	2,472,789	253,172	—	2,725,961
Positive replacement values of derivative instruments	1,334,018	1,064,639	—	2,398,657
Other financial assets designated at fair value through profit or loss	—	180,821	—	180,821
Financial investments measured at fair value through other comprehensive income	2,583,698	24,588	900	2,609,187
Total financial assets	6,390,505	1,523,221	900	7,914,626
Trading inventories	287,072	—	—	287,072
Total trading inventories	287,072	—	—	287,072

CHF thousand	Level 1	Level 2	Level 3	Total 31.12.2023
Financial liabilities				
Trading financial liabilities				
Debt securities (listed)	—	—	—	—
Equity securities	53,141	—	—	53,141
Funds	878	—	—	878
Other securities	—	—	—	—
of which hybrid financial instruments	—	—	—	—
Total trading financial liabilities	54,019	—	—	54,019
Negative replacement values of derivative instruments	1,150,213	841,391	7,991	1,999,595
Other financial liabilities designated at fair value through profit or loss				
Interest rate instruments	—	432,020	—	432,020
Equities	—	3,843,704	—	3,843,704
Foreign currency	—	6,402	—	6,402
Commodities (including precious metals and crypto assets)	—	384,838	—	384,838
Total other financial liabilities designated at fair value through profit or loss ¹	—	4,666,964	—	4,666,964
Total financial liabilities	1,204,232	5,508,355	7,991	6,720,578

In 2023, there were no significant reclassifications of positions between level 1 and level 2 and vice versa.

Level 3 financial instruments

CHF thousand	Financial investments measured at fair value through other comprehensive income	2024 Total Financial Assets	Negative replacement values of derivative instruments	2024 Total Financial Liabilities
Statement of financial position				
Balance at the beginning of the year	900	900	7,991	7,991
Additions	175	175	532	532
Disposals	—	—	(997)	(997)
Result recognised in the income statement	—	—	3,222	3,222
Result recognised in the statement of other comprehensive income	—	—	—	—
Reclassifications to level 3	—	—	—	—
Reclassifications from level 3	—	—	(1,801)	(1,801)
Translation differences	—	—	—	—
Total at balance sheet date	1,075	1,075	8,947	8,947
Income in the period on holdings at balance sheet date				
Unrealised income/(loss) recognised in trading income	—	—	(4,219)	(4,219)
Unrealised income/(loss) recognised in other income	—	—	—	—
Unrealised income/(loss) recognised in other comprehensive income	—	—	—	—

CHF thousand	Financial investments measured at fair value through other comprehensive income	2023 Total Financial Assets	Negative replacement values of derivative instruments	2023 Total Financial Liabilities
Statement of financial position				
Balance at the beginning of the year	—	—	4,041	4,041
Additions	900	900	2,147	2,147
Disposals	—	—	(355)	(355)
Result recognised in the income statement	—	—	3,368	3,368
Result recognised in the statement of other comprehensive income	—	—	—	—
Reclassifications to level 3	—	—	—	—
Reclassifications from level 3	—	—	(1,209)	(1,209)
Translation differences	—	—	—	—
Total at balance sheet date	900	900	7,991	7,991
Income in the period on holdings at balance sheet date				
Unrealised income/(loss) recognised in trading income	—	—	(3,723)	(3,723)
Unrealised income/(loss) recognised in other income	—	—	—	—
Unrealised income/(loss) recognised in other comprehensive income	—	—	—	—

Financial instruments are reclassified into or out of levels 2 or 3 based on changes in the observability of the significant input parameter “volatility of interest rates” for the valuation of financial instruments.

Based on the change in the observability of significant input parameters, CHF 1.8 million of level 3 financial instruments were reclassified to level 2 (2023: CHF 1.2 million). No level 2 financial instruments were reclassified to level 3 in 2024 and 2023, respectively.

The result recognised in the income statement relates to trading (gains)/ losses in connection with the decrease in long-term interest rates in 2024.

No day-1 gains or losses were recognised as a result of transactions involving level 3 instruments during the year. In 2024, an unrealised loss of CHF 4.2 million (2023: loss of CHF 3.7 million) for fair value movements was recognised in the line item “result from trading activities and the fair value option”. The closing balance of level 3 financial liabilities as of 31 December 2024 totalled CHF 8.9 million (31 December 2023: CHF 8.0 million).

Valuation techniques and inputs used in the fair value measurement of level 3 liabilities

The following table shows significant level 3 liabilities together with the valuation techniques used to measure their fair value, significant inputs used in the valuation method that are considered unobservable, and a range of values for unobservable inputs. The range of values represents the highest and lowest level input used in the valuation techniques. Consequently, the range does not reflect the level of uncertainty regarding a particular input but rather the different underlying characteristics of the relevant liabilities. The ranges will therefore vary from period to period and parameter to parameter based on the characteristics of the instruments held at each balance sheet date. Further, the ranges of unobservable inputs may differ across other financial institutions due to the diversity of the products in each firm’s inventory.

Significant unobservable inputs in level 3 liabilities

This section discusses the significant unobservable inputs used in the valuation of level 3 instruments and assesses the potential effect that a change in each unobservable input in isolation may have on fair value measurement. It also provides information to facilitate an understanding of factors that give rise to the input ranges shown.

CHF thousand

	31.12.2024	31.12.2023
Negative replacement values of derivative financial instruments	8,947	7,991

¹ A generic replication model is used to price interest rate derivatives.

Volatility measures the variability of interest rates and is generally expressed as an absolute number in basis points (bps). The minimum level of volatility is 0 bps and there is no theoretical maximum. Volatility is a key input in option models, where it is used to derive a probability-based distribution of forward rates. The effect of volatility on individual positions within the portfolio is determined primarily on the basis of whether the option contract is a long or short position. In most cases, the fair value of an option increases as a result of a rise in volatility and is reduced following a decrease in volatility. In general, volatility used in the measurement of fair value is derived from active market option prices (referred to as implied volatility). A key feature of implied volatility is the volatility “smile” or “skew”, which represents the effect of pricing options of different option strikes at different implied volatility levels.

		Range of unobservable inputs				
		31.12.2024		31.12.2023		
Valuation method	Significant unobservable input	low	high	low	high	Unit
Generic Replication Model ¹	Volatility of interest rates	45	69	65	79	basis points

Sensitivity of fair values of Level 3 derivatives

The Group's management believes, based on the valuation approach used for the calculation of fair values and the related controls, that the level 3 fair values are appropriate.

The following table shows the impact of reasonably possible alternative assumptions to the unobservable input parameters used. These results show no significant impact on the Group's net profit, comprehensive income or shareholders' equity.

CHF thousand	31.12.2024	31.12.2023
Impact of shifts in unobservable input parameters on fair values		
Increase of volatility of interest rates (+5 bps)	48	44
Decrease of volatility of interest rates (-5 bps)	(48)	(44)

Sensitivity of fair values of Level 3 equity instrument

A change in the multiples used for the valuation of the unlisted equity instrument leads to a proportional change in fair value. A reasonably realistic change in input parameters has no significant impact on the Group's consolidated financial statements.

Financial assets and liabilities at amortised cost

The following table shows the carrying amount of financial assets and liabilities measured at amortised cost. All these positions have short-term maturities (i.e. less than three months) and the carrying amount is a reasonable approximation of fair value.

CHF thousand	31.12.2024	31.12.2023
Financial assets at amortised cost		
Cash and balances at central banks	136,867	142,697
Amounts due from banks	514,950	462,923
Amounts due from securities financing transactions	43,307	20,667
Amounts due from customers	390,673	291,654
Other financial assets ¹	23,923	20,406
Total financial assets at amortised cost	1,109,720	938,347
Financial liabilities at amortised cost		
Amounts due to banks	320,861	252,242
Liabilities from securities financing transactions	1,136,406	805,197
Amounts due to customers	475,608	483,992
Other financial liabilities ²	45,055	63,298
Total financial liabilities at amortised cost	1,977,930	1,604,729

¹ Other financial assets mainly comprise withholding tax receivables.

² Other financial liabilities mainly includes lease liabilities.

19 Hedge accounting

In accordance with the risk management framework, the Group hedges its exposure to the benchmark (market) interest rate risk related to its investment activities. Benchmark interest levels may have a positive impact (declining interest rates) or a negative impact (increasing interest rates) on the market price of bonds. Payer interest rate swaps or other derivative financial instruments are used to offset the interest rate risk arising from the investment portfolio. For bonds measured at fair value through profit or loss, the changes in fair value of the hedging instruments as well as the hedged item are recognised in the income statement. For bonds measured at fair value through other comprehensive income (FVOCI), changes in fair value of the respective bonds are first recognised in the statement of other comprehensive income and only recycled to the income statement if bonds are disposed of, whereas the changes in fair value of the hedging instruments are recognised directly in the income statement. To avoid this accounting mismatch, fair value hedge accounting is used. To apply hedge accounting, various criteria set out in IFRS 9 must be met:

- The hedging relationship must consist only of eligible hedging instruments and eligible hedged items.
- At inception of the hedging relationship, there is a formal designation and documentation of the hedging relationship, risk management objective and strategy for undertaking the hedge.
- Hedges must be expected to be effective, so that there is an economic relationship between the hedged item and the hedging instrument, the effect of credit risk does not dominate the value changes that result from the economic relationship, and the hedging ratio is adequately weighted.

If the criteria for fair value hedge accounting are met, the Group reports the change in fair value on the financial investments measured at FVOCI attributable to the benchmark interest rate risk (hedged item) as the “result from trading activities and the fair value option” in the income statement instead of in the statement of other comprehensive income. The ineffectiveness of the fair value hedge is also recognised in the income statement in the line item “result from trading activities and the fair value option”. Elements other than the benchmark interest rate risk are not part of the hedge. The portfolios are managed dynamically, and the hedging relationship is designated on a daily basis. Hedge effectiveness is tested prospectively by applying different scenarios on a daily basis. Similarly, retrospective hedge effectiveness is measured on a daily basis by comparing the change in fair value of hedging instruments and the change in

fair value of bonds that is attributable to the benchmark interest rate risk. Ineffectiveness is mainly expected to arise due to the different maturities of the bonds that fall within the scope of the hedging relationship and the hedging instruments, as well as differences in overall sensitivities to movements in benchmark interest rate curves. Credit risk is limited by entering into derivatives transactions (related to hedging instruments) only with central clearing counterparties or on a collateralised basis. In the event of an early termination of the hedge, the cumulative adjustment of the carrying amount of the bonds that fall within the scope of the respective hedging relationship is recognised as “result from trading activities and the fair value option” in the income statement over their remaining term.

For further information on risk management activities, refer to the separate Risk section.

The following table provides an overview of the effect of fair value hedge accounting on financial investments measured at FVOCI:

CHF thousand	31.12.2024	31.12.2023
Hedging instruments		
Positive replacement values of hedging instruments	86,955	126,532
Notional amount of derivative financial instruments used as hedging instruments	2,308,973	2,572,604
Negative replacement value of hedging instruments	29,756	36,850
Notional amount of derivative financial instruments used as hedging instruments	1,196,827	1,281,716

CHF thousand	31.12.2024	31.12.2023
Hedged item		
Carrying amount of financial investments measured at FVOCI	2,463,077	2,439,032
of which accumulated amount of fair value hedge gain/(loss) included in the carrying amount	(106,261)	(143,939)

CHF thousand	2024	2023
Hedge effectiveness		
Change in the fair value of the hedging instruments used as the basis for recognising hedge ineffectiveness	22,353	90,296
Change in the fair value of the hedged item used as the basis for recognising hedge ineffectiveness	(22,682)	(89,081)
Amount of hedge ineffectiveness recognised in the income statement	(329)	1,215

The accumulated amount of fair value hedge adjustments remaining in the balance sheet for any hedged items that have ceased to be adjusted for hedging gains and losses is zero as of 31 December 2024 (31 December 2023: zero). The carrying amount of the hedging instruments is presented as the positive and/or negative replacement values of derivative financial instruments. All hedged items are included in the line item "financial investments measured at fair value through other comprehensive income".

