

incore

A black and white photograph of a city waterfront, likely Zurich, Switzerland. The scene features a large, ornate church with a prominent spire in the background. In the foreground, a river flows, with a small motorboat moving across it. The sky is filled with dramatic, dark clouds. A semi-transparent red rectangular box is overlaid on the middle of the image, containing the text 'Annual Report 2023' in white.

Annual Report 2023

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Management Report

Business review

In the 2023 financial year, InCore Bank AG reached a notable milestone in its efforts to further consolidate and expand the eight business areas. To cope with the growing demand for its comprehensive range of services, the Bank significantly expanded its relationship management and sales units. InCore Bank AG currently provides services in the following areas: Brokerage & Global Custody, Plug & Bank Technology Platform (powered by SOBACO), Back Office Business Process Outsourcing (BPO), Payment Services, Digital Asset Banking, Product Structuring Services and Paying Agent Services.

In the traditional Brokerage & Global Custody business, including FX operations, we once again recorded significant increases in revenue and profit. This was driven by growth in global custody asset holdings, as well as in cash holdings and the associated professional treasury. In particular, the increase in cash positions led to considerably higher trading income of CHF 7.19 million (previous year: CHF 4.26 million), representing growth of 68.7%.

In the areas of Plug & Bank Technology Platform and BPO (i.e. the outsourcing division of InCore Bank AG), we benefited from the positive developments and the trust of our clients. To continue making headway with the comprehensive expansion of our platform in the interest of our clients, we are currently working with our sister company SOBACO Solutions AG on a dual-platform strategy that will open up significant growth potential for the entire SOBACO Group in 2024 and the coming years.

In 2023, the most new clients were acquired in the Payment Services business area, which has evolved into a key strategic pillar for the Bank. To be able to serve the extra clients in this segment, the corresponding processes had to

be further adapted and expanded. In order to manage the substantial growth and the associated operational risks, we focused on our organizational restructuring efforts in particular.

In Digital Asset Banking, InCore Bank's B2B client business, we acquired further big-name clients and thereby consolidated our position as a key digital asset player in the B2B segment.

Following the successful launch of the 24/7 online trading platform in 2021, InCore Bank AG received FINMA approval for staking services in 2023 and formed a strategic partnership with SDX to establish Ethereum staking over the course of the year. With our fully integrated and future-oriented staking services, we offer staking in a secure, regulated and tax-compliant manner.

We further expanded the areas of Product Structuring Services and Paying Agent Services, streamlined our processes and continuously grew the corresponding team to continue exploiting growth potential in these areas as well.

Despite significant market corrections, assets under custody (AuC) were maintained at CHF 11.5 billion (previous year: CHF 11.4 billion) and gross revenue increased by 22.4%. The result from commission business and services rose by 4.2% to CHF 23.71 million (previous year: CHF 22.76 million). After the negative interest rate cycle came to an end, a profit of CHF 3.35 million was generated in the interest business (previous year: CHF 0.89 million).

To continue supporting the significant growth of our client base, the Client Relationship & Sales Team at InCore Bank AG was also expanded in line with the necessary organiza-

tional changes. It comprised 14 members at the end of 2023 and plays a key role in the further development and expansion of the Bank's business activities.

As a consequence of the positive developments across the different business areas, personnel costs increased by 31.4% to CHF 13.47 million (previous year: CHF 10.25 million). The number of employees rose from 64 to 79 in 2023. The headcount is expected to increase further in 2024.

The expansion and business growth caused administrative expenses to increase by 21.3% to CHF 15.49 million (previous year: CHF 12.77 million). Net profit for the 2023 financial year came in at CHF 5.28 million (previous year: CHF 3.77 million), representing a significant increase of 39.9% compared to 2022. This outstanding result reflects our market expansion and business optimization efforts and is even more impressive in light of the market corrections and the reorganisations that were needed.

Outlook

For the coming financial year, InCore Bank AG plans to continue systematically expanding its business areas as a full-service B2B transaction bank and gearing the company up for further growth. The pipeline for new clients is robust, with strong interest in the area of Payment Services in particular.

In addition, there are various promising prospects for our services in the areas of BPO, Plug & Bank Technology Platform, and Brokerage & Global Custody. The consistent expansion of the Client Relationship & Sales Team, as well as the implementation of the dual-platform strategy in the technical area, mean we can expect the client base to keep on growing.

At present, InCore Bank AG is working on strategic realignments that will enhance the product range and banking services and are focused on the future needs of our clients.

In addition, there are plans for some group-wide strategic changes that will put InCore Bank AG on course for further growth.

With our targeted expansion and continuous focus on growth, we have a positive outlook and expect the company to continue performing well in the coming year.

Peter Haist
Chairman of the Board of Directors

Mark Dambacher
CEO



Organization

Management Board

Name	Residence	Function	Comments
Peter Haist	Stetten	President	
Hans G. Syz-Witmer	Küsnacht	Vice President	
Prof. Dr. Dr. Christian Wunderlin	Zullwil	Member	
Sonja Stirnimann *	Risch	Member	until 6 April 2023
Amedeo C. Vaccani	Zollikon	Member	
Dr. Daniel Diemers *	Zug	Member	
Catrina Luchsinger *	Zollikon	Mitglied	since 20 June 2023

Audit & Risk Committee **

Name	Residence	Function	Comments
Catrina Luchsinger *	Zollikon	Chair	since 20 June 2023
Sonja Stirnimann *	Risch	Chair AC, Member RC	until 6 April 2023
Prof. Dr. Dr. Christian Wunderlin	Zullwil	Member, Chair RC	until 19 June 2023

* Independent members of the Board of Directors within the meaning of the provisions of the Swiss Financial Market Supervisory Authority FINMA

** In 2023, the two committees Audit Committee and Risk Committee were merged into one Audit & Risk Committee (first meeting on 14 June 2023).

The Company would not be required to have an audit committee under the relevant provisions of FINMA Circular 2008/24 «Supervision and internal Control of Banks».

Internal audit

Grant Thornton AG

Auditors

PricewaterhouseCoopers AG, Zurich

Executive Board

Name	Function
Mark Dambacher	Chairman of the Executive Board
René Hertach	Vice Chairman of the Executive Board
Fabian Bieli	Member
Bruno Meyer	Member



Peter Haist

Chairman of the Board
of Directors



Hans G. Syz-Witmer

Vice Chairman of the Board
of Directors

Board of Directors

Peter Haist (born 1963) has served as InCore Bank AG Chairman of the Board of Directors since January 2020. Prior to this, from 2017 to 2019, he was a member of the Executive Board and responsible for strategy and business development. Since 2006, he has been the CEO of the SOBACO Group, where he also held various other senior positions from 1995 onward, including Head of Marketing, Sales & Key Account Management. Prior to this, he managed the IT department of Bankers Trust Zurich for five years after working at JPMorgan Zurich as a project manager, analyst and programmer for five years.

Peter Haist is a trained banker and has a degree in business information systems. He also has a Master of Advanced Studies (MAS) ZFH in Business Consulting. He is currently a board member at SOBACO Holding AG and SOBACO Solutions AG and he serves as Chairman of the Supervisory Board of SOBACO Betax AG, Regensburg (Germany).

