



2023

Annual **Report**



Pictures: Axion OPEN, ITF Women's Tennis Tour 2023 - ph. Mattia Martegani

The original text written in Italian constitutes the controlling form of this Report.

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| SWISS Bank

Evolution of financial and money markets

If 2022 had seen the scenarios and financial markets conditioned to a large extent by the energy sector, 2023 can be defined as dominated by technology and the return of bonds and money markets to the scene, as a result of rising rates, with attractive returns that constituted a viable alternative to equities.

In the technology sector, the Artificial Intelligence (AI) theme played a key role, pushing the Nasdaq index to new all-time highs. The rally in the first half of 2023 led it to a 40 per cent increase from January to July 2023, driven largely by the so-called "magnificent 7", Apple, Microsoft, Meta Platforms, Alphabet, Amazon, Tesla and Nvidia.

In 2023, the bond and commodity markets showed remarkable behaviour. The bond market had a very good last quarter, the best in 20 years according to Bloomberg indices, thanks to hopes of a cut in interest rates rather than their continued rise. This led to lower government bond yields and a rise in the credit market, which outperformed government bonds.

Overall, uncertainty and volatility reign in the markets, generated by doubts about economic trends, high public debts, inflation, as well as ongoing geopolitical crises, such as the Ukrainian one, and the new one enveloping the Middle East and the Gulf. 2023, favourable for investors, may therefore now leave room for serious challenges, with forecasts becoming increasingly difficult and with conceivable scenarios called into question by events not directly related to the financial world.

Development of the Swiss economic environment

In 2023, the Swiss economy held up well despite global challenges, growing by 1.3%. This growth was mainly driven by household consumption and inflation fell to 2.1% from 2.8% in the previous year, showing that Switzerland was able to withstand price increases well compared to other developed economies.

The labour market in Switzerland slowed down to some extent, but employment remained stable.

During the first half of 2023, the Swiss National Bank (SNB), with the aim of countering inflationary movement, tightened its monetary policy by gradually increasing its key interest rate, which was then confirmed during the entire second half of the year at 1.75%, indicating that inflation is decreasing but there is still uncertainty linked mainly to the dynamics of the global economy rather than the domestic economy. The SNB also stated that it could remain flexible in its monetary policy in order to keep inflation under control and intervene should the Swiss franc strengthen further against the major foreign currencies.

Indeed, the Swiss franc appreciated significantly on the foreign exchange market, gaining 8% against the US dollar and 5% against the euro, thanks to the excellent fundamentals of the Swiss economy and investors' interest in a stable and secure economy.

Developments in the international economic environment

The global economy was slightly better but still below its historical average, with the US showing relatively robust growth, although it seems to be gradually losing momentum. US inflation has fallen from a peak of 7% in June 2022 to 3.4% in December 2023, slightly higher than expected, unemployment is at 3.9%, although low-income segments of the service sector have benefited most from the recovery in the labour market, and annual GDP stands at 4.9%. Interest rates are at their highest in 16 years and the Federal Reserve is expected to make a series of gradual easing fairly soon. An economic slowdown is expected, but it may be unspectacular and short-lived. According to a more pessimistic view, the inversion of the yield curve (short-term yields higher than medium- to long-term ones) would instead signal a more marked recession. Also, to be considered is the possible continuation of high rates for longer than markets expect, due to a recovery in energy costs, commodity prices and other exogenous factors.

Europe presents an even more problematic picture, with Germany, the former continental 'locomotive', technically in recession and other countries heading towards it. The choices of the European Central Bank (ECB) therefore appear just as if not more difficult than those of the Federal Reserve. Let us also remember that the United States of America and Euroland are on the eve of important electoral appointments.

China, having lost its role as the 'global locomotive', is still disappointing due to problems in the real estate sector, while the 'Taiwan question' remains open. In Japan, the central bank's expansionary policy depresses the yen but drives the Nikkei index to new highs. The UK recently surprised positively with better-than-expected economic data.

In this complex landscape, the cautious and balanced approach in client investment activities remains more valid than ever, taking advantage of the normalization of rates that have brought back attractive returns even in the bond component that had accustomed us in recent years to unattractive returns for clients due to negative interest rates.

Development of Axion SWISS Bank SA's turnover and assets under management

Liabilities resulting from customer deposits - the main item on Axion SWISS Bank SA's balance sheet, which had been growing steadily in the previous 3-4 years characterised by negative interest rates - fell by more than CHF 365 million in 2023 (around ¼ of the volume at the end of 2022), to CHF 1.07 billion at the end of 2023. Underlying this movement is the gradual investment by clients in equities, bonds and fiduciary deposits, which mark a total increase of CHF 570 million over the year 2023. As a consequence, the balance sheet total fell by almost 26% to CHF 1.24 billion in 2023. A similar, but much less pronounced development and on smaller volumes, can also be seen in loans to customers - predominantly Lombard - which decreased by CHF 49 million (-11.7%) to CHF 368 million. Part of these changes can be attributed to the appreciation of the Swiss franc against the US dollar and the euro in 2023, the main currencies in which customer deposits and loans are denominated.

Client assets under management continued to grow in 2023, reaching more than CHF 6.2 billion (excluding double counting) at the end of December 2023, an increase of 2.5% compared

to the end of 2022. Net inflows of CHF 299 million in 2023, or 4.9% of assets under administration at the end of 2022, confirm the positive trend of recent years. Also, in this case, the significant strengthening of the Swiss franc against the major currencies eroded part of the increase.

Axion SWISS Bank SA's results in 2023

In terms of profitability, the year 2023 proved to be exceptional for Axion SWISS Bank SA with a marked increase in the operating result; it rose from just under CHF 16.3 million to almost CHF 45.3 million (+178.1%), repeating in percentage terms the already significant growth achieved in the previous year (+159.4%). In view of the excellent results, the Board of Directors decided to further strengthen the bank's equity by allocating CHF 10 million to Reserves for General Banking Risks and to make a supplementary payment of CHF 3 million to the staff pension fund to counteract the reduction in the pension conversion rate.

