

Basel III Pillar 3 Disclosures.

31 December 2025

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Introduction

Leonteq AG together with its subsidiaries (referred to hereinafter as “Leonteq” or “the Group”) is an issuer and service provider in the structured products market, combining financial engineering capabilities with proprietary technology and an established distribution network. Leonteq Securities AG is the main operating subsidiary of the Group and is classified as a category 5 authorised non-account holding securities firm.

Enhanced regulatory regime

Since 1 January 2025, Leonteq is subject to enhanced capital and large exposure requirements as defined by the Swiss Capital Adequacy Ordinance (CAO). Since the beginning of 2026, Leonteq is also subject to a new business-specific liquidity regime. The Group is required to hold an absolute amount of extended high-quality liquid assets (eHQLA¹) following an appropriate phase-in period.

The enhanced regulatory regime reflects Leonteq’s increased size and the evolution of its business model since it was founded in 2007. In particular, it takes into account Leonteq’s increased significance within the Swiss financial system. Through its proprietary technology and service platform, Leonteq also acts as an important outsourcing partner for structured investment products to numerous large and mid-sized banks in Switzerland and abroad. This includes offering hedging services for products issued by its white-labelling partners.

In this context, Leonteq decided to voluntarily publish Pillar 3 disclosures for the Group to provide our stakeholders, including counterparties, analysts, and rating agencies, with detailed information on the Group’s risk and capital adequacy management.

Scope of Pillar 3 disclosures

This report provides Pillar 3 disclosures for Leonteq AG on a consolidated basis as of 31 December 2025. Disclosures for Leonteq Securities AG are referred to the information in the Risk Management & Control section of the Annual Report 2025 of Leonteq Securities AG. The disclosures in the report are based on the FINMA ordinance on the disclosure obligations of banks and securities firms (DisO-FINMA) which implements the Pillar 3 disclosure recommendations issued by the Basel Committee on Banking Supervision (BCBS), effective as of 1 January 2025. The aim of the Pillar 3 standards is to improve comparability and consistency of disclosures through the introduction of harmonised templates.

This report follows the disclosure requirements in accordance with DisO-FINMA as if Leonteq were a category 5 bank or account-holding securities firm.

Information provided in the Annual Report 2025 of the Group may also serve to address Pillar 3 disclosure requirements. The Annual Report 2025 is available in the Results Centre section of the Group’s website at leonteq.com/fullyearresults.

The tables IRRBBA, IRRBBA1 and IRRBB1 do not need to be provided by securities firms who do not run significant interest rate risk profiles within their banking book. The tables LIQA, LIQ1 and LIQ2 also do not need to be provided by securities firms.

The Group may provide simplified forms (partial disclosures) of OV1 and CR3. The Group does not hold any material defaulted exposures, so the tables CR2 and CCR8 are not included in these disclosures due to their lack of relevance.

Leonteq Securities AG is exempted from detailed Pillar 3 disclosures. Its key figures are disclosed on an annual basis in its Annual Report published in the Results Centre section of the Group’s website at leonteq.com/fullyearresults.

Format of Pillar 3 disclosures

As defined in the FINMA ordinance, certain Pillar 3 disclosures follow a fixed format, whereas other disclosures are flexible and may be modified to a certain degree to present the most relevant information. Pillar 3 disclosures also include column or row labelling as prescribed in DisO-FINMA, annex 2. Fixed tables were only amended by removing rows or columns which comprised no values or which were not applicable. Our Pillar 3 report follows the naming conventions as defined in the FINMA ordinance.

¹ The definition of high-quality liquid assets (HQLA) applicable to banks was adapted by FINMA to “extended HQLA” to ensure appropriateness and relevance for Leonteq’s business model.