Hans G. Syz-Witmer (born 1957) has been InCore Bank AG's Vice Chairman since 2009 (Chairman from 2007 to 2009). He has also been Chairman of the Board of Directors of Maerki Baumann & Co. AG since 1998. Since 2016, he has served as Vice Chairman of the Board of Directors of Maerki Baumann Holding AG (Chairman from 2007 to 2016), which holds a significant stake in InCore Bank AG. He has been a member of the Board of Directors of CHSZ-Holding AG since 2003.

As an entrepreneur, Hans G. Syz-Witmer is the owner of Condor Films AG and holds various seats on other boards of directors and foundation boards, for example at Aquila & Co. AG (member of the Board of Directors), the Schulthess Klinik (Vice Chairman of the Board of Trustees), the Tonhalle-Gesellschaft Zurich (Vice Chairman and Treasurer), the Kongresshaus Foundation (Vice Chairman of the Board of Trustees), the Baugarten Zurich Genossenschaft und Stiftung (President of the Board of Trustees and Board of Directors), Friedrich Steinfels AG (member of the Board of Directors), the Arthouse Movie Commercio AG (member of the Board of Directors) and the Prof. Dr. Max Cloëtta Foundation (member of the Board of Trustees).

Christian Wunderlin (born 1968) is a Federally Certified Accounting and Controlling Expert. He has a Federal Diploma in Business Information Systems, an MBA from the University of Rochester, a DBA from the University of Bradford (Finance) and a PhD from the University of Bern (business information systems). Due to the current developments in the field of cybercrime, Christian Wunderlin has undergone further training to become a CISSP Certified Information Systems Security Professional, CCSP Certified Cloud Security Professional, CISM Certified Information Security Manager, IT Security Officer BSI, CISA Certified Information Systems Auditor as well as ISO 27001 Auditor/Lead Auditor und TISAX Auditor (Assessment Professional). Christian Wunderlin has more than 20 years of managerial experience in the IT industry. From 2007 to 2018, he was a lecturer at the Institute of Financial Services Zug IFZ (Lucerne University of Applied Sciences and Arts), alongside which he also served on various boards of SMEs.

He currently serves as a member of the Board of Directors of Bank Cler, AMAG Leasing AG, Aveniq AG, Netcloud AG, newhome.ch AG. and Quality1 AG. Christian Wunderlin also serves on the boards of various medium-sized companies in the finance/insurance, IT and architecture/real estate sectors.

Daniel Diemers (born 1972) studied economics and social sciences at the University of St. Gallen (HSG) and the Rotterdam School of Management (RSM), and he has completed a PhD on the subject of virtual knowledge communities. He is also the author of several books, studies and specialist articles. With more than 20 years' experience as a strategy consultant, he accompanies businesses on their journey into the digital future.

Daniel Diemers is co-founder and Chairman of the Board of Directors of SNGLR, a deep tech lab, consulting firm and venture capital fund focused on exponential technologies such as longevity, smart mobility/smart cities, artificial intelligence and blockchain/metaverse.

Furthermore, Daniel Diemers is a member of the Board of Directors of FiCAS AG, Flov Technologies AG and the Swiss Metaverse Association, as well as on the Expert Council of the Swiss Blockchain Federation.



**Prof. Dr. Dr.
Christian
Wunderlin**

Member of the Board
of Directors

Member of the Audit &
Risk Committee



Dr. Daniel Diemers

Member of the Board
of Directors



Amedeo C. Vaccani

Member of the Board
of Directors

Amedeo C. Vaccani (born 1955) has a degree in mechanical engineering and an MBA from Harvard Business School. He is the founder and a managing partner of A. Vaccani & Partner AG, which has been providing management consulting and cross-border M&A services since 1992. He has also managed a Swiss private equity investment company since 1996. Prior to this, he worked for ABB AG as Business Area Manager Resource Recovery, and at ABB W+E Umwelttechnik AG as its CEO.

Amedeo C. Vaccani currently holds the position of Chairman of the Board of Directors at SOBACO Holding AG, at SOBACO Solutions AG and at Rhincodon Corporation AG.



Dr. iur. Catrina Luchsinger Gähwiler

Member of the Board
of Directors
Chair of the Audit & Risk
Committee

Catrina Luchsinger Gähwiler (born 1967, CH/GB) completed her legal studies at the University of Zurich (lic. iur.) in 1991 and passed the bar exam in the canton of Zurich in 1995. In 2004, she was awarded her PhD in law with a dissertation on the topic of fund share distribution. Alongside pursuing her doctorate, she worked as a lawyer at internationally oriented law firms in Zurich from 1996 to 2007, including at Froriep Rechtsanwälte from 2000 to 2007. Since 2007, she has been a partner at MLL Meyerlustenberger Lachenal Froriep AG (formerly Froriep AG).

Catrina Luchsinger Gähwiler currently serves as Vice Chair of the Board of Directors of JungfrauBahn Holding AG and is a member of the Board of Directors of JungfrauBahn Management AG. In addition, she serves as Vice Chair of the Board of Directors of Baader Helvea AG and as Chair of the Board of Directors of Nova Property Fund Management AG. She is also a member of the Board of Directors of Brevalia AG and Crypto Helvetica AG and is on the Foundation Board of the health insurance provider Sanitas. Furthermore, she is a member of the Inter-Pacific Bar Association, where she currently serves as Co-Chair of the Banking and Finance Committee and is a designated member of the Executive Committee.

Executive Board

Mark Dambacher (born 1968) has been the CEO of InCore Bank AG since March 2015. Before assuming this role, he held various management and specialist positions, including three years in charge of compliance & risk control, relationship management, and accounting. Before joining the newly founded InCore Bank AG as Head of Process Management in 2006, he spent many years at PricewaterhouseCoopers as a senior manager in the Global Risk Management Services division and at KPMG as a senior consultant in the Financial Services division.

Mark Dambacher is a trained banker and has an MSc in Business Engineering. He is also a Certified Information Systems Auditor. He does not currently serve on any boards.

René Hertach (born 1963) has served as Head of Brokerage and Deputy Chairman of the Executive Board since April 1, 2019. From 2007 until assuming his current role, he was Head of Information Technology (IT Operations and Development) at InCore Bank AG, which was created as a spin-off of Maerki Baumann in 2007. He had headed Maerki Baumann's IT department for more than 16 years, prior to which he spent seven years at Telekurs.

René Hertach is a Federally Certified Mechanic and a trained IT systems programmer. He is also a qualified mainframe system specialist and network architect. He does not currently serve on any boards.



Mark Dambacher

Chief Executive Officer (CEO)



René Hertach

Deputy CEO



Fabian Bieli

Member of the Board of Directors

As Head of Banking Operations (COO), Fabian Bieli (born 1974) is responsible for Business Process Outsourcing securities administration, securities settlement, and payment transactions/central register.