As a result, net profit stood at CHF 28.7 million, up significantly (+139%) from CHF 12 million in 2022 and CHF 5.1 million in 2021.

These excellent results can be attributed to the growth in client assets achieved over the past few years, the revenue from client service activities and careful management of net cash on the balance sheet in a context of rising interest rates. They allow for a distribution to the parent company of CHF 25 million, a significant increase from CHF 10.6 million in 2022, as well as an allocation of CHF 3.7 million to Revenue Reserves.

Indicators of the Institute's solidity

As a result of the various allocations to Reserves, Axion SWISS Bank SA's required capital increased by just under CHF 15 million (+19.5%) to CHF 91.6 million as at December 31st. On the other hand, the required capital of CHF 21.1 million at the end of 2023 was about CHF 1 million (-4.5%) lower than a year earlier. This was mainly the result of the contraction of the balance sheet total due to the outflow of client deposits to investment instruments (securities and fiduciary deposits), resulting in less recourse to the interbank market for the placement of the net liquidity balance. The reduced balance sheet total also contributed to the significant improvement in the leverage ratio.

Therefore, all of the bank's solidity indicators improved dramatically, reaching well above the minimum regulatory requirements set by the supervisory authority as at December 31st 2023:

Solidity indicators BIS	FINMA's minimum requirement	Values of the main indices at	
		31.12.2023	31.12.2022
Core Tier 1 (CET1) ¹	7.4%	27.2%	20.6%
Tier 1 (T1) ²	9.0%	34.8%	27.8%
Total regulatory capital ³	11.2%	34.8%	27.8%
Leverage ratio (LERA) ⁴	3.0%	7.1%	4.4%

Perspectives for 2024

Given the special context in which the 2023 results were realised, the Executive Board and the Board of Directors agree that - despite the positive outlook - it will be quite unlikely to confirm an exceptional operating result such as the one achieved in 2023.

In light of the stabilisation of interest rate levels during the last few months and the likely easing of monetary policy by the major central banks during 2024, it is reasonable to expect a consolidation of results towards the average growth trend of the last five years.

The Bank expects that the growth in assets under administration recorded over the past few years, the macro-economic scenarios outlined above, as well as a return of clients to classic investment instruments (bonds first and foremost) after the end of a long period of negative interest rates, will lead to higher commission income as opposed to significant decreases in interest income.

Taking note of the reports from the Internal Audit and Statutory Auditors, the Board of Directors expresses its satisfaction and positive judgement of the work of the Bank's Executive Board and Employees, and wishes its loyal Clients and staff a 2024 full of satisfaction.

¹ Primary quality required capital indicator (Core Tier 1 – CET1).

² Required capital indicator (Tier 1 – T1).

³ Capital adequacy indicator.

⁴ Leverage indicator.

1. Balance Sheet

(CHF thousands)	Reference to annex	31.12.2023	31.12.2022	Change
Assets				
Liquid assets		90,126	93,773	-3,647
Amounts due from banks		299,979	572,877	-272,898
Amounts due from customers	5.9.1	368,315	417,210	-48,895
Trading portfolio assets	5.9.2	187	-	187
Positive replacement value of derivative financial instruments	5.9.3	5,445	10,934	-5,489
Financial investments	5.9.4	467,871	570,609	-102,738
Accrued income and prepaid expenses		1,881	1,119	762
Participations	5.11.19.06	66	66	-
Tangible fixed assets		1,281	1,323	-42
Other assets	5.9.5	533	80	453
Total assets		1,235,684	1,667,991	-432,307
Total subordinated claims		-	-	-
<i>of which subject to mandatory conversion and/or debt waiver</i>		-	-	-
Liabilities				
Amounts due to banks		34,258	137,888	-103,630
Amounts due in respect of customer deposits		1,071,379	1,436,393	-365,014
Negative replacement values of derivative financial instruments	5.9.3	10,814	10,792	22
Accrued expenses and deferred income		19,179	11,570	7,609
Other liabilities	5.9.5	830	2,148	-1,318
Provisions	5.9.8	2,593	731	1,862
Reserves for general banking risks	4 and 5.9.8	16,000	6,000	10,000
Bank's capital	4 and 5.9.9	43,000	43,000	-
Statutory retained earnings reserve	4	8,887	7,443	1,444
Profit (result of the period)	4	28,744	12,026	16,718
Total liabilities		1,235,684	1,667,991	-432,307
Total subordinated liabilities		20,256	20,255	1
<i>of which subject to mandatory conversion and/or debt waiver</i>		20,256	20,255	1
Off-balance sheet transactions				
Contingent liabilities	5.9.1	16,151	13,333	2,818
Irrevocable commitments	5.9.1	55,075	48,290	6,785

2. Income Statement

(CHF thousands)	Reference to annex	2023	2022	Change
Income and expenses arising from ordinary banking operations				
Result from interest operations				
Interest and discount income		46,697	17,851	28,846
Interest and dividend income from financial investments		6,194	613	5,581
Interest expense		-639	211	-850
Gross result from interest operations		52,252	18,675	33,577
Changes in value adjustments for default risks and losses from interest operations		310	-430	740
Net result from interest operations		52,562	18,245	34,317
Result from commission business and services				
Commission income from securities trading and investment activities		25,694	25,879	-185
Commission income from lending activities		128	119	9
Commission income from other services		2,029	2,082	-53
Commission expenses		-6,638	-5,992	-646
Result from trading activities and fair value option	5.11.15	5,260	5,342	-82
Other result from ordinary activities				
Result from the disposal of financial investments		-4	15	-19
Other ordinary income		341	22	319
Other ordinary expenses		-	-575	575
Net revenues		79,372	45,137	34,235
Operating expenses				
Personnel expenses	5.11.17	-24,314	-18,638	-5,676
General and administrative expenses	5.11.18	-9,368	-8,558	-810
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		-714	-1,496	782
Changes to provisions and other value adjustments, and losses	5.9.11.01	281	-170	451
Operating result		45,257	16,275	28,982
Extraordinary income	5.11.19.02 and 5.11.19.06	-	17	-17
Change to reserves for general banking risks	5.9.8 and 5.11.19.04	-10,000	-1,500	-8,500
Taxes	5.11.20	-6,513	-2,766	-3,747
Profit (result of the period)		28,744	12,026	16,718