20 Cash and balances at central banks

Cash and balances at central banks consist of sight deposit accounts held at the Swiss National Bank and are recognised at their nominal value.

21 Amounts due from/to banks

Amounts due from banks include receivables from banks on demand, term deposits and settlement receivables. Amounts due from banks are recognised initially at fair value and subsequently at amortised cost, less expected credit loss.

Amounts due to banks include bank overdrafts and settlement payables to banks and parties regulated by a banking supervisory authority. Amounts due to banks are recognised initially at fair value and subsequently at amortised cost.

CHF thousand	31.12.2024	31.12.2023
Amounts due from banks		
Due from banks on demand (cash and cash equivalents)	181,106	237,247
Due from banks on demand (precious metals)	2,282	415
Security deposit with banks	6,643	6,631
Cash collateral paid to banks or regulated financial institutions	287,652	147,874
Settlement receivables from banks or regulated financial institutions	34,583	66,776
Settlement receivables with platform partners – banks or regulated financial institutions	2,684	3,980
Total amounts due from banks	514,950	462,923
Amounts due to banks		
Cash overdrafts (cash and cash equivalents)	60,518	4,176
Cash collateral received from banks or regulated financial institutions	240,134	218,181
Settlement liabilities with banks or regulated financial institutions	17,328	27,285
Settlement liabilities with platform partners – banks or regulated financial institutions	2,881	2,600
Total amounts due to banks	320,861	252,242

Amounts with related parties are disclosed in Note 40.

22 Amounts due from/to customers

Amounts due from customers include receivables (including settlement receivables and other receivables, as well as cash collateral paid) from counterparties other than banks. Amounts due from customers are recognised initially at fair value and subsequently at amortised cost, less expected credit loss.

Amounts due to customers include payables (including settlement payables and other payables, as well as cash collateral received) to counterparties other than banks. Amounts due to customers are recognised initially at fair value and subsequently at amortised cost.

CHF thousand	31.12.2024	31.12.2023
Amounts due from customers		
Amounts due from financial market infrastructure entities (cash and cash equivalents)	77,748	13,365
Cash collateral paid to non-banks	1,062	1,138
Settlement receivables with financial market infrastructure entities	240,224	219,126
Settlement receivables with platform partners – non-banks	62,410	7,847
Other amounts due from platform partners – non-banks	5,079	4,208
Settlement and other receivables due from customers	4,150	45,970
Total amounts due from customers	390,673	291,654
Amounts due to customers		
Amounts due to financial market infrastructure entities (cash and cash equivalents)	3,808	23
Cash collateral received from non-banks	210,323	193,332
Settlement payables to financial market infrastructure entities	256,145	255,531
Settlement and other payables to platform partners – non-banks	1,575	28,329
Settlement and other payables to customers	3,757	6,777
Total amounts due to customers	475,608	483,992

Amounts with related parties are disclosed in Note 40.

23 Securities financing transactions (assets and liabilities)

The Group generally enters into securities lending and securities borrowing transactions on a collateralised basis. In the case of such transactions, the Group typically lends or borrows securities in exchange for securities or cash collateral. Additionally, the Group's lending and borrowing activities are performed in exchange for a fee.

The majority of securities lending and borrowing agreements involve shares, funds or bonds. The transactions are conducted on the basis of standard agreements employed by financial market participants and are undertaken with counterparties subject to the Group's normal credit risk control processes. The Group monitors the market value of the securities received or delivered on a daily basis and requests or provides additional collateral or returns, or recalls surplus collateral in accordance with the underlying agreements. Securities that have been transferred, be it in the context of a lending/borrowing transaction or as collateral, are not recognised or derecognised in the statement of financial position unless the risks and rewards of ownership are also transferred. In such transactions where the Group transfers owned securities without transferring the risks and rewards of ownership and where the borrower is granted the right to sell or repledge them, the securities are presented as "trading financial assets" or "other financial assets designated at fair value through profit or loss", in the sub-line item "of which pledged as collateral". Cash collateral received is recognised with a corresponding obligation to return it which is disclosed in the line item "liabilities from securities financing transactions". Cash collateral delivered is derecognised with a corresponding receivable, reflecting the right to receive it back. The cash collateral delivered is disclosed in the line item "amounts due from securities refinancing transactions". Additionally, the sale of securities received in a lending or borrowing transaction triggers the recognition of a trading financial liability (short sale).

Consideration exchanged in such transactions (i.e. interest received or paid) is accrued in the period in which it incurred.

Repurchase and reverse repurchase agreements

Securities purchased under agreements to resell, reverse repurchase agreements, and securities sold under agreements to repurchase, as well as repurchase agreements, are all treated as collateralised financing transactions. Nearly all repurchase and reverse repurchase agreements involve debt securities (i.e. bonds, notes or money market papers) and equity securities. The transactions are normally conducted under standard agreements employed by financial market participants and are undertaken with counterparties subject to the Group's normal credit risk control processes. The Group monitors the market value of the securities received or delivered on a daily basis and requests or provides additional collateral or returns, or recalls surplus collateral in accordance with the underlying agreements.

The transfer of securities in the case of repurchase and reverse repurchase agreements is not recognised or derecognised in the statement of financial position unless the risks and rewards of ownership are also transferred. In reverse repurchase agreements, cash collateral provided is derecognised with a corresponding receivable being recognised, reflecting the right to receive it back. The cash collateral provided is disclosed in the line item "amounts due from securities financing transactions". In repurchase agreements, the cash collateral received is recognised with a corresponding obligation to return it. The cash collateral received is presented in the line item "liabilities from securities financing transactions".

In repurchase agreements where the Group transfers owned securities and where the recipient is granted the right to resell or repledge them, the securities are presented in the statement of financial position in the line items "trading financial assets" or "other financial assets designated at fair value through profit or loss", in the sub-line item "of which pledged as collateral". Securities received in a reverse repurchase agreement are disclosed as off-balance sheet items if the Group has the right to resell or repledge them, with securities that the Group has resold or repledged being disclosed if applicable. Additionally, the sale of securities received in reverse repurchase transactions triggers the recognition of a trading financial liability (short sale).

Interest income from reverse repurchase agreements and interest expenses from repurchase agreements are accrued in the period in which they are incurred.

2024

CHF thousand	Book value of assets as reported on balance sheet	Cash collateral received	Securities lent or used for collateralisation ¹	Total Net amount
Amounts due from securities financing transactions	43,307	—	—	43,307
Trading financial assets	3,653,840	1,136,406	(2,163,623)	2,626,623
Other financial assets designated at fair value through profit or loss	148,368	—	—	148,368
Total as of 31 December 2024	3,845,515	1,136,406	(2,163,623)	2,818,298
with unrestricted right to resell or repledge	—	—	(544,793)	(544,793)

CHF thousand	Book value of liabilities as reported on balance sheet	Cash collateral paid	Securities borrowed or received for collateralisation	Total Net amount
Amounts due in respect of securities financing transactions	1,136,406	—	—	1,136,406
Trading financial liabilities	137,167	43,307	(96,447)	84,027
Other financial liabilities designated at fair value through profit or loss	5,185,627	—	—	5,185,627
Total as of 31 December 2024	6,459,200	43,307	(96,447)	6,406,060
of which resold	—	—	(96,447)	(96,447)

2023

CHF thousand	Book value of assets as reported on balance sheet	Cash collateral received	Securities lent or used for collateralisation ¹	Total Net amount
Amounts due from securities financing transactions	20,667	—	—	20,667
Trading financial assets	2,725,961	805,197	(1,265,360)	2,265,798
Other financial assets designated at fair value through profit or loss	180,821	—	—	180,821
Total as of 31 December 2023	2,927,449	805,197	(1,265,360)	2,467,286
with unrestricted right to resell or repledge	—	—	(434,350)	(434,350)

CHF thousand	Book value of liabilities as reported on balance sheet	Cash collateral paid	Securities borrowed or received for collateralisation	Total Net amount
Amounts due in respect of securities financing transactions	805,197	—	—	805,197
Trading financial liabilities	54,019	20,667	(15,846)	58,840
Other financial liabilities designated at fair value through profit or loss	4,666,965	—	—	4,666,965
Total as of 31 December 2023	5,526,181	20,667	(15,846)	5,531,002
of which resold	—	—	(15,846)	(15,846)

¹ Securities lent or used for collateralisation of securities financing transactions are equal to the amounts of collateral received or paid (taking haircuts into account). The remaining amount is used as collateral for other purposes (i.e. initial margin for ETDs or add-ons).

24 Trading financial assets and liabilities

CHF thousand	31.12.2024	31.12.2023
Trading financial assets		
Debt securities (listed)	489,568	236,664
of which pledged as collateral	281,208	90,305
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	31,115	5,415
Equity securities	1,617,988	1,495,383
of which pledged as collateral	395,841	370,045
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	508,667	423,218
Funds	1,477,859	784,217
of which pledged as collateral	962,186	370,660
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	5,011	5,717
Other securities	68,425	209,697
of which hybrid financial instruments	68,425	209,697
Total trading financial assets	3,653,840	2,725,961
of which based on valuation-model (see Note 18)	183,805	253,172
Trading financial liabilities		
Debt securities (listed)	4,019	—
Equity securities	132,963	53,141
Funds	185	878
Total trading financial liabilities	137,167	54,019
of which based on valuation-model (see Note 18)	130	—

Trading financial assets are purchased to offset the economic exposures arising from the non-host debt component of the Group's issued products or other financial liabilities.

25 Trading inventories

The Group issues certificates that replicate the performance of single crypto assets and thematic crypto baskets. The Group issues products on a universe of 37 crypto assets as underlyings. To hedge the exposure resulting from the issuance of these certificates, the Group purchases or sells the respective underlyings.

The Group classifies crypto assets held as an economic hedge for issued structured products as "trading inventories" and applies the commodity broker-trader exemption (IAS 2.3) and therefore measures crypto assets at fair value less costs to sell. The fair market values for crypto assets held as assets are determined based on generally accepted prices. The changes in fair value are recognised in the line item "result from trading activities and the fair value option".

26 Replacement values of derivative instruments

Derivative instruments are recognised at fair value (which is equal to replacement value) in the statement of financial position and are reported as positive replacement values or negative replacement values. As the Group enters into derivative contracts for trading purposes, realised and unrealised gains and losses are recognised in "result from trading activities and the fair value option".

A derivative may be embedded in a "host contract". Such combinations are known as hybrid instruments and arise predominantly from the issuance of structured debt instruments. The values of embedded derivatives are presented with the host debt as other financial liabilities designated at fair value. Gains and losses from financial liabilities are reported in the income statement as "result from trading activities and the fair value option".

For derivative financial instruments used for hedge accounting in accordance with IFRS 9, refer to Note 19.