After obtaining a bachelor's degree in Business Administration, he successfully completed the MAS in Leadership and Management in 2012. He acquired his extensive knowledge while working in senior positions in various back office departments at a large Swiss private bank. He has been in charge of InCore Bank AG's back office operations since 2009. He does not currently serve on any boards.



Bruno Meyer

Member of the Board of Directors

Bruno Meyer (born 1969) has served as Head of Corporate Services at InCore Bank AG since March 2022. Prior to this, he was the Chief Risk Officer and a member of the Executive Board at Falcon Private AG. He also held various positions at Credit Suisse in Zurich and New York for many years, including in controlling and risk management. He is the CEO and a member of the board of the Swiss Risk Association.

Bruno Meyer has a master's degree in materials science from ETH Zurich and has completed an executive education programme in corporate finance at London Business School. He does not currently serve on any other boards.



Key Figures

Key Figures

in 1 000 CHF	2023	2022
Profit	5 276	3 770
Result from commission business and services	23 709	22 762
Result from trading activities	7 188	4 262
Result from interest operations	3 354	886
Operating expenses	-28 954	-23 016
Total balance sheet	326 587	337 519
Eligible capital	29 617	25 841
Required capital	10 000 ¹⁾	10 000 ¹⁾
Surplus capital	19 617	15 841
Number of employees (full-time equivalents)	78.70	63.70

¹⁾ Minimum own funds according to Banking Ordinance Art. 15.



Disclosure

Disclosure

Key metrics (KM1)	in 1 000 CHF	2023	2022
Eligible capital			
1 Common Equity Tier 1 (CET1)		29 617	25 841
2 Tier 1 (T1)		29 617	25 841
3 Total capital		29 617	25 841
Risk-weighted assets (RWA)			
4 RWA		97 140	104 188
Minimum capital requirement		10 000¹⁾	10 000¹⁾
Risk-based capital ratios (% of RWA)			
5 CET1 ratio (%)		30.49	24.80
6 Tier 1 ratio (%)		30.49	24.80
7 Total capital ratio (%)		30.49	24.80
Additional CET1 buffer requirements (% of RWA)			
8 Capital conservation buffer requirement according to Basel minimum requirements (%)		2.50	2.50
9 Countercyclical buffer requirement (Art. 44a ERV) according to Basel minimum requirements (%)		0.00	0.00
11 Total of bank CET1 specific buffer requirements according to Basel minimum requirements (%)		2.50	2.50
12 CET1 available after meeting the bank's minimum capital requirements (%)		22.49	16.80
Target capital ratios according to Annex 8 of the Capital Adequacy Ordinance (CAO) (% of RWA)			
12a Capital conservation buffer according to CAO, Annex 8 (%)		2.50	2.50
12b Countercyclical capital buffer according to CAO, Art. 44 and 44a (%)		0.00	0.00
12c CET1 capital target (%) according to CAO, Annex 8 and countercyclical buffer according to CAO, Art. 44 and 44a		7.00	7.00
12d T1 capital target according to CAO, Annex 8 and countercyclical buffer according to CAO, Art. 44 and 44a (%)		8.50	8.50
12e Total capital target according to CAO, Annex 8 and countercyclical buffer according to CAO, Art. 44 and 44a (%)		10.50	10.50
Basel III Leverage Ratio			
13 Total Basel III leverage ratio exposure measure		341 037	366 710
14 Basel III Leverage Ratio		8.68	7.05

¹⁾ Minimum own funds according to Banking Ordinance Art. 15.

	Ø 4th quarter	Ø 3rd quarter	Ø 2nd quarter	Ø 1st quarter	Ø 4th quarter
in 1 000 CHF	2023	2023	2023	2023	2022
Liquidity Coverage Ratio (LCR)					
15 Numerator of LCR: Total high quality liquid assets	199 785	211 271	241 959	219 591	208 855
16 Denominator of LCR: Total net cash outflow	153 929	167 929	192 720	156 090	131 340
17 Liquidity Coverage Ratio, LCR (%)	129.79	125.81	125.55	140.68	159.02
				2023	2022
Net Stable Funding Ratio (NSFR)					
18 Available stable funding				61 852	82 760
19 Required stable funding				27 780	41 181
20 Net Stable Funding Ratio, NSFR (%)				222.65	200.97

Overview of risk-weighted assets (OV1)	in 1 000 CHF	2023	2022	2023
		RWA	RWA	Minimum capital requirements
Credit risk		47 928	66 313	3 834
Market risk		3 513	1 038	281
Operational risk		45 700	36 838	3 656
Amounts below the thresholds for deduction (subject to 250% risk weight)		-	-	-
Total		97 140	104 188	7 771

Approaches used to determine the minimum capital requirements

Credit risk: International standardised approach SA-BIZ

Market risk: De-minimis approach

Operational risk: Basic indicator approach

Liquidity: Liquidity risk management (LIQA)

The willingness of payment is monitored and guaranteed in line with the regulatory requirements. The Board of Directors defines the risk tolerance by setting specific limits for liquidity, refinancing and diversification. Potential negative effects on liquidity are identified immediately through the quarterly assessed early warning indicators. Decreases of clients assets are periodically analysed and compared with historical stress events and regulatory outflow rates. In addition to short-term bank investments, we hold repo-eligible bonds and Money market paper in the financial investments as liquidity reserves. The refinancing of the loans is mainly done through broadly diversified customer deposits.

Credit risk: Credit quality of assets (CR1)

31.12.2023 in 1 000 CHF	Gross book values of		Allowances / impairments	Net values
	defaulted exposures	non-defaulted exposures		
1 Loans (excl. debt securities)	-	89 424	-	89 424
2 Debt securities	-	165 899	-	165 899
3 Off-balance sheet exposures	-	63	-	63
4 Total	-	255 386	-	255 386

The definition of defaulted positions corresponds to those of impaired loans, i.e. for these claims it is unlikely that the debtor will be able to meet its future obligations. Impaired loans, as well as any collateral, are to be valued at liquidation value and value adjusted taking into account the credit-worthiness of the debtor.

Credit risk: Credit risk migration techniques - Overview (CR3)

	Exposures unsecured / book value	Exposures secured by collateral: secured amount	Exposures secured by financial guarantees or credit derivatives: secured amount
31.12.2023 in 1 000 CHF			
Loans (incl. debt securities)	255 323	-	-
Off-balance sheet exposures	63	-	-
Total	255 386	-	-
of which defaulted	-	-	-

The Bank does not apply any risk mitigation techniques within the meaning of the capital adequacy regulations.

Credit risk: Exposures by exposure categories and risk weights under the standardized approach (CR5)

31.12.2023

in 1 000 CHF

	a	b	c	d	e	f	g	h	i	j
Exposure categories / risk weight	0%	10%	20%	35%	50%	75%	100%	150%	Andere	Total of credit risk exposures after CCF and CRM
1 Central governments and central banks	218 243	-	-	-	-	-	-	-	-	218 243
2 Banks and securities dealers	-	-	82 788	-	4 154	-	175	259	-	87 376
3 Other public sector entities and multilateral development banks	-	-	31	-	2	-	-	-	-	33
4 Corporates	-	-	1 012	-	-	-	247	-	-	1 259
5 Retail	-	-	-	-	-	-	10 487	-	-	10 487
6 Equity interest	-	-	-	-	-	-	161	12	-	173
7 Other exposures	224	-	-	-	-	-	13 626	-	-	13 850
8 Total	218 467	-	83 832	-	4 156	-	24 695	271	-	331 422
9 of which receivables secured by mortgage	-	-	-	-	-	-	-	-	-	-
10 of which overdue receivables	-	-	-	-	-	-	-	-	-	-

There were no significant changes during the reporting period.