3. Proposed Appropriation of Available Earnings

(CHF thousands)	31.12.2023	31.12.2022	Change
Appropriation of available earnings			
Profit (result of the period)	28,744	12,026	16,718
Distributable profit	28,744	12,026	16,718
Proposal of the Board of Directors			
Allocation to statutory retained earnings reserve	1,437	1,444	-7
Allocation to optional retained earnings reserve	2,307	-	2,307
Distribution from distributable profit	25,000	10,582	14,418
New amount carried forward	-	-	-

4. Statement of Changes in Equity

(CHF thousands)	Bank's capital	Statutory retained earnings reserve	Reserves for general banking risks	Result of the period	Total
Equity as at 1st January 2023	43,000	7,443	6,000	12,026	68,469
Appropriation of retained earnings 2022					
Assignment to statutory retained earnings reserve	-	+1,444	-	-1,444	-
Dividend from 2022 profit	-	-	-	-10,582	-10,582
Change to reserves for general banking risks	-	-	+10,000	-	10,000
Profit (result of the period)	-	-	-	+28,744	28,744
Total equity as at 31st December 2023	43,000	8,887	16,000	28,744	96,631

The statutory retained earnings reserve is not distributable as it does not reach the limit of 50% of the Bank's capital as stipulated in the Code of Obligations.

The Bank's Articles of Association do not provide for any further restrictions on the distribution of the statutory retained earnings reserve.

5. Annex

5.1 ACTIVITIES AND STAFF

5.1.1 Activities

Axion SWISS Bank SA is a Lugano-based limited company whose main business focus is portfolio management and advisory services for both private and institutional clients. The Bank is active in several related business areas, such as intermediation in securities and currency transactions in the principal international markets, and the granting of loans. This latter activity is mostly geared towards Lombard-type lending facilities and securities-backed loans collateralised by deposit accounts.

5.1.2 Staff

On December 31st 2023, total staff amounted to 75 employees (72.6 FTEs), compared to 69 at the end of 2022 (67.0 FTEs).

5.1.3 Outsourcing

Axion SWISS Bank SA outsources a number of different services, as defined by the FINMA Circular 2018/3 "Outsourcing – banks and insurers", to Avaloq Sourcing (Switzerland & Liechtenstein) SA, Bioggio. These services consist of activities connected to customer transaction processing, securities administration, printing and distributing banking documents, and the management of IT services (centralised informatics and workstations). As per October 1st 2021, Swisscom SA (Switzerland) took over the ITO workstation business previously provided by Avaloq Sourcing (Switzerland & Liechtenstein) SA, Bioggio.

With regard to services subject to FINMA Circular 2018/3 "Outsourcing – banks and insurers", Axion SWISS Bank SA has outsourced to its parent company, Banca dello Stato del Cantone Ticino, operations related to financial accounting, analytical accounting, foreign currency trading, treasury, payment transaction services, securities administration, project management, physical and logical security, specific aspects of IT as well as some activities connected to risk management, internal controls and legal and compliance matters.

Costs related to payment transactions, securities administration and back office stock/foreign exchange/treasury are posted under the item "Commission expense", while the costs related to other outsourced services are recorded under the post "General and administrative expenses".

The Bank makes use of the "Sherpany" application which is administered by a third party. It manages the documentation related to specific committees which may comprise sensitive information. Axion SWISS Bank SA also transfers to Banca dello Stato del Cantone Ticino its internal auditing activities, the administration of human resources, and logistics that are not subject to the abovementioned FINMA Circular.

Moreover, beyond the activities addressed by this circular, Axion SWISS Bank SA devolves to third parties the management and maintenance of the building of which the Bank is a lessee, as well as its supplies.

5.2 STATEMENT DISCLOSURE AND VALUATION PRINCIPLES

5.2.1 General principles

The 2023 annual financial statements are prepared in accordance with the FINMA provisions (Reliable assessment statutory single entity financial statements).

Accounting and valuation principles comply with the provisions of the Swiss Code of Obligations, the Swiss Federal Law on Banks and Savings Banks (Banking Act), the Ordinance on Banks and Savings Banks (Banking Ordinance), and the guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA), in particular the FINMA Accounting Ordinance (FINMA-AO) and the FINMA Circular 2020/01 "Accounting – Banks".

All transactions are recorded at the time they are concluded. The balance sheet is presented on a transaction date basis. All transactions concluded by the balance sheet date are recorded daily and evaluated according to accepted accounting principles. The result of all completed transactions is integrated into the income statement.

5.2.2 General valuation principles

The 2023 annual financial statements have been prepared on a going concern basis.

Balance sheet items and off-balance sheet items are valued individually.

In principle, neither assets and liabilities nor expenses and income can be offset. Receivables and commitments are netted only in the context of the deduction of value adjustments from the corresponding active position.

5.2.3 Financial instruments

5.2.3.1 Liquid assets

Liquid assets are booked at nominal value.

5.2.3.2 Amounts due from banks and amounts due from customers

These items are reported at their nominal value.

For identifiable risks, value adjustments are directly netted with corresponding assets.

The value adjustments for risks of default that are no longer economically necessary and at the same time are not used for other similar requirements are released through the income statement via the item "Changes in value adjustments for default risks and losses from interest operations".

Debit interests and lending commissions unpaid for more than 90 days are booked, from an economic perspective, under "Interest and discount income" and are contextually adjusted under "Changes in value adjustments for default risks and losses from interest operations" as well as directly netted with assets.