2024

CHF thousand

	Trading instruments			Hedging instruments		
	Positive RV	Negative RV	Contract volume	Positive RV	Negative RV	Contract volume
Interest rate instruments						
Swaps	275,189	242,753	18,721,743	84,371	29,756	3,196,964
Futures	0	—	14,158,919	—	—	292,360
Options (OTC)	47,729	144,798	12,867,604	—	—	—
Foreign currencies/precious metals						
Forward contracts	10,576	42,764	2,110,957	2,584	—	16,476
Swaps	—	1	191	—	—	—
Futures	—	—	2,025	—	—	—
Options (OTC)	10,353	13,571	999,800	—	—	—
Precious metals						
Swaps	8	169	10,283	—	—	—
Futures	—	—	47,571	—	—	—
Options (OTC)	—	643	26,691	—	—	—
Options (exchange traded)	—	—	—	—	—	—
Equities/indices						
Swaps	449,956	189,698	7,567,927	—	—	—
Futures	—	—	939,193	—	—	—
Options (OTC)	64,249	188,752	6,804,797	—	—	—
Options (exchange traded)	1,748,928	1,544,905	28,329,053	—	—	—

2024

CHF thousand

	Trading instruments			Hedging instruments		
	Positive RV	Negative RV	Contract volume	Positive RV	Negative RV	Contract volume
Credit instruments						
Credit default swap	7,592	12,162	437,403	—	—	—
Total return swap	36,649	1,160	1,543,282	—	—	—
Other credit derivatives	22,134	2,527	722,231	—	—	—
Other						
Swaps	4,004	787	232,464	—	—	—
Futures	—	—	116,622	—	—	—
Options (OTC)	272	2,129	79,437	—	—	—
Options (exchange traded)	870	4,756	796,981	—	—	—
Total before deduction of netting agreements (including cash collaterals) as of 31 December 2024	2,678,508	2,391,574	96,515,174	86,955	29,756	3,505,800
of which based on valuation-model (see Note 18)	1,036,722	945,429	—	—	—	—
Total after deduction of netting agreements (including cash collaterals) as of 31 December 2024¹	294,990	104,271				
of which balances against central clearing institutions	288,757	3,775	—	—	—	—
of which balances against banks or securities firms	5,868	53,023	—	—	—	—
of which balances against other customers	365	47,473	—	—	—	—

¹ Replacement values of derivative instruments includes both trading and hedging instruments.

2023

CHF thousand

	Trading instruments			Hedging instruments		
	Positive RV	Negative RV	Contract volume	Positive RV	Negative RV	Contract volume
Interest rate instruments						
Swaps	313,423	308,613	17,291,603	121,772	36,850	3,813,650
Futures	—	—	6,346,490	—	—	—
Options (OTC)	51,970	113,171	18,177,546	—	—	—
Foreign currencies/precious metals						
Forward contracts	47,261	4,492	1,440,390	4,760	—	40,670
Swaps	21	20	2,539	—	—	—
Futures	—	—	149	—	—	—
Options (OTC)	10,128	13,727	845,044	—	—	—
Precious metals						
Swaps	74	88	11,250	—	—	—
Futures	—	—	35,968	—	—	—
Options (OTC)	—	290	13,734	—	—	—
Options (exchange traded)	—	2,751	56,859	—	—	—
Equities/indices						
Swaps	399,006	175,847	6,774,594	—	—	—
Futures	—	—	946,448	—	—	—
Options (OTC)	73,410	141,729	4,252,812	—	—	—
Options (exchange traded)	1,336,093	1,168,387	21,209,122	—	—	—

2023

CHF thousand

	Trading instruments			Hedging instruments		
	Positive RV	Negative RV	Contract volume	Positive RV	Negative RV	Contract volume
Credit instruments						
Credit default swap	9,430	15,568	1,077,341	—	—	—
Total return swap	21,745	17	661,717	—	—	—
Other						
Swaps	5,858	63	147,219	—	—	—
Futures	—	—	88,147	—	—	—
Options (OTC)	620	584	31,437	—	—	—
Options (exchange traded)	3,083	17,399	424,596	—	—	—
Total before deduction of netting agreements (including cash collaterals) as of 31 December 2023	2,272,124	1,962,745	79,835,004	126,532	36,850	3,854,320
of which based on valuation-model (see Note 18)	1,064,639	841,391	—	—	—	—
Total after deduction of netting agreements (including cash collaterals) as of 31 December 2023	252,037	115,534				
of which balances against central clearing institutions	222,964	—	—	—	—	—
of which balances against banks or securities firms	13,989	54,369	—	—	—	—
of which balances against other customers	15,084	61,165	—	—	—	—

27 Other financial assets and liabilities designated at fair value through profit or loss

CHF thousand	31.12.2024	31.12.2023
Other financial assets designated at fair value through profit or loss		
Debt securities (listed) ¹	—	—
of which pledged as collateral	—	—
Other securities	32,523	49,649
of which hybrid financial instruments	32,523	49,649
Receivables from counterparties in connection with long-term savings and retirement products	115,845	131,172
Total other financial assets designated at fair value through profit or loss	148,368	180,821
of which based on valuation-model (see Note 18)	148,368	180,821
of which repo-eligible securities	—	—
Other financial liabilities designated at fair value through profit or loss		
Interest rate instruments ¹	583,115	432,020
with own debt component	574,136	423,192
without own debt component	8,979	8,828
Equities ¹	4,029,092	3,843,704
with own debt component	3,925,481	3,775,008
without own debt component	103,611	68,696
Foreign currency	6,326	6,402
with own debt component	6,295	6,402
without own debt component	31	—
Commodities (including precious metals and crypto assets)	567,094	384,839
with own debt component	154,096	97,347
without own debt component	412,998	287,492
Total other financial liabilities designated at fair value through profit or loss	5,185,627	4,666,965
of which based on valuation-model (see Note 18)	5,185,627	4,666,965

¹ All issued structured products are recognised as financial liabilities designated at fair value through profit or loss.

Bonds are used to offset exposures to similar term components of the Group's issued products, principally the host debt component of structured products issued. An issued structured product with its own debt component exists if the repayment mode of this product provides for full or partial cash repayment, regardless of whether this cash repayment is made in any case or based on an option is replaced by another compensation.

Receivables from long-term savings and retirement solutions counterparties relate to expenses incurred to purchase economic hedges for interest rate risks on behalf of these counterparties prior to the inception of their specific client contracts. These expenses are reimbursed to the Group by the respective counterparty.

CHF thousand	31.12.2024	31.12.2023
Classification in accordance with SVSP Swiss Derivative Map		
Capital protection	521,963	351,013
Yield enhancement	2,437,883	2,466,295
Participation	2,211,822	1,835,112
Leverage	13,959	14,545
Total other financial liabilities designated at fair value through profit or loss	5,185,627	4,666,965

28 Financial investments measured at fair value through other comprehensive income

The Group holds debt instruments within a business model whose objective is achieved both by collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

These debt instruments are recognised at fair value, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset, in the statement of financial positions line item “financial investments measured at fair value through other comprehensive income”.

Effective interest and foreign exchange gains and losses are recognised in the income statement in the line item “result from trading activities and the fair value option”. Other changes in fair value that are mainly attributable to changes in the benchmark interest rate or issuer credit risk are recognised in the statement of other comprehensive income.

Since issuer credit risk is initially recognised in other comprehensive income, the expected credit loss is accounted for in the portfolio of debt instruments measured at FVOCI. The change in the expected credit loss is recognised in the income statement in the line item “credit loss (expense) / recovery”, while the reverse entry is recognised in the statement of other comprehensive income.

If a bond measured at FVOCI is disposed of, the amount recognised in the statement of other comprehensive income is reclassified to the income statement. The cumulative changes in fair value are transferred to “results from trading activities and the fair value option” and the corresponding expected credit loss amount is credited to “credit loss (expense) / recovery”. For information on the application of hedge accounting, refer to Note 19.

The following table provides an overview of financial investments measured at FVOCI:

CHF thousand	31.12.2024	31.12.2023
Government bonds	295,754	393,959
of which pledged as collateral	28,048	99,315
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	23,440	71,986
Supranational agency bonds	278,028	163,934
of which pledged as collateral	—	106,715
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	9,824	678
Corporate bonds	1,177,160	1,109,166
of which pledged as collateral	589,497	611,159
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	382,414	209,681
Financial institution bonds	722,141	941,227
of which pledged as collateral	426,496	455,999
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	138,644	105,167
Total debt financial instruments measured at FVOCI	2,473,083	2,608,286
Equity Interest	1,075	900
Total equity measured at FVOCI	1,075	900
Total instruments measured at FVOCI	2,474,158	2,609,186
of which listed	2,473,083	2,608,286
of which unlisted	1,075	900

29 Accrued income and prepaid expenses/ Accrued expenses and deferred income

The Group recognises fee income from services rendered over a specific period of time on a pro rata basis for the anticipated duration of the service. This includes the initial margin earned upon the issuance of products, as well as service and management fees related to the long-term savings and retirement solutions products.

Interest income is accrued as earned. Dividends are recognised when there is a right to receive the payment. Accrued and deferred income are presented as a separate asset or liability in the statement of financial position.

CHF thousand	31.12.2024	31.12.2023
Accrued income and prepaid expenses		
Prepaid operating expenses	6,830	6,064
Accrued interest	243	61
Other	184	461
Total accrued income and prepaid expenses	7,257	6,586
Accrued expenses and deferred income		
Accrued operating expenses	38,516	55,316
Deferred fee income	48,956	57,772
Accrued interest	210	592
Other	14,036	12,480
Total accrued expenses and deferred income	101,718	126,160

Prepaid operating expenses relate to office lease, Insurance and other operating expense items.

Accrued operating expenses include staff, audit fees and other operating expense items. For more details on deferred fee income, refer to Note 9. Other accrued expenses consist of outstanding social security expenses as well as accrued distribution fees.

30 Other assets and liabilities

CHF thousand	31.12.2024	31.12.2023
Other assets		
Withholding and other tax receivables	25,466	21,804
Other assets	199	490
Total other assets	25,665	22,294
Other liabilities		
Other tax liabilities	3,860	3,424
Pension liability	7,511	9,670
Lease liability	28,800	36,897
Other liabilities	13,434	479
Total other liabilities	53,605	50,470

The derivative component of structured products with Swiss equity underlyings may be hedged with the acquisition of Swiss shares. Withholding taxes on dividends from such Swiss shares are generally included in withholding tax receivables.

For further information on the change in net pension liability, refer to Note 35.

The CHF 8.1 million decrease in lease liability is mainly due to regular lease payments and interest recognised in the income statement.

Other liabilities mainly comprise unpaid supplier invoices which relate to 2024.

31 Tangible and intangible assets

Tangible assets (furniture, equipment, leasehold improvements, IT equipment) and intangible assets (internally developed and purchased software) are recognised at cost less accumulated depreciation and amortisation as well as impairment losses. Right-of-use assets are reported at the amount equivalent to the capitalised lease payments less accumulated depreciation. Tangible and intangible assets are reviewed periodically for impairment, with any impairment charge being recognised in the income statement.

Certain personnel costs directly attributable to the internal development of software are capitalised as intangible assets. Capitalised costs include salaries and bonuses, social security contributions and pension costs.

Capitalised software acquisition costs are based on the costs of acquiring the software and the costs incurred in bringing it into its intended state. Direct costs attributable to the internal development of software are capitalised when such items meet the definition of capitalisation. These costs relate to the design and implementation phases for internally developed software.

Depreciation is calculated using the straight-line method. Tangible assets are depreciated over their useful lives, as follows:

- Furniture and equipment: 5 to 10 years
- Leasehold improvements: 5 to 10 years
- Right-of-use assets: 2 to 15 years
- IT equipment: 3 to 5 years

Intangible assets are depreciated over their useful lives, as follows:

- Purchased IT software: 3 to 5 years
- Internally developed software: 3 to 5 years
- Other intangible assets: 5 years

The useful lives and residual values of tangible and intangible assets are estimated by the management on the basis of the anticipated period over which economic benefits will accrue to the Group from the use of those assets. Useful economic lives are reviewed annually on the basis of historical and forecast expectations concerning future technological developments, economic and legal changes as well as further external factors.

Impairment of non-financial assets

For all non-financial assets not measured at fair value, the Group assesses at the end of each reporting period whether there is objective evidence that a non-financial asset or a group of non-financial assets is impaired. A non-financial asset or a group of non-financial assets is considered to be impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a loss event), and that loss event (or events) has (or have) an impact on estimated future cash flows of the non-financial asset or group of non-financial assets that can be reliably estimated.