Pillar 3 table overview

Table	Title
KM1	Key regulatory metrics
OV1	Overview of risk-weighted assets
MRA	General information on market risk
CR1	Credit risk: credit quality of assets
CRB	Credit risk: additional disclosures related to the credit quality of assets
CR3	Credit risk: overview of mitigation techniques
CR4	Credit risk: exposures and effects of credit risk mitigation (CRM) under SA-BIS
CR5	Credit risk: exposures by exposure category and risk weights under SA-BIS
CCR3	Counterparty credit risk: standardised approach to counterparty credit risk (CCR) exposures by exposure category and risk weights
CCR5	Counterparty credit risk: composition of collateral for CCR exposure
LIQA	General information on liquidity risk
ORA	General qualitative information on operational risk
Corporate governance	General qualitative information on corporate governance

Key regulatory metrics

The following table provides an overview of the Group's prudential regulatory metrics covering eligible capital (including buffer requirements and ratios) and risk-weighted assets (RWA).

KM1: Key regulatory metrics

in CHF million		a	e
No.		31.12.2025	31.12.2024 ¹
Eligible capital			
1	Common equity tier 1 (CET1)	636	740
2	Tier 1	636	740
3	Total capital	636	740
Risk-weighted assets			
4	Total risk-weighted assets (RWA)	3,757	4,636
Risk-based capital ratios as a percentage of RWA			
5	CET1 ratio	16.9%	16.0%
6	Tier 1 ratio	16.9%	16.0%
7	Total capital ratio	16.9%	16.0%
Additional CET1 buffer requirements as a percentage of RWA			
8	Capital conservation buffer requirement (2.5% from 2019)	2.5%	2.5%
11	Total of CET1 specific buffer requirements	2.5%	2.5%
12	CET1 available to meet buffer requirements after meeting the bank's minimum capital requirements	8.9%	8.0%
Target capital ratios in accordance with Annex 8 CAO (% of RWA)			
12a	Capital buffer in accordance with Annex 8 CAO	2.5%	2.5%
12c	CET1 target ratio (%) in accordance with Annex 8 CAO plus the countercyclical buffer in accordance with Articles 44 and 44a CAO	7%	7%
12d	Tier 1 target ratio (%) in accordance with Annex 8 CAO plus the countercyclical buffer in accordance with Articles 44 and 44a CAO	8.5%	8.5%
12e	Total capital target ratio (%) in accordance with Annex 8 CAO plus the countercyclical buffer in accordance with Articles 44 and 44a CAO	10.5%	10.5%
Basel III leverage ratio			
13	Total exposure	10,123	10,594
14	Leverage ratio	6.3%	7.0%
14e	Minimum capital requirements (Art. 42 CAO)	303,678	370,926

¹ Taking into account the complexity of RWA calculations according to the standardised approach, Leonteq was allowed to temporarily apply the simplified standardised approach (SSA). The provision included a phase-in of the asset class-dependent scaling factors over the transition period (January 2025 – December 2026). RWA as of 31 December 2024 are calculated pro-forma according to Basel III Final with market risk according to the SSA and scaling factors all 1 equivalent to 0 phase-in.

Risk-weighted assets

Overview of risk-weighted assets

The following table provides an overview of RWA and the related minimum capital requirement by risk type. Capital requirements presented in this table are based on 8% of RWA as of 31 December 2025.

OV1: Overview of risk-weighted assets

in CHF million		a	b	c
		RWA	RWA	Minimum capital requirements
No.		31.12.2025	31.12.2024 ¹	31.12.2025
1	Credit risk	1,096	1,274	88
20	Market risk	2,080	2,317	166
24	Operational risk	345	601	28
25	Amounts below the thresholds for deductions (subject to 250% risk weight)	2	5	0
	Other risks	234	439	19
27	Total	3,757	4,636	301

¹ Taking into account the complexity of RWA calculations according to SA-FRTB, Leonteq was allowed to temporarily apply SSA. The provision included a phase-in of the asset class-dependent scaling factors over the transition period (January 2025 – December 2026). RWA as of 31 December 2024 are calculated pro-forma according to Basel III Final with market risk according to SSA and scaling factors all 1 equivalent to 0 phase-in.