Axion SWISS Bank SA only grants Lombard-type loans and other

securities-related loans for which the risk of latent loss on unimpaired positions is considered insignificant.

5.2.3.3 Amounts due to banks and amounts due in respect of customer deposits

Commitments are entered in the balance sheet at their nominal value.

Credits in precious metals are evaluated at fair value on the condition that the respective precious metal is traded on a liquid and efficient market.

5.2.3.4 Trading portfolio assets and liabilities arising from trading activities

The valuation of the portfolio of securities held for trading is at fair value. If, in exceptional cases, fair value cannot be determined, the valuation and recognition will be based on the principle of lower value.

Gains and losses, as well as the above-mentioned adjustments to the above rate changes and revenues from interest and dividend, are represented in the item "Result from trading activities and fair value option".

5.2.3.5 Positive and negative replacement values of derivative financial instruments

Derivative financial instruments are used mostly on request and on behalf of customers. Operations on own account are for trading and hedging purposes.

For derivatives outstanding at year-end, positive and negative replacement values are calculated. They are priced at market value, and any profit or loss thus generated is booked under "Result from trading activities and fair value option".

Positive replacement values are recognised in the balance sheet under the item "Positive replacement values of derivative financial instruments", and negative replacement values as "Negative replacement values of derivative financial instruments".

5.2.3.6 Financial investments

Bonds intended to be held until maturity are recognised at acquisition cost, and the premium/discount (interest component) is accrued over the term (accrual method) and posted under the item "Interest and dividend income from financial investments". Changes in value for default risks are immediately charged to the item "Changes in value adjustments for default risks and losses from interest operations". In the case of sale or redemption prior to maturity, any profit or loss corresponding to the interest component is accrued over the remaining term to maturity. The valuation of other securities is based on the principle of the lower of cost or market, and the changes in value are recognised in the income statement under "Other results from ordinary activities".

5.2.3.7 Participations

This item comprises company equity stakes, in terms of capital, held as long-term investments.

Participations are recorded on the balance sheet at acquisition value less economically necessary depreciation, independently of the stake held.

5.2.4 Tangible fixed assets

Investments in tangible fixed assets used for several accounting periods are shown in the balance sheet.

The valuation is based on the purchase cost less economically necessary depreciation.

For the calculation of depreciation, the straight-line method is applied to the investment initially entered in the balance sheet; the depreciation charge is entered under "Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets". The depreciation period begins with the commissioning of the assets.

The following prudently estimated useful periods are applied to determine the depreciation rates.

- Banking installations 5 years
- IT equipment 5 years
- Furniture 5 years
- Works of art 5 years
- Vehicles 3 years
- Licences and software 2 years

The Bank examines, at the balance sheet date, whether the value of each tangible fixed asset is impaired. If so, the Bank determines the realisable value of that tangible fixed asset. The value of the asset is reduced accordingly if the book value exceeds the realisable value. Tangible fixed assets that are no longer used or have suffered extraordinary depreciation are written down ("impairment"), which is recorded under "Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets".

Gains realised on the sale of tangible fixed assets are recorded under "Extraordinary income" and losses recognised under "Extraordinary expenses".

5.2.5 Provisions

This item comprises the value adjustments and provisions envisaged at the balance sheet closing date in accordance with a prudent valuation of other risks. Value adjustments on asset items are deducted directly from the same.

5.2.6 Reserves for general banking risks

In compliance with the accounting directives of the FINMA (Circular 2020/1 "Accounting – Banks"), the "Reserves for general banking risks" are constituted. They represent the reserves established as a precaution to cover latent risks inherent in the banking business. As laid down in article 21c of the Swiss Federal Ordinance on Capital Adequacy and Risk Diversification for Banks and Securities Traders (CAO), such reserves are considered own capital. Any addition or release is booked in the income statement under the item "Changes in reserves for general banking risks".

The full amount shown on the balance sheet has not been taxed. Respectively, no deferred taxes have been considered.

5.2.6.1 Taxes

Taxes are calculated and booked based on the annual results and capital, and charged to the financial year under review under "Accrued expenses and deferred income".

5.2.7 Off-balance sheet transactions

Contingent liabilities and irrevocable commitments are disclosed at their nominal value under off-balance sheet transactions.

5.2.8 Change in accounting and valuation principles

During 2023, there were no changes in the accounting principles.

5.2.9 Foreign currency translation

All assets and liabilities denominated in currencies other than the Swiss franc are converted at the exchange rate prevailing at the balance sheet closing date.

The principal exchange rates applied at the end of the financial year were as follows:

EUR 0.9310 (2022: 0.9881)

USD 0.8422 (2022: 0.9247)

GBP 1.0725 (2022: 1.1143)

Costs and revenues are taken to the income statement at the exchange rates of the recording day. Gains and losses from currency conversion are booked under "Result from trading activities and fair value option".

5.3 RISK MANAGEMENT

Risk management aims to identify, measure and monitor banking risks in order to preserve the assets of the Bank and facilitate its profitability.

The Board of Directors has performed an analysis of the main business risks Axion SWISS Bank SA is exposed to. This risk assessment

is based on data and tools used by the Bank to manage risks, as described further in this section, as well as on forward-looking considerations on potential future risks. In the context of this analysis, the Board of Directors considers the organisation of the Bank and the design of its internal control system as a key element for risk mitigation. The framework strategy for risk management is specified in the Operating Rules and Regulations and in the Organisation and Risk Management Regulations; it is reviewed regularly by the Board of Directors, but at least annually.

An information system ensures that the members of the Board of Directors and the Executive Board are updated regularly on the Bank's asset and financial position, as well as on the meeting of set targets, and on risks exposure.

5.3.1 Credit risk

The credit risk exposure is mainly attributable to credit activity with customers and banking counterparties.