CHF thousand

	Tangible assets					Intangible assets			
	Furniture / equipment	Leasehold improvement	Right-of-use asset	IT equipment	Total 31.12.2024	Internally developed software	Purchased software	Other intangible assets	Total 31.12.2024
Historical costs									
Balance as of 1 January 2024	3,209	11,853	106,537	24,210	145,809	155,995	63,125	1,600	220,720
Additions	8	99	,23	3,235	3,365	15,443	7,652	—	23,095
Disposals	(31)	—	(20)	(1)	(52)	(606)	(95)	—	(701)
Remeasurements	—	—	1,684	—	1,684	—	—	—	—
Translation adjustments	24	56	521	15	616	—	4	—	4
Balance as of 31 December 2024	3,210	12,008	108,745	27,459	151,422	170,832	70,686	1,600	243,118
Accumulated depreciation costs									
Balance as of 1 January 2024	2,921	9,914	70,316	17,847	100,998	115,044	46,608	—	161,652
Depreciation	110	506	9,919	2,500	13,035	16,039	6,708	240	22,987
Disposals	(8)	—	(20)	(1)	(29)	(606)	(95)	—	(701)
Impairment losses	—	—	—	—	—	—	—	—	—
Reversals	—	—	—	—	—	—	—	—	—
Remeasurements	—	—	(4)	—	(4)	—	—	—	—
Translation adjustments	17	25	275	9	326	—	4	—	4
Balance as of 31 December 2024	3,040	10,445	80,486	20,355	114,326	130,477	53,225	240	183,942
Net book value as of 31 December 2024	170	1,563	28,259	7,104	37,096	40,355	17,461	1,360	59,176

Leonteq's IT platform consists of different components: Leonteq developed proprietary front-end tools for product construction, product set-up and product documentation. The position and risk management system is based on off-the-shelf software. Leonteq enhanced the software through the addition of specific functionalities such as in-built model libraries developed by Leonteq. The back-office tools used by Leonteq comprise standard software.

CHF thousand

Tangible assets

Intangible assets

	Furniture / equipment	Leasehold improvement	Right-of-use asset	IT equipment	Total 31.12.2023	Internally developed software	Purchased software	Other intangible assets	Total 31.12.2023
Historical costs									
Balance as of 1 January 2023	3,231	11,938	102,947	22,129	140,245	138,492	56,009	—	194,501
Additions	102	74	3,569	2,134	5,879	17,503	7,124	1,600	26,227
Disposals	(63)	—	(1,462)	(7)	(1,532)	—	—	—	—
Remeasurements	—	—	2,596	—	2,596	—	—	—	—
Translation adjustments	(61)	(159)	(1,112)	(46)	(1,378)	—	(8)	—	(8)
Balance as of 31 December 2023	3,209	11,853	106,537	24,210	145,809	155,995	63,125	1,600	220,720
Accumulated depreciation costs									
Balance as of 1 January 2023	2,903	8,595	63,198	15,538	90,234	99,818	40,102	—	139,920
Depreciation	128	1,404	9,677	2,354	13,563	15,226	6,513	—	21,739
Disposals	(63)	—	(1,462)	(7)	(1,532)	—	—	—	—
Impairment losses	—	—	—	—	—	—	—	—	—
Reversals	—	—	—	—	—	—	—	—	—
Remeasurements	—	—	(415)	—	(415)	—	—	—	—
Translation adjustments	(47)	(85)	(682)	(38)	(852)	—	(7)	—	(7)
Balance as of 31 December 2023	2,921	9,914	70,316	17,847	100,998	115,044	46,608	—	161,652
Net book value as of 31 December 2023	288	1,939	36,222	6,363	44,812	40,951	16,517	1,600	59,068

Leases

The Group's leasing activities mainly relate to office space, data centre and equipment. The lease liability reflects the present value of future lease payments, excluding any reinstatement cost provision, which is accounted for in accordance with IAS 37 and presented as a provision (Note 37). In contrast, expected reinstatement costs are included in the right-of-use asset. The right-of-use asset is presented in the line item "tangible assets" and the lease liability in "other liabilities". The right-of-use asset is amortised on a straight-line basis over the lease term, unless it is determined to be subject to impairment according to IAS 36. Lease payments are deducted from the lease liability. The lease liability is measured at the present value of remaining lease payments, discounted at the interest rate determined at the commencement date or at the transition of the lease.

When the Group enters into new lease agreements, it exercises judgement regarding the effective lease term in cases where the lease agreements include one or more early termination or extension options. Extension options (or periods after termination options) are only included if the lease is reasonably certain to be extended or not terminated. In most cases, the extension options are included, given that the Group currently has no intention to vacate its various office locations in the near future. In cases where the original lease will only mature several years in the future (e.g. after more than five years), the respective extension options are not yet considered given the inherent uncertainty about office space required at that point in time. The applicability of the lease terms and termination or extension options is reassessed in the event of a material occurrence or change in circumstances that may affect the previous assessment, where this is within the Group's control. As of 31 December 2024, the effect of revising lease terms to reflect the effect of exercising extension and termination options would result in an increase in right-of-use assets and lease liabilities of approximately CHF 24.5 million (31 December 2023: CHF 24.5 million).

Lease payments associated with short-term leases and low-value leases are recognised over the lease term as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value leases comprise IT and other small items of office equipment.

The carrying amounts of right-of-use assets and lease liabilities and changes in these values, are shown in the following table:

CHF thousand	31.12.2024	31.12.2023
Right-of-use asset		
Balance as of 1 January	36,222	39,749
Additions	23	3,569
Disposals	—	—
Effect of contract modifications	1,687	3,011
Amortisations	(9,919)	(9,677)
Currency translation adjustments	246	(429)
Balance as of 31 December	28,259	36,222
Lease liability		
Balance as of 1 January	36,897	40,217
Additions	23	3,537
Disposals	—	—
Effect of contract modifications	1,742	2,998
Interest expenses	431	481
Payments ¹	(10,553)	(9,749)
Currency translation adjustments	260	(588)
Balance as of 31 December	28,800	36,897
Contractual liabilities (excluding short-term or low-value assets) as of 31 December	30,770	39,609
of which due within 1 year	10,830	10,605
of which due within 2 and 5 years	19,734	28,400
of which due after 5 years	206	604

¹ Payments lead to a cash outflow for the group.

The carrying amount of right-of-use asset as of 31 December 2024 comprises CHF 27.3 million for office space and CHF 0.9 million for data centre (31 December 2023: CHF 35.3 million for office space and CHF 0.9 million for data centre).

In 2024, the amount of CHF 36 thousand (2023: CHF 23 thousand) relating to short-term and low-value leases are accounted for as other operating expenses.

Commitments arising from operational leases

CHF thousand	31.12.2024	31.12.2023
Due within one year	31	27
Due between two and five years	16	13
Commitments for minimum payments under operational leases	47	40

Future rental income arising from sublet office space

CHF thousand	31.12.2024	31.12.2023
Due within one year	2,769	2,496
Due between two and five years	6,346	1,501
Future rental income arising from sublet office space	9,114	3,997

In 2024 and 2023, the Group sublet office space that it does not expect to use in the coming years. Subleases are classified as operational leases since the terms of the headleases are substantially longer than the terms of the subleases.

For detailed information on rental income generated through the sub-leasing of office space, refer to Note 12.

32 Interest in a joint venture

The Group has a 50% interest in Bench Services AG, a joint venture involved in the management and administration of a pillar 3a foundation in Switzerland (31 December 2023: 50%). Bench Services AG was established on 17 November 2023 with a capital contribution of both joint venture partners in the amount of CHF 958 thousand.

The interest is accounted for using the equity method in the consolidated financial statements. The interest in Bench Services AG is considered to be immaterial for the Group.

33 Offsetting financial assets and financial liabilities

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements. The net amount shown reflects the net credit exposure for each asset class.

2024

CHF thousand	Gross amounts of recognised financial assets ¹	Gross amounts of recognised financial liabilities offset in the balance sheet	Net amount of financial assets as reported in IFRS balance sheet	Effect of master netting agreements	Effect of collateral received	Net amount
Cash and balances at central banks	136,867	—	136,867	—	—	136,867
Amounts due from banks	514,950	—	514,950	(12,582)	(259,771)	242,597
Amounts due from securities borrowing transactions	43,307	—	43,307	—	(43,307)	—
Amounts due from customers	390,673	—	390,673	(61,755)	—	328,918
Positive replacement values of derivative instruments	2,765,464	—	2,765,464	(2,091,330)	(379,143)	294,991
Other financial assets designated at fair value through profit or loss	148,368	—	148,368	—	—	148,368
Total as of 31 December 2024	3,999,629	—	3,999,629	(2,165,667)	(682,221)	1,151,741

2023

CHF thousand	Gross amounts of recognised financial assets ¹	Gross amounts of recognised financial liabilities offset in the balance sheet	Net amount of financial assets as reported in IFRS balance sheet	Effect of master netting agreements	Effect of collateral received	Net amount
Cash and balances at central banks	142,697	—	142,697	—	—	142,697
Amounts due from banks	462,923	—	462,923	(1,311)	(289,908)	171,704
Amounts due from securities borrowing transactions	20,667	—	20,667	—	(20,667)	—
Amounts due from customers	291,654	—	291,654	(6,682)	—	284,972
Positive replacement values of derivative instruments	2,398,656	—	2,398,656	(1,796,955)	(349,664)	252,037
Other financial assets designated at fair value through profit or loss	180,821	—	180,821	—	—	180,821
Total as of 31 December 2023	3,497,418	—	3,497,418	(1,804,948)	(660,239)	1,032,231

¹ Represents the maximum exposure to credit risk.

In addition to the above amounts, the exposure to credit risk from trading financial assets is reduced via credit protection through structured products issued. The effect of this credit protection is a reduction in the credit risk exposure of trading assets presented in the statement of financial position of CHF 2'626.4 million for the year ended 31 December 2024 (31 December 2023: CHF 1'902.0 million).

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements. The net amount shown reflects the net credit exposure per asset class.

2024

CHF thousand	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the balance sheet	Net amount of financial liabilities as reported in IFRS balance sheet	Effect of master netting agreements	Effect of collateral paid	Net amount
Amounts due to banks	320,861	—	320,861	(12,582)	(290,241)	18,038
Liabilities from securities financing transactions	1,136,406	—	1,136,406	—	(1,134,742)	1,664
Amounts due to customers	475,608	—	475,608	(61,755)	(127)	413,726
Negative replacement values of derivative instruments	2,421,330	—	2,421,330	(2,091,330)	(225,729)	104,271
Other financial liabilities designated at fair value through profit or loss	5,185,627	—	5,185,627	—	(1,735)	5,183,892
Total as of 31 December 2024	9,539,832	—	9,539,832	(2,165,667)	(1,652,574)	5,721,591

2023

CHF thousand	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the balance sheet	Net amount of financial liabilities as reported in IFRS balance sheet	Effect of master netting agreements	Effect of collateral paid	Net amount
Amounts due to banks	252,242	—	252,242	(1,311)	(149,627)	101,304
Liabilities from securities financing transactions	805,197	—	805,197	—	(794,699)	10,498
Amounts due to customers	483,992	—	483,992	(6,682)	(119,739)	357,571
Negative replacement values of derivative instruments	1,999,595	—	1,999,595	(1,796,955)	(87,105)	115,535
Other financial liabilities designated at fair value through profit or loss	4,666,965	—	4,666,965	—	(398,332)	4,268,633
Total as of 31 December 2023	8,207,991	—	8,207,991	(1,804,948)	(1,549,502)	4,853,541

For the financial assets and financial liabilities subject to enforceable master netting arrangements or similar agreements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial asset and financial liability when both parties elect to settle on a net basis. If this is not the case, financial assets and financial liabilities are settled on a gross basis. However, each party to the master netting arrangement or similar agreement will have the option to settle all such amounts on a net basis in the event of a default by the other party.

The principal types of acceptable collateral include cash and high quality liquid bonds.