RWA are determined according to specific requirements, which reflect the varying levels of risk related to on- and off-balance sheet exposures and, in particular, define specific levels of market risk, credit risk, operational risk and other risks. The following approaches are applied when determining the Group's regulatory capital requirements:

- **Credit risk:** The international standardised approach (SA-BIS) is applied to calculate credit risk RWA. Credit equivalents for derivatives are calculated according to the standardised approach for counterparty credit risk (SA-CCR). Collateral is recognised using the comprehensive approach. Requirements on credit valuation adjustments are calculated according to the simplified approach.
- **Market risk:** The standardised approach (SA-FRTB) is applied to calculate market risk RWA as of 31 December 2025. Leonteq switched to SA-FRTB at end of November 2025. Before, the simplified standardised approach (SSA) was applied.
- **Operational risk:** The standardised approach is applied to calculate operational risk RWA.
- **Other risk:** RWA for crypto assets are calculated based on risk weights of 100% and 700% that are overall applied on the gross outstanding notional and on the net exposure, respectively.

Market risk

The following table presents an overview of market risk disclosures separately provided in the Annual Report 2025 of the Group.

MRA: Qualitative disclosure information

Pillar 3 disclosure requirement	Annual Report 2025 section	Disclosure	Page reference
Strategies and processes for market risk	Risk Management & Control	Risk management and control principles	102-103
	Risk Management & Control	Risk governance	104
	Risk Management & Control	Market risk	111
Structure and organisation of the market risk management function	Risk Management & Control	Risk governance	104-107
Scope and nature of risk reporting and risk measurement systems	Risk Management & Control	Market risk	111-114
	Risk Management & Control	Risk infrastructure	109
	Risk Management & Control	Risk categories & measurement	110

Credit risk

This section includes items subject to the Basel credit risk framework, including information on counterparty credit risk arising from derivatives (OTC and ETD), securities financing transactions, and long settlement transactions.

The tables in this section provide details on the exposures used to determine the credit risk-related regulatory capital requirement of the Group.

Credit quality of assets

This subsection includes quantitative and qualitative information on the Group's credit risk exposures and credit quality of assets. Due to Leonteq's license as a non-account holding securities firm, the Group does not offer retail or commercial lending facilities and therefore does not hold any material related overdue items or other relevant items which would be considered impaired or restructured (in the sense of a credit event).

The table below provides a breakdown of defaulted and non-defaulted receivables, debt securities, and off-balance sheet exposures.

CR1: Credit quality of assets

in CHF million					31.12.2025		
No.		a		b	c	e	g
		Gross carrying values		Value adjustments / impairments	Of which ECL valuation allowances / provisions for loan defaults from SA-BIS positions	Net values (a + b - c)	
		Defaulted exposures	Non-defaulted exposures				
							Assigned to the category "General"
1	Receivables (excluding debt securities)	2	448	2	0	448	
2	Debt securities		2,551		3	2,551	
3	Off-balance sheet exposures		13			13	
4	Total	2	3,012	2	3	3,012	

The net values of the Pillar 3 category receivables comprises the following IFRS balance sheet positions to the extent that they are subject to the credit risk framework: amounts due from banks, and amounts due from customers. The net values of the Pillar 3 category debt securities comprises the following IFRS balance sheet position: financial investments measured at fair value through other comprehensive income.

CRB: Additional disclosures related to the credit quality of assets

The table below presents an overview of qualitative disclosures regarding the credit quality of assets separately provided in the Annual Report 2025 of the Group.

Pillar 3 disclosure requirement	Annual Report 2025 section	Disclosure	Page reference
The scope and definitions of 'past due' and 'impaired' exposures used for accounting purposes and any differences with respect to 'past due' and 'defaulted' for regulatory purpose	Risk Management & Control	Credit and country risk	115-117
	Notes to the consolidated financial statements	Expected credit loss	186-187
The extent of past due exposures (more than 90 days) that are not considered to be impaired and the reasons for this	n/a	n/a	n/a
Description of methods used for determining impairment	Notes to the consolidated financial statements	Tangible and intangible assets	174-177
	Notes to the consolidated financial statements	Expected credit loss	186-187
Internal definition of restructured positions	n/a	n/a	n/a

The following tables provide additional quantitative disclosures in the form of two tables which breakdown credit risk exposures by geographical areas and maturity.