In the context of its lending activity with customers, which mainly takes the form of Lombard-type loans (which are secured by a diversified portfolio) and other loans (such as loans secured by non-diversified portfolios, bank guarantees, life insurance policies), the Bank limits credit risks by applying prudential advance margins to the collateral received. These are defined in the Organisation and Risk Management Regulations and specified in a specific internal directive. The value of guarantees is monitored on a daily basis.

Interbank transactions, deriving from client and own account business, are conducted within a system of predefined limits with leading Swiss and international banks. The maximum amount of exposure per counterparty depends on the counterparty's credit rating, which is constantly monitored. The counterparty and country risk limits are subject to re-approval on at least an annual basis and their adherence is regularly monitored.

5.3.2 Market risk

The management of market risks, including in particular interest rate and exchange rate risks, is appropriate to the Bank's structure and operations. The structural management of the Bank's balance sheet, resulting on the one hand from lending activities and on the other from customers' current account liquidity, takes place within the context of risk limits defined by the Board of Directors, which aims to maintain a substantial time congruence between sources of funding and uses of liquidity.

Exchange rate risk is managed by offsetting assets in foreign currencies against liabilities in the same currency as well as by means of currency swap, thus minimising the negative influence of exchange rate fluctuations on the bank's equity and income situation.

The exposure to market risks in the context of own-account business is

limited. The Board of Directors has defined exposure and maximum loss limits in this context.

Adherence to all market risk limits, which are set by the supervisory body, is checked regularly.

5.3.3 Liquidity risk

Liquidity management is based on absolute prudence and incorporates the logic of market risk mitigation within the framework of structural balance sheet management.

Liquidity risk is actively managed and monitored through the establishment of a risk tolerance, a minimum liquidity buffer, a system of limits and indicators in accordance with the requirements of the Liquidity Ordinance (LiqO), the diversification of refinancing (according to sources, currencies and maturities) and the preparation of stress scenarios. The Bank also has a crisis liquidity management contingency plan. It considers the tolerances, the limits of the liquidity risk indicators and describes the escalation procedure, the actions to be triggered and taken, the intervention options regarding measures and the order of priority to generate and save liquidity, and governs internal and external communications.

5.3.4 Operational risk

The management of operational risk consists primarily in the adoption of risk-mitigating measures aimed at eliminating or reducing risk. In-house rules and guidelines define the organisation of work and limit the extent of such risk. A system of controls at various levels as well as specific structures designed to oversee the application of established rules and procedures have been implemented to limit the exposure to operational risk. Key controls, defined as priority internal controls, are formalised in specific sheets, which indicate escalation rules in the event of non-conformity with expectations, and the findings of their execution are uniformly documented.

5.3.5 Legal, reputational, and compliance risks

The Bank operates with due care for image and reputational risks in conformity with applicable legal provisions. The Bank's personnel are trained and updated on any legal development, and especially on those relating to money laundering (AMLA, AMLO, AMLO-FINMA). The Bank has adopted an internal compliance control system based on multilevel monitoring.

5.3.6 Required capital and other risk indicators

Information regarding publication obligations concerning required capital and other risk indicators as defined by FINMA Circular 2016/1 "Disclosure – Banks" is made available to the public on the website of Axion SWISS Bank SA (see www.axionbank.ch), while information at the consolidated level is made available on the website of the parent company BancaStato (www.bancastato.ch).

5.4 METHODS USED TO IDENTIFY INSOLVENCY RISKS AND DETERMINE VALUE ADJUSTMENT REQUIREMENTS

Credits are monitored in a differentiated manner according to established procedures based on the risk profile. In order to guarantee the periodic and seamless monitoring of all assumed credit risks, all credit facilities must be renewed on the basis of predefined time limits.

Commitments and values of collateral for loans backed by securities are monitored on a daily basis. If the value of collateral falls below the loan value, the latter is reduced, or additional guarantees are required. In the absence of a settlement, the securities may be utilised, and the credit position closed out.

Where loan positions have interest that has been unpaid for more than 90 days or where positions are not repaid within the contractual terms, these are considered non-performing loans and are valued individually, considering existing collateral at their liquidation value. Any risk of default is provisioned individually. These value adjustments represent the expected counterparty loss with regard to the corresponding transaction. If part of the loan is subject to a value adjustment, it is considered impaired.

5.5 VALUATION OF COLLATERAL

Transferable financial instruments (such as bonds and shares) that are liquid and actively traded, are accepted for Lombard-type loans and other securities-related loans. Similarly, transferable products for which there is regular market information and a market maker, are also accepted.

To calculate the value of liquid and negotiable securities, the Bank applies a reduction to the market value to cover the market risk associated with these securities. Reductions may vary depending upon the type of product, the counterparty's rating, the residual duration of the financial instrument and the currency. For life insurance policies or bank guarantees, these reductions are determined on the basis of the product and counterparty.

5.6 COMPANY POLICY ON THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS, INCLUDING EXPLANATIONS REGARDING THE APPLICATION OF HEDGE ACCOUNTING DELL'HEDGE ACCOUNTING

Derivative financial instruments are used primarily by request and on behalf of customers. Operations on own account are performed for trading and hedging purposes.

Derivative financial instruments are used for risk management purposes, primarily to hedge foreign currency risks and interest rate.

In general, recognition in the income statement of the result of a hedging transaction follows the same principles applied to the secured underlying.

Consequently, results from hedging operations with derivative financial instruments within the framework of the structural management of the balance sheet are booked on a pro rata basis (accrual method). Hedging is considered effective when it is active from its inception and for the entire duration, when there exists an economic relationship between the hedged operation and the hedging transaction and when the changes in value (hedged and hedging transactions) have an inverse correlation with respect to the hedged risk. An independent risk-management unit monitors hedging operation, in order to identify any surplus hedging (overhedge) to be booked in the income statement under "Result from trading operations and the fair value option".