34 Maturity of assets and liabilities

The following tables show the amount expected to be recovered or settled after more than twelve months for each asset and liability.

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2024
Assets					
Financial assets					
Cash and balances at central banks	136,867	—	—	—	136,867
Amounts due from banks	514,950	—	—	—	514,950
Amounts due from securities financing transactions	43,307	—	—	—	43,307
Amounts due from customers	390,673	—	—	—	390,673
Trading financial assets	3,653,840	—	—	—	3,653,840
Positive replacement values of derivative financial instruments	2,765,464	—	—	—	2,765,464
Other financial assets designated at fair value through profit or loss	148,368	—	—	—	148,368
Financial investments measured at fair value through other comprehensive income	2,473,083	—	—	1,075	2,474,158
Other financial assets	5	420	23,498	—	23,923
Total financial assets	10,126,557	420	23,498	1,075	10,151,550
Non-Financial assets					
Trading inventories	407,411	—	—	—	407,411
Current tax assets	—	—	156	—	156
Deferred tax assets	—	—	—	1,925	1,925
Interests in joint ventures	—	—	—	958	958
Tangible assets ¹	—	—	—	37,096	37,096
Intangible assets ¹	—	—	—	59,176	59,176
Other non-financial assets	—	7,031	1,968	—	8,999
Total non-financial assets	407,411	7,031	2,124	99,155	515,721
Total assets	10,533,968	7,451	25,622	100,230	10,667,271

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2024
Liabilities					
Financial liabilities					
Amounts due to banks	320,861	—	—	—	320,861
Liabilities from securities financing transactions	1,136,406	—	—	—	1,136,406
Amounts due to customers	475,608	—	—	—	475,608
Trading financial liabilities	137,167	—	—	—	137,167
Negative replacement values of derivative financial instruments	2,421,330	—	—	—	2,421,330
Other financial liabilities designated at fair value through profit or loss	5,185,627	—	—	—	5,185,627
Other financial liabilities ²	11,806	13,623	10,288	18,664	54,381
Total financial liabilities	9,688,805	13,623	10,288	18,664	9,731,380
Non-Financial liabilities					
Current tax liabilities ³	—	—	1,673	12,000	13,673
Deferred tax liabilities	—	—	—	—	—
Other non-financial liabilities ⁴	—	13,403	45,277	42,262	100,942
Provisions	—	—	3,917	13,529	17,446
Total non-financial liabilities	—	13,403	50,867	67,791	132,061
Total liabilities	9,688,805	27,026	61,155	86,455	9,863,441

¹ Immobilised.

² Other financial liabilities with a long-term maturity mainly comprises lease liabilities (see Note 31).

³ Current tax liabilities with a long-term maturity comprises uncertain tax positions (see Note 15).

⁴ Other non-financial liabilities with a long-term maturity mainly comprises deferred income (see Note 9).

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2023
Assets					
Financial assets					
Cash and balances at central banks	142,697	—	—	—	142,697
Amounts due from banks	462,923	—	—	—	462,923
Amounts due from securities financing transactions	20,667	—	—	—	20,667
Amounts due from customers	291,654	—	—	—	291,654
Trading financial assets	2,725,961	—	—	—	2,725,961
Positive replacement values of derivative financial instruments	2,398,656	—	—	—	2,398,656
Other financial assets designated at fair value through profit or loss	180,821	—	—	—	180,821
Financial investments measured at fair value through other comprehensive income	2,608,286	—	—	900	2,609,186
Other financial assets	160	364	19,883	—	20,407
Total financial assets	8,831,825	364	19,883	900	8,852,972
Non-Financial assets					
Trading inventories	287,072	—	—	—	287,072
Current tax assets	—	—	279	—	279
Deferred tax assets	—	—	—	2,415	2,415
Interests in joint ventures	—	—	—	958	958
Tangible assets ¹	—	—	—	44,812	44,812
Intangible assets ¹	—	—	—	59,068	59,068
Other non-financial assets	—	6,552	1,921	—	8,473
Total non-financial assets	287,072	6,552	2,200	107,253	403,077
Total assets	9,118,897	6,916	22,083	108,153	9,256,049

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2023
Liabilities					
Financial liabilities					
Amounts due to banks	252,242	—	—	—	252,242
Liabilities from securities financing transactions	805,197	—	—	—	805,197
Amounts due to customers	483,992	—	—	—	483,992
Trading financial liabilities	54,019	—	—	—	54,019
Negative replacement values of derivative financial instruments	1,999,595	—	—	—	1,999,595
Other financial liabilities designated at fair value through profit or loss	4,666,965	—	—	—	4,666,965
Other financial liabilities ²	1,998	23,791	10,490	27,019	63,298
Total financial liabilities	8,264,008	23,791	10,490	27,019	8,325,308
Non-Financial liabilities					
Current tax liabilities ³	—	—	1,184	12,000	13,184
Deferred tax liabilities	—	—	—	544	544
Other non-financial liabilities ⁴	—	43,077	17,947	52,308	113,332
Provisions	—	—	5,316	18,232	23,548
Total non-financial liabilities	—	43,077	24,447	83,084	150,608
Total liabilities	8,264,008	66,868	34,937	110,103	8,475,916

¹ Immobilised.

² Other financial liabilities with a long-term maturity mainly comprises lease liabilities (see Note 31).

³ Current tax liabilities with a long-term maturity comprises uncertain tax positions (see Note 15).

⁴ Other non-financial liabilities with a long-term maturity mainly comprises deferred income (see Note 9).

35 Retirement benefit obligations

The Group operates a defined benefit plan and defined contribution plans. On behalf of employees domiciled outside Switzerland, the Group contributes to pension schemes that qualify as defined contribution plans. The Group pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions totalling CHF 2.3 million and CHF 4.0 million for the years ended 31 December 2024 and 31 December 2023, respectively, related to defined contribution plans, were recognised in personnel expenses.

In Switzerland, the Group operates a defined benefit plan in accordance with Swiss law and provides cover against retirement, death and disability for all staff employed in Switzerland. The pension plan is maintained by a collective foundation, managed by AXA Leben AG. The foundation is governed by a Board of Trustees and is supervised by the BVG und Stiftungsaufsicht (BVS) of the Canton of Zurich. In addition, the pension scheme includes the Leonteq Pension Committee, which has three employee and three employer representatives.

The foundation covers all actuarial and investment risks and has elected to fully insure death and disability insurance risks within the Swiss pension plan with a third-party insurance company. The insurance contract is renewable on an annual basis. In addition to the aforementioned risks, the pension plan is exposed to other risks such as asset volatility, changes in bond yields and changes in life expectancy. These risks have a significant impact on the pension plan: Asset volatility could increase or reduce the plan assets. Bond yields are the basis for the discount rate. Low yields (or discount rates) and a higher life expectancy lead to a higher plan obligation. The managers of the pension plan address these risks as part of their efforts to ensure the consistency and sustainability of the pension plan's assets and liabilities based on a diversified investment strategy that is aligned with the volatility and maturity of the pension obligation.

The Group's obligations arising from its Swiss pension scheme are to pay defined contributions. However, in accordance with the Swiss "BVG/LPP" law, the pension scheme incorporates certain guarantees, such as minimum interest accumulation at defined rates, conversion of capital at defined rates upon transfer of vested benefits, and potential life-long pension annuities. The pension scheme has therefore been reported as a defined benefit pension plan in accordance with IFRS.

In the case of defined benefit plans, the pension obligations and expenses are determined annually by actuarial appraisals prepared by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. The net amount recognised in the statement of financial position corresponds to the funding surplus or funding deficit of the defined benefit pension plans, taking account of any possible restrictions on the amount of a surplus that can be recognised as an asset (asset ceiling). The net interest based on the net liability or net asset of the defined benefit pension plans, the current and past service costs (due to plan amendments or plan curtailments), the administration costs (excluding asset management costs) and the gains and losses arising from plan settlements are recorded in personnel expenses. Actuarial gains and losses on pension liabilities as well as the return on plan assets and changes due to the asset ceiling are recognised in the statement of other comprehensive income.

The below table outlines where the Group's post-employment amounts related to the Swiss pension scheme are included in the financial statements.

CHF thousand	31.12.2024	31.12.2023
Reconciliation of the amount recognised in the statement of financial position		
Defined benefit obligation (DBO)	83,328	76,139
Fair value of plan assets	(75,817)	(66,469)
Net defined benefit liability/(asset)	7,511	9,670
of which recognised as separate liability	7,511	9,670

CHF thousand	2024	2023
Components of defined benefit cost in profit or loss		
Current service cost (employer)	3,819	3,807
Past service cost	—	(1,372)
Interest expenses on defined benefit obligation	1,133	1,447
Interest (income) on plan assets	(1,014)	(1,349)
Administration cost (excluding cost for managing plan assets)	75	75
Net expenses recognised in the income statement	4,013	2,608
of which service and administration cost	3,894	2,510
of which net interest on the net defined benefit liability/(asset)	119	98

CHF thousand	2024	2023
Components of defined benefit cost in OCI		
Actuarial (gain)/loss on defined benefit obligation	3,342	5,775
(Gain)/loss on plan assets (excluding interest income)	(6,060)	(1,387)
Defined benefit cost/(income) recognised in OCI	(2,718)	4,388

CHF thousand	2024	2023
Reconciliation in net defined benefit liability/(asset)		
Net defined benefit liability/(asset) as of 1 January	9,670	6,216
Defined benefit cost recognised in profit or loss	4,013	2,608
Defined benefit cost/(income) recognised in OCI	(2,718)	4,388
Contributions by the employer	(3,454)	(3,542)
Net defined benefit liability/(asset) as of 31 December	7,511	9,670

CHF thousand	2024	2023
Reconciliation of defined benefit obligation		
Defined benefit obligation as of 1 January	76,139	65,150
Interest expense on defined benefit obligation	1,133	1,447
Current service cost employer	3,894	3,882
Contributions by plan participants	2,540	2,578
Benefits (paid)/deposited	(3,720)	(1,321)
Past service cost and plan settlement	—	(1,372)
Actuarial (gain)/loss on defined benefit obligation	3,342	5,775
Defined benefit obligation as of 31 December	83,328	76,139

CHF thousand	2024	2023
Components of actuarial (gain)/loss on defined benefit obligation		
Actuarial (gain)/loss arising from changes in financial assumptions	4,239	4,358
Actuarial (gain)/loss arising from changes in demographical assumptions	—	—
Actuarial (gain)/loss arising from experience adjustments	(897)	1,417
Actuarial (gain)/loss on defined benefit obligation	3,342	5,775

Demographic assumptions (e.g. probability of death, disability or termination) are based on the Swiss BVG / LLP 2020 actuarial tables, which draw on observations of large insurance portfolios in Switzerland over a period of several years.

CHF thousand	2024	2023
Reconciliation of fair value of plan assets		
Fair value of plan assets as of 1 January	66,469	58,934
Interest income on plan assets	1,014	1,349
Contributions by employer	3,454	3,542
Contributions by plan participants	2,540	2,578
Benefits (paid)/deposited	(3,720)	(1,321)
Actuarial gain/(loss) on plan assets (excl. interest income)	6,060	1,387
Fair value of plan assets as of 31 December	75,817	66,469

31.12.2024 31.12.2023

Maturity profile of defined benefit obligation

Weighted average duration of defined benefit obligation in years	15.6	15.1
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The significant actuarial assumptions were as follows:

CHF thousand	31.12.2024	31.12.2023
Significant actuarial assumptions		
Discount rate	0.95%	1.50%
Pension growth rate	0.00%	0.00%

The discount rate is used to determine the present value of pension obligations and is based on the yields on high-quality corporate bonds in Swiss francs.