Operational risk: General information (ORA)

Operational risks are explained in the annual report 2023 at the following points:

Management report: page 4-5

Notes on risk management, section operational risks: page 36

Interest rate risk: Objectives and policies concerning the risk management of the interest rate risk in the banking book (IRRBB)

a) Description of how the bank defines IRRBB for purposes of risk control and measurement.

Interest rate risk is the risk to a bank's equity and income arising from interest rate movements. Changes in interest rates affect the economic value of a bank's assets, liabilities and off-balance sheet items (present value perspective). They also affect the income from interest operations (income perspective). Of the three forms of interest rate risk, the Bank primarily considers the interest rate reset risk and secondarily the option risk in the case of variable-interest deposits without a fixed term. The basis risk is negligible.

b) Description of the bank's overall IRRBB management and mitigation strategies. Examples: Monitoring EVE and NII in terms of established limits, hedging practices, stress testing, outcomes analysis, the role of independent auditing (if not specifically described elsewhere for risks), the role and practices of the ALCO, the bank's practices to ensure appropriate model validation, and timely updates in response to changing market conditions.

The management of interest rate risks is an important element within the risk management process. On the basis of the guidelines defined in the framework concept by the Board of Directors and taking into account the size of the Bank as well as the type, scope, complexity and risk content of the business activities (proportionality principle), the interest rate risk should be kept within the defined risk tolerance.

c) The periodicity of the calculation of the bank's IRRBB measures and a description of the specific metrics that the bank uses to gauge its sensitivity to IRRBB.

The Bank calculates the interest rate risk quarterly on the basis of regulatory requirements. The measures shown in the disclosure are identical to the internal measures.

d) A description of the interest rate shock and stress scenarios that the bank uses to estimate changes to economic value and earnings.

Standard market software is used to create the interest rate risk report. The internal interest rate risk measurement system takes into account the six standard interest rate shock scenarios defined in FINMA's circular «Interest rate risks» as well as any additional interest rate shock scenarios specified by FINMA.

e) If modeling assumptions used in the bank's internal measurement system for interest rate risk (i.e. the EVE metric generated by the bank for purposes other than disclosure, such as for assessment of risk-bearing capacity) differ considerably from the modeling assumptions prescribed in Table IRRBB1 for the disclosure (see description under Table IRRBB1), the bank must provide a description of those assumptions and of their directional implications and explain its rationale for making those assumptions (e.g. historical data, published research, management judgment and analysis).

The published results correspond to the values used for internal interest rate risk management. EVE takes into account cash flows from interest-sensitive assets, liabilities (including all free deposits) and off-balance-sheet items in the banking book and trading book. Hidden reserves are also taken into account, regardless of whether they are counted as T2 capital, but not core capital (T1 capital).

f) A general description of how the bank hedges its IRRBB, as well as the associated accounting measures.

In accounting, the balance sheet values are shown at their nominal value.

All derivative financial instruments are measured at fair value. The valuation result of hedging instruments is recorded in the adjustment account. The positive and negative replacement values from derivative financial instruments are shown in the corresponding balance sheet items.

g) Description of key modeling and parametric assumptions used in calculating Δ EVE and Δ NI in Table IRRBB1 and in relation to the positions and currencies in Table IRRBBA1 according to the following breakdown:

In addition to the main currency, the Swiss franc, balance sheet transactions are conducted in foreign currencies. The following foreign currencies exceed 10% of the liabilities: EUR.

g1) - g3)	Change in economic value of equity (Δ EVE)	Determination of cash flows: Consideration of interest margins and other components	Cash flows (capital and interest payments) whose effective or replicated interest rate
		Mapping procedure: Description of the cash flow mapping procedures used	reset data lie within the respective maturity band limits are reflected in the corresponding maturity band.
		Discount rates: Description of (product-specific) discount rates or interpolation assumptions	Cash flows are rolled out on the basis of external conditions (customer rate) and discounted using a SARON/SWAP curve.
g4)	Changes in net interest income (Δ NI)	Description of the process and key assumptions of the model used to determine the change in net interest income	Own forecast
g5)	Variable positions	Description of the procedure including central assumptions and parameters for determining the interest rate reset date and cash flows of variable items	Replication models are used to determine the new interest rates and cash flows for positions in category II. The assumptions are regularly reviewed and adapted where necessary.
g6)	Positions with repayment options	Description of the assumptions and procedures used to account for behavioural early redemption options	Cash flows (capital and interest payments)
g7)	Time deposits	Description of the assumptions and procedures used to account for behaviour dependent early deductions	whose effective or replicated interest rate reset data lie within the respective maturity band limits are reflected in the corresponding
g8)	Automatic interest rate options	Description of the assumptions and procedures for taking into account automatic, behavior-independent interest rate options	maturity band.

g9) Derivative positions	Description of purpose, assumptions and procedures of linear and non-linear interest rate derivatives	The change in the market value of non-linear derivatives is considered in the calculation of the internal interest rate risk indicator.
g10) Other assumptions	Description of other assumptions and procedures affecting the calculation of values in tables IRRBBA1 and IRRBB1, such as currency aggregation and correlation assumptions of interest rates	The cash flows take into account the nominal value (capital) and interest payments. Interest payments include the base rate and all margin components. Because the Bank does not have a profit split system, the margin cash flow is not determined separately.

Interest rate risk: qualitative information to position structure and repricing (IRRBA1)

	31.12.2023			Average repricing		Longest repricing	
	Total	of which CHF	or total liabilities	Total	of which CHF	Total	of which CHF
Amounts due from banks	-	-	-	-	-	-	-
Amounts due from customers	-	-	-	-	-	-	-
Financial investments	168 411	165 887	-	0.09	0.09	-	-
Other assets	-	-	-	-	-	-	-
Amounts due to banks	-	-	-	-	-	-	-
Amounts due in respect of customer deposits	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-

	31.12.2023			Average repricing		Longest repricing	
	Volume in TCHF			maturity (in years)		maturity (in years) for	
						positions with a modeled	
						(not deterministic)	
Undefined interest rate reset date	of which			of which		of which	
	Total	CHF	or total liabilities	Total	CHF	Total	CHF
Amounts due from banks	77 419	43 903	10 619	0.08	0.08	-	-
Amounts due from customers	5 267	4 222	249	0.22	0.22	-	-
Other assets	-	-	-	-	-	-	-
Amounts due in respect of customer deposits, on sight in private and current accounts	175 464	16 345	137 905	0.22	0.22	-	-
Other liabilities	82 724	19 744	22 277	0.08	0.08	-	-
Amounts due in respect of customer deposits, cancellable but no transferable (savings deposit funds)	-	-	-	-	-	-	-
Total	509 285	250 101	171 050	0.13	0.10	-	-