The Bank uses currency swap as an alternative to interbank placement of surplus liquidity in foreign currencies, particularly when there are uncertainties about the quality of foreign counterparties, or to interbank refinancing in foreign currencies. Under currency swaps, the Bank transforms surplus liquidity in foreign currencies into Swiss francs for a fixed period of time in order to place it in domestic currencies or transforms surplus liquidity in domestic currencies into foreign currencies in order to finance loans in foreign currencies; the result of currency swaps is in this case recognised in the income statement item "Interest and discount income".

Regarding the method of accounting for open currency swaps transactions at the end of the period, please also refer to what is described above under 5.2.3.5.

Cash, forward foreign exchange transactions and currency options are used in the context of the structural management of the balance sheet to hedge the exchange rate risk related to economic flows (whether interest margins or commissions) realised in foreign currencies.

5.7 EXPLANATIONS OF MATERIAL EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No significant event occurred after the closing of the balance sheet date that could have led to changes in the balance sheet or the income statement as at December 31st 2023.

5.8 REASONS WHICH HAVE LED TO EARLY RESIGNATION OF THE AUDITORS

PricewaterhouseCoopers SA, Lugano were designated as Auditors. The mandate was given for the first time in 2010. The External Auditors are still in office.



5.9 INFORMATION ON THE BALANCE SHEET

5.9.1 Presentation of collateral for loans and off-balance sheet transactions, as well as impaired loans at 31.12.2023

(CHF thousands)	Type of collateral			
	Secured by mortgage	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)				
Amounts due from customers	-	366,021	2,325	368,346
Total loans (before netting with value adjustments)	-	366,021	2,325	368,346
Previous year	-	413,575	3,713	417,288
Total loans (after netting with value adjustments)	-	365,990	2,325	368,315
Previous year	-	413,497	3,713	417,210
Off-balance sheet				
Contingent liabilities	-	16,142	9	16,151
Irrevocable commitments	-	50,782	4,293 ¹	55,075
Total off-balance sheet	-	66,924	4,302	71,226
Previous year	-	60,040	1,583	61,623

(CHF thousands)	Gross debt amount	Estimated liquidation value	Net debt amount	Individual value adjustments
Impaired loans				
Current year	162	131	31	31
Previous year	407	329	78	78

Axion SWISS Bank SA did not grant any "COVID-19".

¹ Including CHF 1.9 million (2022: CHF 1.4 million) as part of the deposit guarantee.

5.9.2 Breakdown of trading portfolios and other financial instruments at fair value

(CHF thousands)	31.12.2023	31.12.2022
Assets		
Trading portfolio assets		
Debt securities, money market securities / transactions	-	-
Participation securities	29	-
Shares in investment funds	158	-
Total trading portfolio assets	187	-
<i>of which determined using a valuation model</i>	-	-
<i>of which securities eligible for repo transactions, in accordance with liquidity requirements</i>	-	-

5.9.3 Presentation of derivative financial instruments (assets and liabilities)

(CHF thousands)	Trading instruments			Hedging instruments		
	Replacement values		Contract volume	Replacement values		Contract volume
	positive	negative		positive	negative	
Foreign currencies / precious metals						
Forward contracts	2,502	2,486	299,838	250	250	7,217
Combined currency and interest rate swaps	2,528	7,913	755,073	-	-	-
OTC Options	165	165	21,433	-	-	-
Total currencies / precious metals	5,195	10,564	1,076,344	250	250	7,217
Total derivative financial instruments	5,195	10,564	1,076,344	250	250	7,217
<i>of which determined using a valuation model</i>	<i>5,195</i>	<i>10,564</i>	<i>-</i>	<i>250</i>	<i>250</i>	<i>-</i>
Total previous year	9,634	9,521	714,815	1,300	1,271	735,172
<i>of which determined using a valuation model</i>	<i>9,634</i>	<i>9,521</i>	<i>-</i>	<i>1,300</i>	<i>1,271</i>	<i>-</i>

Recapitulation (CHF thousands)	Positive replacement values (cumulated)	Negative replacement values (cumulated)	Contract volumes
Trading instruments	5,195	10,564	1,076,344
Hedging instruments	250	250	7,217
Total (before netting agreements)¹	5,445	10,814	1,083,561
Total previous year	10,934	10,792	1,449,987
Total (after netting agreements)¹	5,445	10,814	1,083,561
Total previous year	10,934	10,792	1,449,987

Breakdown by counterparty (CHF thousands)	Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreements) ¹	-	5,015	430

¹ No netting contracts existed on derivatives open as at 31.12.2023 and at 31.12.2022.

5.9.4 Breakdown of financial investments

(CHF thousands)	Book value		Fair value	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Debt securities	452,816	560,734	453,435	560,337
<i>of which intended to be held to maturity</i>	452,816 ¹	560,734	453,435	560,337
Shares in investment funds	15,055	9,820	15,093	9,820
Structured products	-	55	-	55
Total financial investments	467,871	570,609	468,528	570,212
<i>of which securities eligible for repo transactions in accordance with liquidity requirements</i>	419,914	534,649	419,948	534,505

¹ Including money market papers issued by the Swiss National Bank for a nominal value of CHF 386.0 million (2022: CHF 530.0) and money market papers issued by the Swiss Confederation for a nominal value of CHF 30.0 million (2022: CHF 0.0).

Breakdown of counterparties by rating

(CHF thousands)	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated
Debt securities: book values	432,306	10,730	5,195	-	-	4,585

The evaluation of debt securities is based on the rating categories of Standard & Poor's.

5.9.5 Breakdown of other assets and other liabilities

(CHF thousands)	31.12.2023	31.12.2022
Other assets		
Indirect taxes	23	1
Other different assets	510	79
Total other assets	533	80
Other liabilities		
Direct/indirect taxes	722	742
Compensation account	10	342
Other different liabilities	98	1,064
Total other liabilities	830	2,148

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

(CHF thousands)	31.12.2023		31.12.2022	
	Book values	Effective commitments	Book values	Effective commitments
Pledged / assigned assets (excluding securities financing transactions)				
Liquid assets ¹	928	1,857	-	-
Amounts due from banks	6,173	2,441	11,723	5,380
Amounts due from clients	1,944	-	1,944	-
Total assets pledged / assigned	9,045	4,298	13,667	5,380

¹ In order to guarantee the half of the Bank's payment obligation to Esisuisse.