	Change in assumption	DBO after increase in assumption (CHF thousand)	DBO after decrease in assumption (CHF thousand)
Sensitivity analysis			
Discount rate	0.25%	80,197	86,682
Pension growth rate	0.25%	84,624	82,096

The above sensitivity analyses are based on a change in one assumption, while all other assumptions remain constant. In practice, this is unlikely to occur and changes in some assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated using the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

CHF thousand	Quoted	Unquoted	31.12.2024	31.12.2023
Composition of plan assets				
Cash and cash equivalents	1,222	—	1,222	1,483
Equity instruments	26,698	—	26,698	22,361
Debt instruments	22,327	3,152	25,479	22,574
Real estate	—	18,001	18,001	16,989
Other	—	4,417	4,417	3,062
Total plan assets	50,247	25,570	75,817	66,469

CHF thousand	31.12.2024	31.12.2023
Estimated contributions in the following year		
Contributions by employer	3,450	3,600
Contributions by plan participants	2,450	2,500

36 Expected credit loss

In accordance with IFRS 9, the Group applies the expected credit loss methodology to calculate and recognise an impairment provision for financial assets measured at amortised cost or at fair value measured through other comprehensive income. These assets comprise the balance sheet items, “cash and balances at central banks”, “amounts due from banks”, “amounts due from securities financing transactions”, “amounts due from customers” and “financial investments measured at fair value through other comprehensive income”.

Impairment of financial assets

For all debt financial assets measured at amortised cost and/or measured at fair value through other comprehensive income, the Group applies the expected credit loss methodology:

- Stage 1, performing assets: At initial recognition, the 12-months expected credit loss is recognised for all assets. The Group applies the low credit risk exemption for its bond portfolio measured at fair value through other comprehensive income.
- Stage 2, under-performing assets: If credit risk has increased significantly since initial recognition, the 12-months expected credit loss is increased to the life-time expected credit loss. In case of a significant decrease in credit risk, the life-time expected credit loss is reduced to a 12-month expected credit loss and the assets are reclassified to stage 1.
- Stage 3, non-performing assets: If there are significant indicators of impairment, the asset is transferred to stage 3.

The increase or decrease in the expected credit loss is recognised in the income statement in “credit loss (expense) / recovery”.

Credit risk management

Assets measured at amortised cost mainly consist of cash balances or cash collateral in connection with the Group’s business operations. The Group holds cash collateral in connection with its trading activities relating to derivatives instruments and/or securities financing transactions. Assets measured at fair value through other comprehensive income consists of bonds.

The credit quality of Leonteq’s counterparties is monitored continuously: The Risk Committee of the Executive Committee approves the counterparties and allocates individual counterparty limits to them. Risk Control monitors adherence to these limits on an ongoing basis. If signs of the deterioration of a counterparty credit risk are identified, business activities are reduced accordingly.

The Group’s assets usually have a short duration. Consequently, all credit exposure is of a short-term nature or could be reduced with risk-mitigating actions such as the unwinding of trades and removal of excess cash.

Expected credit loss calculation

The expected credit loss takes into account the exposure at default, probability of default, and loss given default. The Group considers a financial instrument defaulted for ECL calculations in all cases when the counterparty becomes 30 days past due on its contractual payments.

The starting point for the expected credit loss calculation is the determination of the input factors that are based on market observable inputs whenever possible. Exposure at default is based on exposures to different counterparties, taking into account the time value of money and risk-mitigating measures. The probability of default and loss given default are based on industry standard values, observable market inputs such as credit default swaps, and the extrapolation of observable market inputs. The calculation of the expected credit loss provision is performed at portfolio level.

Development of expected credit loss allowance

CHF thousand	31.12.2024	31.12.2023
Balance at the beginning of the period	6,107	8,074
Change in 12-month expected credit loss	(588)	(1,712)
Change in lifetime expected credit loss		
for non-credit impaired financial assets with significantly increased credit risk	—	—
for credit impaired financial assets ¹	129	(225)
for trade receivables, contract assets or lease receivables	—	—
Purchased or originated credit impaired assets	—	—
Currency translation adjustment	—	(30)
Balance at the end of the period	5,649	6,107

¹ In 2022, a lifetime expected credit loss provision in the amount of CHF 1.8 million for the outstanding return of collateral was recognised and deducted from the balance sheet item "Amounts due from banks".

As per 31 December 2024, a 12-month expected credit loss in the total amount of CHF 0.1 million (31 December 2023: CHF 0.1 million) is recognised for balance sheet items measured at amortised cost. In addition, a lifetime expected credit losses in the total amount of CHF 1.8 million (31 December 2023: CHF 1.6 million) is recognised in the balance sheet item "Amounts due from banks". The expected credit losses were directly deducted from the respective balance sheet items. For financial investment measured at fair value through other comprehensive income a 12-month expected credit loss in the total amount of CHF 3.8 million (2023: CHF 4.4 million) is recognised in equity.

Due to the short duration of financial assets measured at amortised cost or at fair value through other comprehensive income, no discounting of the expected credit loss provision is needed.

The expected credit loss allowance in connection with financial assets measured at fair value through other comprehensive income is recognised in other comprehensive income (equity).

37 Provisions

The Group recognises a provision if, as a result of a past event, the Group has a present obligation at the balance sheet date that will probably lead to an outflow of resources embodying economic benefits (which can include legal fees), the level of which can be reliably estimated. In cases where the disclosure of the amount of a provision would seriously prejudice the Group's position in respect of other parties involved in the matter, because it would reveal what the Group believes to be the probable and reliably estimable financial impact, the Group does not disclose that amount. The recognition and release of provisions are shown in the line item "changes to provisions, other value adjustments and losses" of the income statement. If it is not probable that a present obligation exists or the liability cannot be reliably estimated, an entity discloses a contingent liability (see Note 41). A contingent liability is also shown if, as a result of a past event, there is a possible liability at the balance sheet date whose existence depends on future developments that are not fully within the Group's control. If the possibility of an outflow of resources embodying economic benefits is remote, neither a provision nor a contingent liability is reported.

CHF thousand	2024		2023	
	Reinstatement obligations	Litigation, regulatory and similar matters	Total provisions	Total provisions
Balance at the beginning of the period	3,443	20,105	23,548	21,585
Utilisation in conformity with designated purpose	—	(17,131)	(17,131)	(5,283)
Increase in provisions recognised in the income statement	39	16,997	17,036	7,772
Release of provisions recognised in the income statement	—	(6,038)	(6,038)	(353)
Increase in provisions not recognised in the income statement	(2)	—	(2)	31
Translation differences	16	17	33	(205)
Balance at the end of the period	3,496	13,950	17,446	23,548
of which due within 1 year	—	3,917	3,917	5,316
of which due within 2 and 5 years	3,399	3,587	6,986	18,138
of which due after 5 years	96	6,446	6,542	94

Litigation, regulatory and similar matters

The Group operates in a legal and regulatory environment that exposes it to litigation, compliance, tax, reputational and other risks arising from disputes or regulatory or other proceedings. Non-compliance with regulatory or other mandatory requirements may result in competent authorities taking enforcement action or initiating proceedings against the Group and its employees. From time to time, the Group may also be subject to information and clarification requests and procedures from authorities and other third parties. As a matter of principle, the Group cooperates with competent authorities and within the confines of applicable laws and regulation. The risks described below may not be the only risks to which the Group is exposed. These and additional risks not presently known to Leonteq, may impair the Group's future business, results of operations, financial condition and prospects. The realisation of one or more of these risks may individually or together with other circumstances, have a material adverse impact on the Group's business, results of operations, financial condition and prospects. The impact on the financial position or profitability of the Group – depending on the status of related proceedings – is difficult to assess.

On 12 December 2024, FINMA announced the completion of proceedings against the Group which were opened due to a disclosure by the Group as well as allegations raised by the media and third parties. FINMA ordered a range of organisational measures for remediation and decreed a profit disgorgement of CHF 9.3 million. Leonteq decided to accept the order and to pay the profit disgorgement in accordance with the payment terms. Upon acceptance, the respective amount has been reclassified to the balance sheet item Other Liabilities.

Further to the proceedings by FINMA, Leonteq experiences ongoing regulatory scrutiny in some countries with respect to the allegations raised in the media articles as well as other business matters and the Group continues to maintain an active dialogue with the respective authorities. In compliance with applicable laws and regulation and to comply with its obligations, the Group may refrain from making any further disclosures given the prejudicial nature any such disclosures may have on the potential outcomes related thereto or other associated matters.

In 2022, the Group recognised a provision for potential indirect tax qualification risks deriving from certain fee payments for the financial years 2013 to 2022 in the light of a VAT audit that was ongoing at that time covering financial years 2013 to 2021. The Swiss Federal Tax Administration concluded on the audit in June 2024 and issued respective assessment notices. Leonteq Securities AG intends to appeal against certain elements

of the assessment. In the light of this appeal, the provision was reassessed and an amount of CHF 5.4 million of such provision was released.

The Group recognised in 2022 a receivable from its insurance companies for certain proceedings. Based on further developments, the Group reassessed the respective receivable and recognised a provision for the anticipated uncovered part of the receivable in the amount of CHF 1.6 million in the first half of 2024. The respective receivable with the insurance companies was finally settled in the second half of 2024 with the expected amount.

Reinstatement obligations

Provisions for reinstatement obligations are calculated based on estimates of future anticipated costs to restore the lease asset to the condition required according to the terms and conditions of the lease. The present obligation associated with reinstatement obligations is recognised and measured in accordance with IAS 37. While the point in time when these costs are expected to be incurred is aligned with the estimated duration of the underlying lease contract, the amount is determined based on inputs received from experts (e.g. architects) or derived from costs incurred when moving office locations in the past.

38 Shareholders' equity

Share capital

	31.12.2024			31.12.2023		
	Total par value (CHF)	Number of shares	Capital eligible for dividends	Total par value (CHF)	Number of shares	Capital eligible for dividends
Share capital	18,494,242	18,494,242	18,494,242	18,934,097	18,934,097	18,934,097
of which fully paid in	18,494,242	18,494,242	—	18,934,097	18,934,097	—
Total share capital	18,494,242	18,494,242	18,494,242	18,934,097	18,934,097	18,934,097
Authorised capital band						
of which capital increase range	1,849,424	1,849,424	N/A	—	—	N/A
of which capital reduction range	924,712	924,712	N/A	—	—	N/A
Conditional share capital	1,000,000	1,000,000	N/A	1,000,000	1,000,000	N/A

Capital reduction

On 28 March 2024, the Annual General Meeting approved a capital reduction through the cancellation of 439,855 shares repurchased in connection with the share buyback programme in 2023. The capital reduction was carried out on the 26 April 2024 and duly published in the federal gazette on that day.

Capital band

The Annual General Meeting on 28 March 2024 approved a capital band ranging from CHF 17,569,530 (lower limit) to CHF 20,343,666 (upper limit). The Board of Directors is authorised within the capital band to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly until 28 March 2029 or an earlier expiry of the capital range. An increase of the share capital is only permissible to the extent required to comply with legal or regulatory capital and / or regulatory liquidity requirements.

Conditional share capital

Share capital may be increased by a maximum of CHF 1,000,000 by issuing 1,000,000 fully paid-in registered shares with a nominal value of CHF 1.00 each to cover potential exposures arising from restricted stock units (RSUs) granted to certain Group employees.

Own shares

The Leonteq AG shares held by the Group are deducted from shareholders' equity as "own shares" in the statement of equity at average cost paid. The Group does not recognise changes in the fair value of own shares. If a gain or loss is realised on disposal of own shares, it is recognised through equity. The Group purchases its own shares primarily in connection with its share-based benefit and RSU programmes as well as for equity-linked programmes for the EC and BoD in PSUs and blocked shares.