Interest rate risk: quantitative information to present value and interest income (IRRBB1)

in 1 000 CHF	ΔEVE		ΔNII	
	(Change of present value)		(Change of earnings value)	
Period	31.12.2023	Previous year	31.12.2023	Previous year
Parallel shock up	496	459	-496	-2 922
Parallel shock down	-491	-454	458	2 862
Steeper shock	-425	-558		
Flattener shock	514	668		
Short rates shock up	637	812		
Short rates shock down	-641	-818		
Maximum	-641	-818	-496	-2 922
Period	31.12.2023		Previous year	
Tier 1	29 617		25 841	

The image features several stacks of silver coins, likely Euro cents, arranged in a way that creates a sense of depth. The stacks are positioned on the left and right sides of the frame, with some coins in the foreground being more sharply focused than those in the background. A dark red horizontal bar is overlaid across the middle of the image, containing the text.

Balance sheet
Income statement

Balance sheet

in 1 000 CHF	31.12.2023	21.12.2022	Changes
Assets			
Liquid assets	50 985	185 894	-134 909
Amounts due from banks	84 157	116 628	-32 471
Amounts due from customers	5 267	10 290	-5 023
Positive replacement values of derivative financial instruments	12 853	16 890	-4 037
Financial investments	168 437	3 111	165 326
Accrued income and prepaid expenses	2 475	2 724	-249
Participations	12	13	-1
Tangible fixed assets	2 034	1 638	396
Other assets	367	331	36
Total assets	326 587	337 519	-10 932
Liabilities			
Amounts due to banks	101 584	168 929	-67 345
Amounts due in respect of customer deposits	175 464	121 479	53 985
Negative replacement values of derivative financial instruments	14 506	16 485	-1 979
Accrued expenses and deferred income	3 192	2 502	690
Other liabilities	694	1 254	-560
Provisions	30	30	0
Bank's capital	12 000	12 000	-
Statutory capital reserve	4 549	4 549	-
of which tax-exempt capital contribution reserve	4 549	4 549	-
Statutory retained earnings reserve	1 564	1 564	-
Profit carried forward	7 728	4 957	2 771
Profit	5 276	3 770	1 506
Total liabilities	326 587	337 519	-10 932
Off-balance-sheet transactions			
Contingent liabilities	-	-	0
Irrevocable commitments	63	32	31

Income statement

in 1 000 CHF	2023	2022	Changes
Income and expenses from ordinary banking business			
Result from interest operations			
Interest and discount income	2 561	-806	3 367
Interest and dividend income from trading portfolios	-	-	-
Interest and dividend income from financial investments	1 015	-2	1 017
Interest expense	-222	1 694	-1 916
Gross result from interest operations	3 354	886	2 468
Changes in value adjustments for default risks and losses from interest operations	-	-	-
Net result from interest operations	3 354	886	2 468
Result from commission business and services			
Commission income from securities trading and investment activities	10 163	10 751	-588
Commission income from other services	18 372	17 330	1 042
Commission expense	-4 826	-5 319	493
Subtotal result from commission business and services	23 709	22 762	947
Result from trading activities and the fair value option	7 188	4 262	2 926
Other result from ordinary activities			
Other ordinary income	1 781	1 544	237
Other ordinary expenses	-	-7	7
Subtotal other result from ordinary activities	1 781	1 537	244

in 1 000 CHF	2023	2022	Changes
Operating expenses			
Personnel expenses	-13 467	-10 248	-3 219
General and administrative expenses	-15 487	-12 768	-2 719
Subtotal operating expenses	-28 954	-23 016	-5 938
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-477	-1 731	1 254
Changes to provisions and other value adjustments, and losses	-14	17	-31
Operating result	6 587	4 717	1 870
Extraordinary income	-	-	-
Extraordinary expenses	-	-	-
Taxes	-1 311	-947	-364
Profit	5 276	3 770	1 506
Appropriation of profit			
Profit	5 276	3 770	1 506
Profit carried forward	7 728	4 957	2 771
Distributable profit	13 004	8 727	4 277
Appropriation of profit			
Allocation to statutory capital reserves	-	-	-
Allocation to statutory retained earnings reserve	-	-	-
Distributions on the share capital	-	-	-
Dividend distributions	-1 500	-1 000	-500
of which share of distributions from retained earnings	-	-	-
Profit carried forward	11 504	7 727	3 777

Statement of changes in equity

	Bank's capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Voluntary retained earnings, reserves and profit / loss carried forward	Own shares (negative item)	Profit	Total
Equity at start of current period	12 000	4 549	1 564	-	4 958	-	3 770	26 841
Appropriation of profit 2023								
– Dividend	-	-	-	-	-	-	-1 000	-1 000
– Net change in profit carried forward	-	-	-	-	2 770	-	-2 770	-
Profit	-	-	-	-	-	-	5 276	5 276
Equity at end of current period	12 000	4 549	1 564	-	7 728	-	5 276	31 117



**Notes to the financial
statements 2023**

Explanatory notes on business activities

Business activities

InCore Bank AG acts as a provider of comprehensive banking services for other financial intermediaries. The Bank is able to provide the entire infrastructure that is needed for carrying out banking operations. This includes execution and settlement of trading and other banking transactions, securities custody including account and custodian account management, as well as operation of the corresponding systems. The Bank also provides Digital Asset Banking and Product Structuring Services. InCore Bank AG is a member of the SIX Swiss Exchange. Access to other trading venues is ensured through electronic communication networks.

The services are provided through the head office in Schlieren / Zurich, Switzerland.

The majority of the Bank's revenue (66%) comes from commission business and services. The result from trading and interest activities contributes 29% to ordinary income, while other ordinary income contributes 5%.

Business segments

The main activities in the individual business segments are as follows:

- Execution and settlement of banking transactions (BPO, outsourcing service for other financial service providers) and operation of the technical and operational infrastructure and the corresponding applications (Plug & Bank Technology Platform). The Bank provides its services in this area to financial intermediaries based in Switzerland and the Principality of Liechtenstein.
- Transaction banking, i.e. Brokerage & Global Custody including brokerage of securities, foreign

currencies, precious metals and derivative financial instruments, as well as brokerage and custody of digital assets. In addition, Payment Services and Paying Agent Services are provided to regulated financial intermediaries and so-called Actively Managed Certificates (AMCs) are offered.

The Bank provides its services primarily in Switzerland and Europe. As a broker and correspondent, it also maintains relationships with counterparties in Switzerland and abroad.

Commission business and services

Commission business and services mainly comprises brokerage, payment services and insourcing fees. In addition, the reporting year again saw significant income in the area of brokerage and custody of digital assets and for paying agent services.

Trading activities

Trading is limited to foreign exchange and precious metals. In this area, own positions are held to support automated settlement for outsourcing services and for the purpose of holding foreign currency reserves of financial intermediaries and converting them into Swiss francs.