CRB: Breakdown of exposures by geographical area

in CHF million	31.12.2025
Switzerland	400
Europe, the Middle East and Africa (excluding Switzerland)	1,239
Asia-Pacific	137
Americas	1,236
Total	3,012

CRB: Breakdown of exposures by maturity

in CHF million	31.12.2025
At sight	448
Up to 12 months	698
From 12 months up to 5 years	1,289
From 5 years	577
Total	3,012

Mitigation techniques

This subsection provides information on credit risk mitigation techniques used to reduce credit risk for receivables and debt securities. It illustrates the effects of credit risk reduction under the international standardised approach (SA-BIS) and the comprehensive approach for collateral recognition.

The table below provides a breakdown of unsecured and partially or fully secured exposures, including security type, for the categories receivables (including debt securities), and off-balance sheet exposures.

CR3: Overview of mitigation techniques

in CHF million		31.12.2025		
		a	c	d & e
				Exposures secured by financial guarantees or credit derivatives, of which: secured amount
No.		Exposures unsecured: carrying amount	Exposures secured by collateral, of which: secured amount	
1	Receivables (including debt securities)	2,877	33	89
2	Off-balance sheet	13		
3	Total	2,890	33	89
4	of which defaulted	0	0	0

The table below illustrates the effect of credit risk mitigation on the calculation of capital requirements under SA-BIS and presents the RWA density as a synthetic measure of portfolio risk.

CR4: Exposures and effects of the Credit Risk Mitigation (CRM) under SA-BIS

in CHF million		31.12.2025				
No.	Exposure classes	a	b	c	e	f
		Exposures before CCF ¹ and CRM ²		Exposures post CCF ¹ and CRM ²		RWA density
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	
1	Central governments, central banks and supranational organisations	857		857		2.6%
2	Public-sector entities	206		305		24.3%
3	Multilateral development banks	428		428		1.3%
4	Banks	502		371		24.4%
	of which account-holding securities firms and other financial institutions without banking license, but subject to equivalent regulation and supervision	0		0		34.9%
5	Swiss Pfandbriefe and foreign covered bonds	87		87		10.0%
	of which Swiss Pfandbriefe	10		10		10.0%
6	Corporate	877		868		34.9%
	of which non-account holding securities firms and other financial institutions, unless included in row No. 4	147		147		31.8%
7	Equity securities and subordinated debt	1		1		190.0%
11	Other assets	41	13	41	13	102.5%
12	Total	2,999	13	2,958	13	18.9%

¹ Credit conversion factors (CCF)

² Credit risk mitigation (CRM)

The table below presents the breakdown of credit risk exposures under SA-BIS by exposure category and risk weight.

CR5: Exposures by asset classes and risk weights under SA-BIS

in CHF million		31.12.2025							
		a	b	c	d	e	f	g	j
No.	Risk weight (%)	0, 10, 15	20, 25	30, 35	40, 45, 50, 55	60, 70, 75, 80, 85	90, 100, 110, 115	130, 150, 250	Total credit risk exposures post CCF and CRM
Exposure classes									
1	Central governments, central banks and supranational organisations	743	114						857
2	Public-sector entities		295					10	305
3	Multilateral development banks	401	27						428
4	Banks		218	153	0				371
	of which account-holding securities firms and other financial institutions without banking license, but subject to equivalent regulation and supervision		0	0					0
5	Covered bonds	87							87
	of which Swiss Pfandbriefe	10							10
6	Corporates		449		404	13	2		868
	of which non-account holding securities firms and other financial institutions, unless included in row no. 4		92		54	0	1		147
7	Equity securities and subordinated debt							1	1
11	Other exposures						53	1	54
12	Total	1,231	1,103	153	404	13	55	12	2,971

Counterparty credit risk

This subsection provides information about the Group's counterparty credit risk (CCR) exposures which arise from over-the-counter (OTC) and exchange-traded derivatives (ETDs), securities financing transactions (SFTs), and long-settlement transactions.

The following table provides a breakdown of counterparty credit risk exposures calculated according to the standardised approach by exposure category (type of counterparties) and by risk weight.