	31.12.2024			31.12.2023		
	Number of shares	Total purchase value (CHF thousand)	Average price (CHF)	Number of shares	Total purchase value (CHF thousand)	Average price (CHF)
Balance at the beginning of the period	1,378,256	65,305	47	806,443	42,027	52
Purchases for equity-linked compensation programmes	464,689	12,390	27	340,335	16,408	48
Used for equity-linked compensation programmes	(361,225)	(16,937)	47	(208,377)	(11,130)	53
Share buyback programme	—	—	—	439,855	18,000	41
Disposals	(439,855)	(18,000)	41	—	—	—
Balance at the end of the period	1,041,865	42,758	41	1,378,256	65,305	47

Profit and capital distribution

The Board of Directors plans to propose to the Annual General Meeting of Leonteq AG on 27 March 2025 that a distribution totalling CHF 4.6 million (CHF 0.25 per share) will be paid in equal amounts out of retained earnings (dividend) and out of reserves from capital contributions (share premium) for the financial year 2024, and that the remaining retained earnings as well as accumulated reserves from capital contributions be carried forward.

39 Significant shareholders

	31.12.2024		31.12.2023	
	Number of shares held	Voting rights in %	Number of shares held	Voting rights in %
Raiffeisen Switzerland Cooperative	5,494,996	29.71%	5,494,996	29.02%
Lukas T. Ruffin ¹	1,631,255	8.82%	1,608,121	8.49%
Sandro Dorigo	300,000	1.62%	300,000	1.58%
Subtotal shareholders' agreement	7,426,251	40.15%	7,403,117	39.10%
Rainer-Marc Frey ²	1,146,620	6.20%	924,314	4.88%
Swisscanto Fondsleitung AG ³	N/A	N/A	941,404	4.97%
Alon Gonen ⁴	602,455	3.26%	N/A	N/A
Directors and executives ⁵	234,421	1.27%	185,391	0.98%
Total significant shareholders	9,409,747	50.88%	9,454,226	49.93%

¹ Lukas T. Ruffin holds 462,325 call options issued by Raiffeisen subject to the following conditions: Strike price CHF 210 (adjusted by cumulative dividends per share and effects of corporate actions from 2015 to 2025); subscription ratio 1:1; maturity 19 October 2025; European style.

² Creation of obligation to notify: 12 December 2024; H21 Macro Limited, Cayman Islands, is the direct shareholder of part of these shares.

³ Creation of obligation to notify: 03 December 2024; Swisscanto Fondsleitung AG held <3% in Leonteq shares.

⁴ Creation of obligation to notify: 02 August 2024; Sparta 24 Ltd, Israel is the direct shareholder of these shares.

⁵ Excluding shareholdings of Lukas T. Ruffin.

40 Related-party transactions

The Group entered into various transactions and agreements with related parties that are not part of the Group. Significant transactions and agreements can be categorised as financial and platform partner agreements with Raiffeisen Switzerland Cooperative and its affiliated companies.

CHF thousand	Amounts due from 31.12.2024	Amounts due from 31.12.2023	Amounts due to 31.12.2024	Amounts due to 31.12.2023	Income from 2024	Income from 2023	Expenses to 2024	Expenses to 2023
Significant shareholders								
Raiffeisen Switzerland Cooperative								
Amounts due from banks	5,788	2,247	—	—	—	—	—	—
Amounts due from securities financing transactions	4,500	3,000	—	—	—	—	—	—
Positive replacement values of derivative instruments	33,917	44,016	—	—	—	—	—	—
Amounts due to banks	—	—	9,032	16,905	—	—	—	—
Negative replacement values of derivative instruments	—	—	30,157	30,228	—	—	—	—
Accrued expenses and deferred income	—	—	65	—	—	—	—	—
Platform partner service fee income	—	—	—	—	2,109	939	—	—
Other fee expenses	—	—	—	—	—	—	649	407
Interest income	—	—	—	—	81	33	—	—
Interest expenses	—	—	—	—	—	—	100	366
Affiliated companies								
Raiffeisen Switzerland B.V. Amsterdam								
Amounts due from customers	1,264	1,707	—	—	—	—	—	—
Positive replacement values of derivative instruments	87,180	62,099	—	—	—	—	—	—
Accrued income and prepaid expenses	142	122	—	—	—	—	—	—
Amounts due to customers	—	—	81,699	50,135	—	—	—	—
Negative replacement values of derivative instruments	—	—	14,157	17,873	—	—	—	—
Platform partner service fee income	—	—	—	—	5,972	6,637	—	—
Interest income	—	—	—	—	—	1	—	—
Interest expenses	—	—	—	—	—	—	1,239	1,867

On 6 April 2018, Leonteq entered into a cooperation agreement with Raiffeisen (“the Raiffeisen Agreement”). Under the terms of the Raiffeisen Agreement, Leonteq and Raiffeisen agreed to cooperate in the structuring, issuance, hedging, distribution, market making and lifecycle management of structured products and the provision of related services. The Raiffeisen Agreement was originally due to expire on 31 March 2026 but was extended to 31 March 2030 in January 2022. The extension was subject to the successful implementation of the technological connection between a new Raiffeisen platform and the Leonteq service and technology platform. On 12 April 2024, Leonteq communicated that the work has been completed and the cooperation agreement between the two parties was extended.

Key management personnel compensation

The Group’s key management personnel comprises the members of the Board of Directors and the Executive Committee. As of 31 December 2024, the Board of Directors consisted of seven members, all of whom are non-executive directors. The Executive Committee consisted of seven members as of 31 December 2024.

Compensation awarded to the Board of Directors and the Executive Committee is proposed by the Group’s Nomination and Remuneration Committee and is reviewed annually. The Nomination and Remuneration Committee provides the Board of Directors with recommendations on the remuneration of members of the Board of Directors and the Executive Committee and defines the basic principles for the establishment, amendment and implementation of incentive plans. When reaching its decision regarding remuneration, the Board of Directors takes into account the maximum amounts approved prospectively by the Annual General Meeting (AGM) for members of the Board of Directors (maximum total compensation) and the members of the Executive Committee (fixed compensation and variable compensation for the long-term incentive plan). The total amount of variable compensation for the short-term incentive plan of members of the Executive Committee is approved by the AGM following the financial year with retrospective vote.

Total compensation for the Board of Directors and the Executive Committee of the Group (collectively defined as key management personnel) for the year ending 31 December 2024 is listed in the tables below. Additional information can be found in the Compensation Report on pages 88 to 113.

Compensation for members of the Board of Directors

CHF thousand	Salaries and other short-term employee benefits	Share-based payments ¹	Total compensation 2024	Total compensation 2023
Christopher M. Chambers (Chairman since EGM 2017)	219	175	394	394
Philippe Weber (Vice-Chairman since AGM 2020)	133	80	213	214
Sylvie Davidson (Member since AGM 2021)	85	75	160	160
Susana Gomez Smith (Chairperson ARC since AGM 2021)	127	76	203	203
Richard A. Laxer (Chairperson NRC since AGM 2019)	87	125	212	212
Philippe Le Baquer (Member since AGM 2021)	85	75	160	160
Thomas R. Meier (Member since EGM 2017)	85	75	160	160
Dominik Schärer (Member until AGM 2024)	21	19	40	160
Total	842	700	1,542	1,663

¹ These share-based payment amounts reflect the fair value of the shares at time of grant excluding employer’s social security contribution.

Compensation for members of the Executive Committee

CHF thousand	2024	2023
Short-term employee benefits	6,147	4,972
Post-employment benefits	326	315
Other long-term employee benefits	486	521
Share-based payments ¹	259	368
Total compensation for members of the Executive Committee	7,218	6,176

¹ Share-based payments include the estimated value of performance share units granted with performance period 2024 - 2026 at the end of the period (valued at share price at time of grant) as well as restricted share units for individuals joining the Executive Committee replacing cancelled deferred compensation by their previous employers (forfeited amount of CHF 0.4 million not included). Amount including estimated employer's social security contribution.

The Group has not granted any loans or guarantee commitments to members of the Board of Directors or members of the Executive Committee.

41 Off-balance sheet items

CHF thousand	31.12.2024	31.12.2023
Off-balance sheet items		
Contingent liabilities	27,420	54,253

Contingent liabilities arise mainly from deferred payments in relation to employee variable compensation plans. For further information refer to Note 13.

On 10 August 2015, Leonteq AG signed a deed of guarantee with Teighmore Ltd. relating to the lease of the former office premises of the London branch of Leonteq Securities (Europe) GmbH. In October 2017, the lease was assigned to a third party. In connection with the transfer, it was agreed that this deed of guarantee will remain with Leonteq AG. As of 31 December 2024, the total commitment relating to future rental payments under the original lease contract was GBP 1.0 million (CHF 1.1 million) (31 December 2023: GBP 2.5 million or CHF 2.6 million, respectively), excluding taxes.

On 11 December 2017, Leonteq AG provided a guarantee relating to the lease of the office premises of its subsidiary Leonteq Securities (Japan) Ltd. On 23 August 2022, the guarantee was extended by 5 years. As of 31 December 2024, the total commitment relating to future rental payments under this lease was JPY 103.1 million (CHF 0.6 million) (31 December 2023: JPY 132.9 million or CHF 0.8 million, respectively), excluding taxes.

42 Group information

Subsidiaries

The Group's subsidiaries as of 31 December 2024 are listed below:

Name	Line of business	Country of incorporation	Currency	Share capital	Share of votes and capital in %
Leonteq Securities AG ¹	Securities firm	Switzerland	CHF	15,000,000	100
Leonteq Securities (Monaco) SAM	Financial services provider	Monaco	EUR	500,000	99.9
Leonteq Securities (Hong Kong) Ltd.	Financial services provider	Hong Kong	HKD	10,000,000	100
Leonteq Securities (Europe) GmbH ²	Financial services provider	Germany	EUR	200,000	100
Leonteq Securities (Singapore) PTE Ltd.	Financial services provider	Singapore	SGD	1,000,000	100
Leonteq Securities (Japan) Ltd.	Financial services provider	Japan	JPY	312,500,000	100
Leonteq (Middle East) Ltd.	Financial services provider	United Arab Emirates	USD	3,000,000	100

¹ Leonteq Securities AG has branches in Amsterdam and Guernsey.

² Leonteq Securities (Europe) GmbH has branches in Lisbon, London, Milan and Paris.

In 2024, there were no changes to the scope of consolidation or share of votes and capital.

Joint arrangement in which the Group is a joint venturer

The Group has a 50% interest in Bench Services AG with a fully paid-in share capital of CHF 100 thousand (31 December 2023: 50%). For more information refer to Note 32.

43 Unconsolidated structured entities

A structured entity is one that has been set up so that any voting rights or similar rights are not the dominant factor in deciding who controls the entity. An example is when voting rights relate only to administrative tasks and the relevant activities are directed by contractual arrangements. A structured entity often has restricted activities and/or a narrow and well defined objective.

Structured entities are consolidated if the substance of the relationship between the Group and the structured entities indicate that the structured entities are controlled by the Group, as discussed in Note 4.

The Group is engaged in three business models with an involvement of structured entities which are designed to achieve the following specific business purpose:

Sponsor model – Offering standardised issuance model for private, commercial and retail banks allowing them to easily transform from an intermediary to a producer of structured investment products. The structured products, guaranteed by the sponsor bank, issued by a standalone securitization undertaking in Luxembourg. Leonteq Group is acting as arranger and may also act as hedger and other services provider (e.g. accounting) for the structured entity.

Shari'a-compliant offering – Offering of Shari'a-compliant trust certificates under a Shari'a-Compliant Trust Certificate Issuance and Offering Programme. The trust certificates are issued by a standalone structured entity and are designed to produce financial returns analogous to those of traditional structured investment products. Leonteq Group is acting as lead manager and may also act as hedger and offers other administrative services to the issuance entity.

Preference Share Linked Notes (PSLN) offering – The Group issues PSLN linked to the performance of one or more preference shares issued by an orphan structured entity incorporated in Jersey, sponsored by the Group. The amount of assets transferred to the sponsored structured entity in 2024 is not material.

These entities are not consolidated because the Group does not control them through voting rights, contract, funding agreements, or other means.