Risk assessment

The Board of Directors and the Executive Board regularly address the material risks that the Bank is exposed to. Since the Bank only trades foreign exchange/precious metals on a small scale, these risks are primarily credit risks, operational risks (including money laundering risks) and liquidity risks. The risk mitigation measures, the internal controls and the reporting system are all incorporated into the risk assessment. In addition,

there is a strong emphasis on ensuring that the impact of these material risks on the annual financial statements is continuously monitored and assessed.

Risk management

Identifying, assessing, measuring, monitoring and managing risks associated with the banking business is of key importance to the Bank. The core elements of risk management are: the risk policy, ensuring comprehensive reporting on all risks, and defining various risk limits including corresponding monitoring and reporting.

The risk management process periodically assesses all individual risks and, if necessary, adjusts the implemented measures. The internal control system is the main tool used for identifying and assessing risks. All risks that the Bank is exposed to are recorded and evaluated in this ICS. The internal reporting system ensures appropriate and comprehensive reporting at different levels.

Both the Executive Board and the Audit & Risk Committee of the Board of Directors are regularly updated on the current risk situation in the form of a detailed quarterly risk report.

Credit risks

The Bank does not engage in any lending activities. All of the amounts due to/from banks and customers that are disclosed in the balance sheet relate to relationships with other financial service providers that are used to settle trading and payment transactions. To minimize counterparty risk, separate limits are defined which take into account the country, market and credit risks of the counterparties.

Market risks

Market risks for foreign exchange and precious metals are limited by means of a clearly defined limit system. The Bank uses current market values for valuations.

Liquidity risks

Liquidity risks are monitored continuously. The Bank has a high level of liquidity.

Operational risks

The Bank has internal regulations and policies and an appropriate control system for limiting and monitoring operational risks.

Default risks

Default risks mainly take the form of sight deposits as well as open derivative positions with other financial institutions. Default risks are determined daily for all counterparties on the basis of market values. Limits are also monitored daily.

Valuation of collateral

In addition, the required security (collateral for derivatives transactions) for customers is determined daily, and corresponding collateral is requested immediately. The requested collateral consists of sight deposits and securities valued at current prices.

Business policy regarding the use of derivatives and hedge accounting

To manage larger foreign currency holdings of the customer, forward forex transactions are concluded on the Bank's own account. At present, no further positions in derivative financial instruments are held on own account. The Bank does not currently use hedge accounting.

IT systems and business outsourcing

The Bank has outsourced its finance function to Equilas AG, Berne. This outsourcing is comprehensively governed in a contract in accordance with the regulations of the Swiss Financial Market Supervisory Authority. All employees of the service provider are subjected to banking secrecy, whereby the requirements for protecting customer data are fulfilled.

The standard Finnova banking software is used as the main information system. This system is operated by SOBACO Solutions AG, Schlieren. Detailed contractual provisions exist for this outsourcing. InCore Bank AG also uses various peripheral applications in conjunction with Finnova.

Customer documentation is printed and distributed by Maerki Baumann & Co. AG, Zurich.

Crypto Finance AG provides, maintains and develops infrastructure facilities for the encrypted storage and authorization of digital asset private keys.

Direct market access to the SIX Swiss Exchange and to national and international brokers makes it possible for securities transactions to be carried out fully electronically. The interbank applications of SIC, SIX SIS and SWIFT are used to clear and settle transactions. In addition, market information products provided by Bloomberg and SIX Financial Services are integrated into the Bank's network. All essential system components within the network have a redundant configuration.

The Bank's data centers are located at SOBACO Solutions AG, Schlieren, at two sites in Zurich.

Employees

As at the end of the year, the Bank had 78.7 employees (FTE-based, previous year: 63.7). Average number of employees in 2023: 69.95 (previous year: 55.1).

Accounting and valuation principles

Principles

The reporting, accounting and valuation principles are based on the Swiss Code of Obligations, the Swiss accounting standards for banks as laid out in the Banking Act, its Ordinance and the implementing provisions of FINMA, and on the statutory provisions.

General principles

InCore Bank AG prepares reliable assessment statutory single-entity financial statements. These present the Bank's financial situation in a way that makes it possible for third parties to form a reliable opinion.

Assets, liabilities and off-balance-sheet transactions are valued separately. Accounts are kept and financial reports filed in the local currency (Swiss francs).

Consolidation

InCore Bank AG does not have any participations to be consolidated. Since January 12, 2017, InCore Bank AG has been fully consolidated within SOBACO Holding AG, Schlieren.

Recognition and accounting

We recognize all business transactions in the Bank's books on the trade date and use them to determine the result as of that date. Spot transactions concluded but not yet settled are recognized applying the trade date accounting principle. Completed forward transactions are disclosed as off-balance-sheet transactions until the settlement date. After the settlement date, transactions are disclosed in the balance sheet.

Foreign currency translation

Balance sheet items denominated in a foreign currency are converted at the rate prevailing at the time of the transac-

tion (record date). Transactions in foreign currencies are translated at the exchange rate that applies on the date of the transaction. The effect of foreign currency adjustments is recorded in the income statement under «Result from trading activities and the fair value option».

For foreign currency translation as at the balance sheet date, the following exchange rates were used:

Currency	2023	2022
USD	0.8422	0.9251
EUR	0.9310	0.9886
GBP	1.0725	1.1156

Liquid assets

Liquid assets are recognized at nominal value.

Amounts due from/to banks

Amounts due from banks are recognized at nominal value less any necessary value adjustments for default risks. Amounts due to banks are recognized at nominal value.

Amounts due/from in respect of precious metal account deposits are valued at fair value based on the prices quoted on the balance sheet date.

Amounts due from customers and amounts due in respect of customer deposits

Amounts due from customers are recognized at nominal value less any necessary value adjustments for default risks. Amounts due in respect of customer deposits are recognized at nominal value.

Value adjustments for default risks

Value adjustments for default risks are created for all identifiable default risks in accordance with the principle of prudence. An impairment is applicable where the

expected recoverable amount (including collateral) is lower than the book value of the receivable. Value adjustments for default risks are deducted directly from the corresponding asset items.

Receivables are impaired if the debtor is unlikely to be able to meet the corresponding payment obligations. Impaired receivables and any collateral have to be valued at the liquidation value, and the value must be adjusted taking the debtor's creditworthiness into account. Items are valued individually and the impairment is covered by individual value adjustments.

Latent default risks are determined using empirical data. The amount of the value adjustments is established using a systematic approach and the impairment is also covered by individual value adjustments.

If a receivable is deemed to be fully or partially unrecoverable or if a debt waiver is granted, it is written off and charged against the corresponding value adjustment.

Trading activities

Trading means entering into actively managed positions in order to profit from fluctuations in the market price. The classification in the trading portfolio is established and documented accordingly when the transaction is concluded.

Trading positions are generally valued at fair value. The fair value is always determined using a price set on a price-efficient and liquid market.

If, in exceptional cases, no fair value is ascertainable, the valuation and recognition follow the principle of the lower of cost or market value.