At end-year closing on 31.12.2023 and 31.12.2022 Axion SWISS Bank SA had no assets under reservation of ownership.

5.9.7 Disclosures on the economic situation of pension schemes

5.9.7.1 Disclosure of liabilities relating to own pension schemes, and number and nature of equity instruments of the Bank held by own pension schemes

Axion SWISS Bank SA has no own pension scheme.

5.9.7.2 Disclosures on the economic situation of own pension schemes

a) Employer contribution reserves (ECR)

There were no employer contribution reserves as at 31.12.2023.

b) Presentation of the economic benefit / obligation and the pension expenses

	Overfunding / underfunding at end 2023	Economic interest of the bank		Change in economic interest (economic benefit / obligation) versus previous year	Contributions paid for 2023	Pension expenses in personnel expenses	
		31.12.2023	31.12.2022			31.12.2023	31.12.2022
Pension plans without overfunding / underfunding	-	-	-	-	1,903	4,800 ¹	1,568

Axion SWISS Bank SA applies the principles laid down in ARR 16. Contributions are paid to the insurance company. The employer's contributions are carried under "Personnel expenses".

For pension and social security purposes Axion SWISS Bank SA has insured its staff through the Group Plan LPP Swiss Life, a legally independent pension fund. The pension plan is a defined contribution scheme and provides the basic compulsory coverage as stated in the Swiss LPP (Federal Law on Occupational Benefits), as well as complementary coverage. Axion SWISS Bank SA had no economic liabilities towards the staff pension scheme at year end. There are no contribution reserves on the part of the employer and the relationship between Axion SWISS Bank SA and the pension fund is based on a global affiliation contract. The pension fund reinsures all pension risks by means of a comprehensive insurance contract. Within the framework of this contract, no possibility of underfunding exists and, consequently, there are no obligations in this regard on the part of the employer.

¹ Including CHF 3.0 million provision for the adjustment of the staff pension plan implementable over 5 years (2024 and 2028).

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

(CHF thousands)

	Situation at 31.12.2022	2023				Situation at 31.12.2023
		Use in conformity with designated purpose	Currency differences	New creations charged to income statement	Releases to income statement	
Provisions for other operating risks	731	-174	-	-	-284	273 ¹
Other provisions	-	-	-	-	-	-
Integrative pension provision	-	-799	-	3,119	-	2,320
Total provisions	731	-973	-	3,119	-284	2,593
Reserves for general banking risks	6,000	-	-	10,000	-	16,000 ²
Value adjustments for default and country risks	543	-44	-5	61	-332	223
<i>of which value adjustments for default risks in respect of impaired loans</i>	78	-44	-5	34	-32	31
<i>of which offset against the balance sheet item "Financial investments"</i>	465	-	-	27	-300	192
<i>of which value adjustments for latent risks</i>	-	-	-	-	-	-

¹ This provision is connected to legal risks for which the Bank cannot exclude a juridical risk.

² The reserves for general banking risks were not taxed.

5.9.9 Presentation of the Bank's capital

(CHF thousands)

	31.12.2023			31.12.2022		
	Total par value	No. of shares	Capital eligible for dividend	Total par value	No. of shares	Capital eligible for dividend
Bank's capital						
Bank's capital	43,000	43,000	43,000	43,000	43,000	43,000
<i>of which paid up</i>	43,000	43,000	43,000	43,000	43,000	43,000
Total Bank's capital	43,000	43,000	43,000	43,000	43,000	43,000

5.9.10 Disclosure of amounts due from / to related parties

(CHF thousands)	31.12.2023		31.12.2022	
	Amounts due from	Amounts due to	Amounts due from	Amounts due to
Holders of qualified participations	297,348	33,893	557,301	139,035
Group companies	-	-	-	-
Members of governing bodies	175	360	-	321

These amounts comprise any off-balance sheet operations.

Amounts due from, and due to, holders of qualified participations and members of governing bodies are defined at market conditions.

5.9.11 Disclosure of holders of significant participations

(CHF thousands)	31.12.2023		31.12.2022	
	Nominal	% of equity	Nominal	% of equity
Holder of significant participations				
Banca dello Stato del Cantone Ticino With voting rights	43,000	100	43,000	100

5.9.12 Breakdown of total assets by credit rating of country groups (risk domicile view)

(CHF thousands)		31.12.2023		31.12.2022	
Bank's own country rating	Rating Standard & Poor's	Foreign exposure	Share as %	Foreign exposure	Share as %
1 Excellent and high quality	AAA to AA-	66,725	20.2%	178,645	45.5%
2 Greater quality than average	A+ to A-	5,822	1.8%	3,333	0.8%
3 Medium quality	BBB+ to BBB-	162,718	49.1%	185,526	47.3%
4 Default risk	BB+ to BB	87	0.0%	136	0.0%
5 Default risk material	BB-	19	0.0%	1	0.0%
6 Speculative, high default risk	B+ to B-	3,986	1.2%	4,335	1.1%
7 Poor quality, very high risk	CCC+ to D	31	0.0%	1,455	0.4%
Unrated		91,748	27.7%	18,790	4.9%
Total		331,136	100.0%	392,221	100.0%

5.10 INFORMATION CONCERNING OFF-BALANCE SHEET TRANSACTIONS

5.10.13 Breakdown of fiduciary transactions

(CHF thousands)	31.12.2023	31.12.2022
Fiduciary investments with third parties	558,003	436,696
Fiduciary loans	3,748	4,670
Total fiduciary transactions	561,751	441,366