Interest in and maximum exposure to unconsolidated structured entities

The Group's interests in unconsolidated structured entities refer to contractual and non-contractual involvement that exposes the Group to variable returns from the structured entities. Interests in unconsolidated structured entities mainly include service fees which commensurate with the level of effort and are negotiated at arm's-length based on terms, conditions and amounts that are customarily present for such services. Hedging transactions (e.g. derivatives) are not regarded as interest in unconsolidated structured entities as these transactions introduce variability of returns into the structured entities.

The maximum exposure to loss is determined by considering the nature of the interest in the unconsolidated structured entity. The maximum exposure for issued certificates and derivatives, as interpreted by the Group, is reflected by the fair value of the instruments. The fair value of the issued certificates is taken into account when the Group derives its interests through certificates it holds. The fair value of the derivatives serves as a measure when the Group's interests is in the form of derivatives. Such amounts or their development do not reflect the economic risks faced by the Group because they do not take into account the effects of collateral or hedges nor the probability of such losses being incurred.

As for 2024, the Group had only immaterial interests in these structured entities. On 31 December 2024, the net exposure in relation to positive and negative replacement values of derivatives is CHF 18.6 million (31 December 2023: CHF 9.1 million).

Size of unconsolidated structured entities

The Group considers the fair value of the issued certificates and derivatives as per the balance sheet date as appropriate indicators for evaluation of the size of the structured entities.

On 31 December 2024, based on the above definition, the total size of structured entities is CHF 22.9 million (31 December 2023: CHF 20.9 million).

During the year Leonteq has not provided any non-contractual financial or other support to these entities and has no current intention of providing any financial or other support.

44 Post-balance sheet events

No events occurred after the balance sheet date that would materially affect the financial statements.

45 Statutory banking regulations

The Group's consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). FINMA stipulates that banks or securities firms domiciled in Switzerland that report their financial statements according to US GAAP or IFRS must explain any material differences between Swiss accounting regulations for banks (Banking Ordinance, FINMA Accounting Ordinance and FINMA Circular 2020/1) and the reporting standard used. The most significant differences between IFRS and Swiss accounting regulations for banks that are of relevance to the Group are as follows:

Extraordinary profit

Under IFRS, all items of income and expense are allocated to ordinary operating activities. In accordance with Swiss accounting regulations for banks, income and expenses are classified as extraordinary if they are not recurring or not related to operating activities.

Pensions and post-retirement benefits

Under IFRS, the pension liability and related pension expenses are determined based on the projected unit credit actuarial calculation of the benefit obligation. Under the Swiss accounting regulation for banks, the pension liability and related pension expense are determined primarily on the basis of the pension plan valuation. A pension asset is recognised if a statutory overfunding of a pension plan leads to a future economic benefit, and a pension liability is recognised if a statutory underfunding of a pension plan leads to a future economic obligation. Pension expenses include the required contributions defined by the Swiss accounting regulation for banks, any additional contribution required by the pension fund trustees, and any change in the value of the pension asset or liability between two measurement dates, as determined on the basis of the annual year-end pension plan valuation.

Share based payments

Swiss accounting regulations for banks allow the same accounting treatment for share-based payments as IFRS with the following exceptions: the expenses for share-based payments are recognised in the income statement with a corresponding entry in accrued expenses and deferred income.

Lease accounting

IFRS 16 requires the Group to recognise a lease liability reflecting the present value of future lease payments and a corresponding right-of-use asset on the balance sheet. The right-of-use asset is recognised in the line item "tangible assets" and the lease liability in "other liabilities". The right of use asset is amortised over the period of the lease on a straight-line-basis. Lease payments are deducted from the lease liability after applying the interest charge for the period. Swiss accounting regulations for banks do not accept IFRS 16. Instead, lease payments made during the period are recognised as operating expense.

Crypto assets

Since crypto assets do not meet the criteria to qualify as financial instrument under IFRS, the respective balance is presented as trading inventories. Under the Swiss accounting regulations crypto assets held must be presented as trading financial assets.

Fair value through other comprehensive income

Swiss accounting regulations for banks do not allow financial instruments to be accounted for at fair value through other comprehensive income. Instruments held under this IFRS category are classified as other financial instruments at fair value under Swiss accounting regulations for banks. The full mark-to-market effect is reflected in the income statement, instead. The corresponding adjustments to the expected credit loss provision are also eliminated.

Expected credit loss

IFRS 9 requires entities to recognise credit losses on financial assets measured at amortised cost or at fair value through other comprehensive income using an expected credit loss (ECL) approach. Expected credit losses are measured through a loss allowance at an amount equal to 12-month expected credit losses or lifetime expected credit losses if the credit risk has increased significantly since initial recognition. The Swiss accounting regulations for banks allow the application of the IFRS 9 impairment model but the requirements regarding provisioning for counterparty default risks depend on the FINMA category of the banks. Leonteq Securities AG applies the IFRS 9 impairment model also in its statutory financial statements.

Hedge Accounting

Under IFRS, fair value movements of hedging instruments of cash flow hedges are recognised in comprehensive income. Swiss accounting regulations for banks do not allow for the recognition of expenses or income in comprehensive income. The fair value movements of hedging instruments of cash flow hedges are recognised in the compensation account instead. The effect was CHF 0 thousand for 2024 and 2023 respectively.

Deferred taxes

Swiss accounting regulations for banks generally do not recognise deferred tax assets. Deferred tax liabilities are recognised as provisions. Leonteq Securities AG does not recognise any deferred taxes for its stand-alone financial statement in accordance with Swiss accounting regulations for banks.

Current taxes

Swiss accounting regulations for banks recognise current tax assets (liabilities) for income taxes under accrued income and prepaid expenses (accrued expenses and deferred income).

Changes in own credit

Under IFRS 9, changes in fair value related to own credit risk for financial liabilities designated at fair value through profit or loss are recognised in other comprehensive income. The changes to other comprehensive income in own credit risk are subsequently transferred within equity to retained earnings reserves over the same period as the sales fee income is deemed to be earned. Any fair value impact not related to changes in own credit risk is recognised in the income statement.

Under Swiss accounting regulations for banks, changes in own credit risk are recognised through the compensation account and amortised through the income statement over the same period as the sales fee income is deemed to be earned. Any fair value impact not related to changes in own credit risk is also recognised in the income statement.



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Report of the Statutory Auditor

To the General Meeting of
Leonteq AG, Zurich

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Leonteq AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including principal accounting policies.

In our opinion, the consolidated financial statements (pages 143 to 211) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

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

We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> Valuation of level 2 and level 3 financial instruments Revenue recognition (fee income)
Materiality	CHF 8.1 million
Scoping	Based on our understanding of Group operations, we conducted audits of the entire financial information for the two reporting units in Zurich, Switzerland: <ul style="list-style-type: none"> Leonteq AG Leonteq Securities AG (including Guernsey and Amsterdam branches) <p>In aggregate, these two reporting units represent scope coverage of 94.8% in terms of equity.</p> <p>All other reporting units were subject to analytical review procedures for the purpose of the Group audit.</p>

Key Audit Matters

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

Deloitte.

Valuation of level 2 and level 3 financial instruments

➡ Similar level of risk as in previous year

Key audit matter

Financial instruments are classified as level 1 (unadjusted quoted prices in active markets), level 2 (input parameters can be observed directly or indirectly in the market) or level 3 (significant input parameters cannot be observed in the market) in accordance with IFRS 13 (Fair value measurement).

As at 31 December 2024, the Group reports total financial assets at fair value as follows:

(in CHF)	31.12.2024	31.12.2023
Total financial assets at fair value	9.0bn	7.9bn
of which level 2 financial instruments	1.4bn	1.5bn
Total financial liabilities at fair value	7.7bn	6.7bn
of which level 2 financial instruments	6.1bn	5.5bn
of which level 3 financial instruments	9m	8m

Financial liabilities mainly consist of issued structured products and derivative instruments.

As presented in notes 4 and 18 to the consolidated financial statements, determination of the fair value of complex or illiquid financial instruments, involves significant judgement (using complex valuation models and determination of input factors such as volatility and valuation adjustments). The extent of judgment applied by the Group in valuing the financial instruments varies with the nature of assets or liabilities, the markets in which they are traded, and the valuation methodology applied.

Audit response

Our procedures included:

- Gaining an understanding of the key controls in place;
- evaluating operating effectiveness testing of key controls (including data feeds and input to models) conducted by a third party;
- assessing the independent price verification (IPV) performed.

We utilised valuation specialists in the audit of the valuation and we performed the following procedures:

- Calculated a range of comparable values for a sample of financial instruments using an independent valuation model and considered reasonable alternative key assumptions based on comparable securities and compared results.

We further utilised financial modelling specialists in the audit and we performed the following procedures:

- Inspected the model documentation and the related processes to assess logic and method of determination, and reasonableness and completeness of model documentation and processes for a sample of models including the underlying model for the level 3 as well as level 2 financial instruments.

We assessed as well the adequacy of disclosures and sensitivity analysis.

Overall, in our view sufficient audit evidence was obtained to address the risk of valuation and we are satisfied that the valuation of level 2 and level 3 financial instruments is reasonable and in accordance with IFRS 13.

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Revenue recognition (fee income)

➡ Similar level of risk as in previous year

Key audit matter

As presented in notes 4 and 9 to the consolidated financial statements, management exercises judgment in allocating fees earned to the Group's performance obligations and in determining the timing of when performance obligations are satisfied.

For the year 2024 the Group reports net fee income of CHF 214.5 million (2023: CHF 213.3 million) and deferred fee income of CHF 49 million (2023: CHF 57.8 million) and given the extent of judgement involved in recognising fee income for such services, we considered this to be a key audit matter.

Fees from these services include, among others the initial margin earned upon the issuance of structured investment products (Investment Solutions business).

Audit response

Our procedures included:

- assessing the design and implementation of certain controls relating to the complete and accurate recognition of fee income, including the accuracy of data and inputs for fee calculations;
- evaluating operating effectiveness testing of key controls conducted by a third party;
- for issued structured products, reconciling fee income according to the Group's front office system with the amounts according to the accounting system;
- assessing the assumptions in connection with fee deferral and reperformed deferred revenue calculation on a sample basis; and
- reconciling on a sample basis the fee income received with cash receipts.

We assessed the adequacy of disclosures and consider these to be appropriate.

Overall, in our view sufficient audit evidence was obtained to address the risk of revenue recognition (fee income) and we consider judgments applied by management to be reasonable.

Materiality

We define materiality as the magnitude of misstatement in the consolidated financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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Based on our professional judgement, we determined materiality for the consolidated financial statements as a whole as follows:

Materiality	CHF 8.1 million
Basis for determining materiality	1% of total equity
Rationale for the applied benchmark	Due to the accelerated volatility of the result from operating activities (two-years average of that metric was determined as benchmark for the audit 2023) and in order to better reflect sustainable metrics of stakeholder interest we determined equity as benchmark for the calculation of materiality.

We agreed with the Audit & Risk Committee that we would report to the Board of Directors all audit differences in excess of CHF 405,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the consolidated financial statements.

Overview of the Scope of our Audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our Group audit work on the audit of Leonteq AG and Leonteq Securities AG (including Guernsey and Amsterdam branches).

In aggregate, the level of coverage of the audit of the entire financial information for the above reporting units is as presented below. All other reporting units were subject to analytical review procedures for the purpose of the Group audit.



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Annual statutory audits are conducted by Deloitte at the majority of the Group's affiliates, although these are predominantly completed subsequent to our audit report on the consolidated financial statements.

At the parent entity level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the statutory financial statements, the risk and control report and the audited sections of the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

Report on Other Legal and Regulatory Requirements

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

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

Deloitte AG



Sandro Schönenberger
Licensed Audit Expert
Auditor in Charge



Christian Weber
Licensed Audit Expert

Zurich, 4 February 2025