Price gains or losses from the sale or valuation are recognized under «Result from trading activities and the fair value option». Interest and dividend income from trading portfolios is recognized under «Interest and dividend income». The refinancing of trading positions is not offset against interest operations. The result from primary market trading activities relating to securities issuing operations is recognized in the item «Result from trading activities and the fair value option».

Positive and negative replacement values of derivative financial instruments (derivatives)

All derivative financial instruments are measured at fair value. The valuation result from trading activities is recognized in the income statement under «Result from trading activities and the fair value option».

Due to the trade date principle, forward exchange transactions maturing within two days are recognised as cash items in the balance sheet.

Financial investments

Debt securities intended to be held to maturity are valued and recognized at acquisition value, and the premium/discount (interest component) is accrued over the term (accrual method). Default-risk-related changes in book value are recognized immediately by means of a charge to the item «Changes in value adjustments for default risks and losses from interest operations». If debt securities are sold or repaid prior to maturity, the realized gains and losses that correspond to the interest component are not recognized immediately, but are instead accrued over the remaining term to maturity.

Debt securities not intended to be held until maturity (available for sale) are valued at the lower of cost or market value.

Equity securities are valued at the lower of cost or market value. In the case of financial investments valued at the lower of cost or market value, an upwards revaluation to (max.) the historical or amortized cost is recognized where the fair value falls below the acquisition cost and then recovers. The balance of the changes in book value is recognized under «Other ordinary expenses» or «Other ordinary income».

In the case of the disposal of financial assets valued at the lower of cost or market value, the entire realized result is recognized under «Result from the disposal of financial investments».

Participations

The term «participations» covers equity securities held by the Bank in companies of an infrastructure nature, as well as securities held with the intention of a permanent investment, irrespective of the percentage of voting shares held. Participations are valued individually. The legal maximum limit is the acquisition value less economically necessary value adjustments.

Impairment testing is carried out on every balance sheet date. Any additional impairments have to be charged to the income statement under «Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets». The partial or full reversal of impairment is recorded in the item «Extraordinary income».

Tangible fixed assets

Tangible fixed assets are valued individually. Tangible fixed assets are recognized at acquisition cost and depreciated over their prudently estimated useful life. Impairment testing is carried out annually. If the impairment test establi-

shes that there has been a change in the asset's useful life or an impairment, non-scheduled depreciation is applied and the residual value is depreciated over the remaining useful life.

The asset is subjected to scheduled depreciation on a straight line basis over its estimated useful life. The estimated useful life for each asset category is as follows:

Category	Useful life
Costs for central banking system	10 years
Other software, IT and communication equipment	maximum 3 years
Movables (renovation) / hardware	maximum 5 years
Other tangible fixed assets, installations in third-party properties	maximum 10 years

Realized gains from the disposal of tangible fixed assets are recognized under «Extraordinary income», and realized losses are recognized under «Extraordinary expenses».

Treatment of past-due interest

Interest and commission are past due if payment is more than 90 days overdue. After that point, any interest and commission accruing may no longer be credited to the income statement until the outstanding amounts have been settled. The receivables arising from interest and commission accrued up to the end of the 90 day period are written off via the item «Changes in value adjustments for default risks and losses from interest operations».

Provisions

A provision represents a probable obligation based on a past event, the amount and/or due date of which is uncertain but can be reliably estimated.

The amount of the provision is determined on the basis of an analysis of the past event concerned and of events occurring after the balance sheet date, if such analysis contributes to further clarifying the situation. The amount has to be estimated in accordance with the economic risk posed, which is taken into account as objectively as possible. Where the time factor has a material impact, the amount of the provision must be discounted. The amount of the provision has to correspond to the expected future cash outflows. It must take account of the likelihood and reliability of these outgoing cash flows.

The sub-item «Other provisions» may contain hidden reserves.

Pension benefit obligations

The Bank operates a contribution-based pension scheme for its employees in form of a semi-autonomous solution. A legally independent employer fund also exists to cushion financial hardship among employees and retired employees. Employer contributions are disclosed under «Personnel expenses».

Taxes

The current income taxes and capital taxes payable on the respective result of the period and the defining capital are calculated in accordance with the applicable tax reporting regulations. Liabilities from current income taxes and capital taxes have to be disclosed in the item «Accrued expenses and deferred income».

Deferred income taxes are not determined and recorded.

Off-balance-sheet transactions

Off-balance-sheet transactions are recognized at nominal value. For identifiable default risks, provisions are created as liabilities on the balance sheet.

Changes to the accounting and valuation principles

There were no changes in the accounting and valuation principles.

Material events occurring after the balance sheet date

There have been no material events after the balance sheet date that significantly affect the Bank's assets, liabilities, financial position or results of operations at December 31, 2023.

Details on the balance sheet

Overview of the coverage of receivables and off-balance sheet transactions as well as the impaired receivables

in 1 000 CHF		Type of collateral			
		Secured by mortgage	Other	Unsecured	Total
Loans (before netting with value adjustments)					
Amounts due from customers		-	-	5 267	5 267
Total loans (before netting with value adjustments)					
	2023	-	-	5 267	5 267
	2022	-	-	10 290	10 290
Total value adjustments offset against loans value adjustments					
	2023	-	-	-	-
	2022	-	-	-	-
Total loans (after netting with value adjustments)					
	2023	-	-	5 267	5 267
	2022	-	-	10 290	10 290
Off-balance-sheet					
Contingent liabilities		-	-	-	-
Irrevocable commitments		-	-	63	63
Total off-balance-sheet					
	2023	-	-	63	63
	2022	-	-	32	32

in 1 000 CHF		Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Impaired loans / receivables					
	2023	-	-	-	-
	2022	-	-	-	-

Presentation of derivative financial instruments (assets and liabilities)

in 1 000 CHF	Trading instruments			Hedging instruments		
	Positive	Negative	Contract	Positive	Negative	Contract
	replacement	replacement		replacement	replacement	
values	values	volume	values	values	volume	
Interest rate instruments	-	-	-	-	-	-
Foreign exchange / precious metals	11 011	12 664	868 330	-	-	-
Forward contracts	11 011	12 664	868 224	-	-	-
Options (OTC)	0	0	106	-	-	-
Equity securities / indices	1 839	1 839	188 365	-	-	-
Futures	-	-	891	-	-	-
Options (exchange-traded)	1 839	1 839	187 474	-	-	-
Other	3	3	643	-	-	-
Futures	-	-	-	-	-	-
Options (exchange-traded)	3	3	643	-	-	-
Total before netting agreements	2023	12 853	1 057 338	-	-	-
	2022	16 890	1 680 114	-	-	-

in 1 000 CHF	Positive		Negative		Contract
	replacement	replacement	replacement	replacement	
values	values	values	values	volume	
Total after netting agreements	2023	12 853	14 506	1 057 338	
	2022	16 890	16 485	1 680 114	

Breakdown by counterparty

in 1 000 CHF		Central clearing houses	Banks and investment firms	Other
Positive replacement values (after netting agreements)	2023	-	12 853	-

Financial investments

in 1 000 CHF	2023		2022	
	Book value	Vair value	Book value	Vair value
Debt securities	168 269	168 157	2 946	2 778
of which own bonds and medium-term notes	-	-	-	-
of which, intended to be held to maturity	168 269	168 157	2 946	2 778
Equity securities	161	379	161	361
of which, qualified participations	-	-	-	-
Crypto assets	7	7	4	4
Total financial investments	168 437	168 543	3 111	3 143
of which, securities eligible for repo transactions in accordance with liquidity requirements	165 900	165 843	2 025	1 960

Breakdown of counterparties by rating

in 1 000 CHF	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Lower than B3	Without rating
Debt securities: book values	168 269	-	-	-	-	-

InCore Bank AG relies on Moody's rating classes.