5.10.14 Breakdown of managed assets and presentation of their development

(CHF thousands)	31.12.2023	31.12.2022
a) Breakdown of managed assets		
Assets in collective financial instrument schemes managed by the Bank	353,760	344,327
Assets under discretionary asset management agreement	646,915	671,828
Assets under advisory mandate	2,124,389	2,262,034
Other managed assets	3,163,971	2,871,619
Total managed assets (including double counting)	6,289,035	6,149,808
<i>of which double counting</i>	<i>71,715</i>	<i>83,139</i>
b) Presentation of the development of managed assets		
Total managed assets (including double counting) at beginning	6,149,808	6,025,207
+/- Net new money inflow or net new money outflow	298,983	965,715
+/- Price gains / losses, interest, dividends and currency gains / losses	-159,756	-703,965
+/- Outflows to custody-only assets	-	-137,149
Total managed assets (including double counting) at end	6,289,035	6,149,808

"Assets under discretionary asset management agreement" and "Assets under advisory mandate" are assets for which clients have chosen a specific management or advisory investment profile.

Net increase / decrease of client assets is not affected by interest paid by clients or by the performance of clients' portfolios. "Net flows" are defined as the difference between cash and securities being transferred in and transferred out. Loans to clients are not subtracted from total assets.

"Other managed assets" are client assets for which there is no discretionary asset management agreement or advisory mandate, and for which the Bank's involvement is not limited to depositary business, but includes other services.

Custody-only assets are not included in the above table.

5.11 INFORMATION ON THE INCOME STATEMENT

5.11.15 Breakdown of the result from trading activities and fair value option

(CHF thousands)		
	2023	2022
Result from trading activities from:		
Foreign currencies and banknote trading	5,239	5,710
Securities trading	21	-368
Total result from trading activities and fair value option	5,260	5,342

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

Refinancing income in the item "Result from interest operations"

Interest and dividend income from trading portfolio are not offset with costs for refinancing that portfolio.

(CHF thousands)		
	2023	2022
Negative interest		
Negative interest on assets (decrease in interest and discount income)	1	3,941
Negative interest on liabilities (decrease in interest expenses)	-	738

5.11.17 Breakdown of personnel expenses

(CHF thousands)		
	2023	2022
Salaries	17,001	14,968
<i>of which expenses relating to share-based compensation and alternative forms of variable compensation</i>	-	-
Social insurance benefits	6,267	2,975
Other personnel expenses	1,046	695
Total personnel expenses	24,314	18,638

5.11.18 Breakdown of general and administrative expenses

(CHF thousands)	2023	2022
Office space expenses	1,354	1,305
Expenses for information and communications technology	5,281	5,009
Expenses for vehicles, equipment, furniture and other fixtures as well as operating lease expenses	8	18
Fees of audit firm	216	238
<i>of which for financial and regulatory audits</i>	211	222
<i>of which for other services</i>	5	16
Other operating expenses	2,509	1,988
Total general and administrative expenses	9,368	8,558

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

5.11.19.01 Material losses

There were no significant losses during the reporting year.

5.11.19.02 Extraordinary income and extraordinary expenses

No significant revenues and expenses were recorded during the year.

5.11.19.03 Hidden reserves

The Bank do not have hidden reserves.

5.11.19.04 Reserves for general banking risks

The item "Change to reserves for general banking risks" was debited CHF 10.0 million for the creation of reserves for general banking risks.

5.11.19.05 Value adjustments and provisions no longer required

During the reporting year, value adjustments and provisions totalling CHF 0.6 million were released to the income statement.

5.11.19.06 Value adjustments of participations and tangible fixed assets

No revaluations adjustments of participations or tangible fixed assets were recorded during the year.

5.11.20 Presentation of current taxes, deferred taxes, and disclosure of tax rate

(CHF thousands)	2023	2022
Current taxes	6,513	2,766
Total taxes	6,513	2,766
Average tax rate weighted on the basis of the operating result	18.5%	18.7%



Report of the statutory auditor

to the General Meeting of Axion SWISS Bank SA, Lugano

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Axion SWISS Bank SA (the Company), which comprise the balance sheet as at 31 December 2023, income statement and statement of changes in equity for the year then ended and annex to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 8-16 and 18-26) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

Auditor's responsibilities for the audit of the financial statements

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

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

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

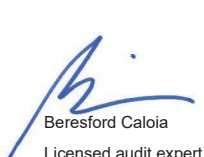
We communicate to the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers SA


Beresford Caloia
Licensed audit expert
Auditor in charge


Filippo Cavalieri

Lugano, 26 March 2024



2 Axion SWISS Bank SA | Report of the statutory auditor to the General Meeting

Bank Governing Bodies and Institutions

Chairman of the Board of Directors Giovanni Jelmini, Mendrisio

Deputy Chairman Renato Arrigoni, Cagiallo^{1,2}

Members Bernardino Bulla, Lugano²
Christian Magistra, Origlio¹
Raoul Paglia, Comano²

President of the Executive Board Marco Tini

Members of the Executive Board Daniele Albisetti
Giampiero Marangio
Guido Marcionetti
Renzo Triulzi

Members of the Management Gianmarco Bianchini
Gabriele Bondi
Stefano Calderari
Giuseppe Curiale
Luigi Di Pirro
Antonella Giglio
Luca Grassi
Ioulia Gribouk
Enzo Guanziroli
Manuela Induni
Alberto Laurenzi
Walter Lisetto
Massimo Locatelli
Mike Moghini
Alberto Moscato
Marina Pezzoli
Milena Pleshkova
André Registo
Alberto Riva
Giovanni Sansossio
Matteo Scacchi
Roberto Simone
Elena Sulina
Davide Vezzaro

Statutory Auditors PricewaterhouseCoopers SA, Lugano

Internal Audit Internal Audit of Banca dello Stato del Cantone Ticino

¹ Independent members

² Members of the Audit Committee



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