CCR3: Standardised approach to CCR exposures by exposure category and risk weights

in CHF million		31.12.2025						
		a	b	c	d	e	f	h
No.	Risk weight (%)	0, 10, 15	20, 25	30, 35	40, 45, 50, 55	60, 70, 75, 80, 85	90, 100, 110, 115	Total exposures with counterparty credit risk
Exposure classes								
1	Central governments, central banks and supranational organisations	0	0					0
2	Public-sector entities		14					14
4	Banks		384	296	54	40		774
	of which account-holding securities firms and other financial institutions without banking license, but subject to equivalent regulation and supervision					0		0
5	Corporates		1		50	2	20	73
	of which non-account holding securities firms and other financial institutions, unless included in row no. 4				0	2	6	8
7	Other exposures						1	1
8	Total	0	399	296	104	42	21	862

The following table provides a breakdown of all types of collateral posted or received by the Group to support or reduce the counterparty credit risk exposures related to derivative transactions or to SFTs, including transactions cleared through a central counterparty (CCP).

CCR5: Composition of collateral for CCR exposure

31.12.2025						
	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
Exposure classes	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – CHF		61		96	243	0
Cash – other currencies		286		115	1,408	16
Swiss Confederation sovereign debt	5					
Other sovereign debt	3				2	0
Government agency debt						0
Corporate bonds	172		406		1	498
Equity securities			347		70	1,349
Total	180	347	753	211	1,724	1,863

Liquidity risk

The table below presents an overview of liquidity risk disclosures separately provided in the Annual Report 2025 of the Group.

LIQA: Management of liquidity risks

Pillar 3 disclosure requirement	Annual Report 2025 section	Disclosure	Page reference
Governance of liquidity risk management, including: risk tolerance; structure and responsibilities for liquidity risk management; internal liquidity reporting; and communication of liquidity risk strategy	Risk Management & Control	Risk management and control principles	102-103
	Risk Management & Control	Risk governance	104-106
	Risk Management & Control	Risk limit framework	107
Funding strategy, including policies on diversification in the sources and tenor of funding, and whether the funding strategy is centralised or decentralised; liquidity risk mitigation techniques; an explanation of how stress testing is used; an outline of the contingency funding plans	Risk Management & Control	Liquidity risk	118-119
	Risk Management & Control	Recovery and resolution framework	108
Measurement system or key performance indicators that take into account the balance sheet structure or project cash flows and future liquidity positions, while considering specific off-balance sheet risks,	Corporate Governance	Board oversight	58-59
	Risk Management & Control	Risk governance	106
	Risk Management & Control	Liquidity risk	119
Concentration limits regarding collateral pools and funding sources at the counterparty levels	Risk Management & Control	Risk governance	106
Liquidity and funding requirements at the level of individual legal entities, foreign branches, and subsidiaries, taking into account legal, regulatory, and operational restrictions on the transferability of liquidity,	Risk Management & Control	Liquidity risk	119
Breakdown of on-balance sheet and off-balance sheet positions by maturity bands and the resulting liquidity gaps.	Risk Management & Control	Liquidity risk	119-121

Operational risk

The table below presents an overview of operational risk disclosures separately provided in the Annual Report 2025 of the Group.

ORA: Qualitative disclosure information

Pillar 3 disclosure requirement	Annual Report 2025 section	Disclosure	Page reference
Framework, policies and guidelines for managing operational risks	Risk Management & Control	Risk management and control principles	102-103
	Risk Management & Control	Risk governance	104
	Risk Management & Control	Non-financial risk	123-125
Structured and organisation of the operational risk management function	Risk Management & Control	Risk governance	104-107
System to measure operational risks	Risk Management & Control	Risk infrastructure	109
Scope and main content of reporting on operational risk to senior management and the body responsible for general management, supervision, and control	Risk Management & Control	Risk Governance	104-106
	Corporate Governance	Board oversight	59
Risk mitigation and risk transfer measures implemented in the management of operational risks	Risk Management & Control	Non-financial risk	123-125

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