Participations

in 1 000 CHF	Other partici- pations	Minority par- ticipations	Total partici- pations
Acquisition cost	-	20	20
Accumulated value adjustments and changes in book value	-	-7	-7
Book value previous year end	-	13	13
Value adjustments	-	-1	-1
Book value as at end of current year	-	12	12

All participations are without market value.

Tangible fixed asset

in 1 000 CHF	Central banking system	Proprietary or separately acquired software	Other tangible fixed assets	Total tangible fixed assets
Acquisition cost	18 239	277	1 997	20 513
Accumulated depreciation	-18 239	-235	-401	-18 875
Book value previous year end	-	42	1 596	1 638
Additions	-	265	608	873
Depreciation	-	-80	-397	-477
Book value as at end of current year	-	227	1 807	2 034

Leasing obligations from operating leases

in 1 000 CHF	2023	2022
Multi-year leases until 2028 at the latest	1 498	1 764*
of which due during the year	-	-

* Adjusted calculation of the previous year's figure (previous year 1'374)

Other assets and liabilities

in 1 000 CHF	Other assets		Other liabilities	
	2023	2022	2023	2022
Settlement accounts	-	-	-	-
Indirect taxes	224	194	581	638
Other assets and liabilities	143	137	113	616
Total other assets and liabilities	367	331	694	1 254

Assets pledged or assigned to secure own obligations and assets subject to reservation of title

in 1 000 CHF	Pledged assets		Effective commitments	
	2023	2022	2023	2022
Pledged / assigned assets				
Financial investments	1 012	2 946	-	-

Details of the pension scheme

in 1 000 CHF	Overfunding / under- funding	Economic interest of the bank	Change recognised in profit or loss	Pension expenses	Pension expenses
	31.12.2023	2022 / 2023	2023	2023	2022
Economic benefit*	-	-	-	1 166	892
Total	-	-	-	1 166	892

*Pension plans without overfunding / underfunding

There ist no employer reserve.

Value adjustments and provisions, reserves for general banking risks

in 1 000 CHF	Bal- ance at pre- vious year end	Use in con- formity with desig- nated pur- pose	Reclassi- fications	Cur- rency differ- ences	Past due in- terest, recov- eries	New cre- ations char- ged to income	Releas- es to income	Bal- ance at current year end
Other provisions	30	-	-	-	-	-	-	30
Total provisions	30	-	-	-	-	-	-	30
Reserves for general banking risks	-	-	-	-	-	-	-	-
Value adjustments for default and country risks	-	-	-	-	-	-	-	-

Banks's capital

in 1 000 CHF	2023			2022		
	Total par value	No. of shares	Capital eligible for dividend	Total par value	No. of shares	Capital eligible for dividend
Share capital	12 000	12 000	12 000	12 000	12 000	12 000
Total bank's capital	12 000	12 000	12 000	12 000	12 000	12 000

Non-distributable reserves

in 1 000 CHF	2023		2022	
Non-distributable statutory capital reserve		4 549		4 549
Non-distributable statutory retained earnings		1 451		1 451
Total non-distributable reserves		6 000		6 000

Holders of significant participations and groups of holders of participations with pooled voting rights

in 1 000 CHF	2023		2022	
	Nominal	% of equity	Nominal	% of equity
with voting rights: Maerki Baumann Holding AG, Zurich ¹⁾	5 880	49	5 880	49
with voting rights: SOBACO Holding AG, Schlieren ²⁾	6 120	51	6 120	51

¹⁾ Owned by Dr. Carole Schmied-Syz, Erlenbach (21.8%) and Hans G. Syz-Witmer, Küsnacht (21.8%), CHSZ Holding AG, Zurich (51.3%; owned by Dr. Carole Schmied-Syz, Erlenbach (50%) and Hans G. Syz-Witmer, Küsnacht (50%)), third-party shareholders (5.1%)

²⁾ Owned by Peter R. Haist, Stetten (89%), Rhincodon Corporation AG, Zollikon (11%; owned by Amedeo C. Vaccani, Zollikon (100%))

Disclosure of amounts due from / to related parties

in 1 000 CHF	2023		2022	
	Amounts due from	Amounts due to	Amounts due from	Amounts due to
Holders of qualified participations	-	-	-	-
Group companies	73	282	50	202
Other related parties	6 406	8 138	1 983	8 871

Explanations regarding conditions

The Bank confirms that all transactions with related parties have been conducted at arm's length.

Maturity structure of current assets, financial assets and liabilities

in 1 000 CHF	Due							Total
	At sight	Cancel- lable	Within 3 months	Within 3 to 12 months	With- in 12 months to 5 years	After 5 years	No maturity	
Assets / financial instruments								
Liquid assets	50 985	-	-	-	-	-	-	50 985
Amounts due from banks	84 157	-	-	-	-	-	-	84 157
Amounts due from customers	5 267	-	-	-	-	-	-	5 267
Positive replacement values of derivative financial instruments	12 853	-	-	-	-	-	-	12 853
Financial investments	167	-	164 887	-	3 383	-	-	168 437
Total	2023	153 429	-	164 887	-	3 383	-	321 699
	2022	329 867	-	-	1 003	1 943	-	332 813
Debt capital / financial instruments								
Amounts due to banks	101 584	-	-	-	-	-	-	101 584
Amounts due in respect of customer deposits	175 464	-	-	-	-	-	-	175 464
Negative replacement values of derivative financial instruments	14 506	-	-	-	-	-	-	14 506
Total	2023	291 554	-	-	-	-	-	291 554
	2022	306 893	-	-	-	-	-	306 893

Balance sheet by domestic and foreign countries

in 1 000 CHF	2023		2022	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	50 985	-	185 894	-
Amounts due from banks	80 533	3 624	93 146	23 482
Amounts due from customers	5 065	202	2 674	7 616
Positive replacement values of derivative financial instruments	12 853	-	16 890	-
Financial investments	166 060	2 377	2 185	926
Accrued income and prepaid expenses	2 475	-	2 724	-
Participations	-	12	-	13
Tangible fixed assets	2 034	-	1 638	-
Other assets	367	-	331	-
Total assets	320 372	6 215	305 482	32 037
Liabilities				
Amounts due to banks	70 471	31 113	110 676	58 253
Amounts due in respect of customer deposits	3 046	172 418	1 438	120 041
Negative replacement values of derivative financial instruments	14 505	1	16 390	95
Accrued expenses and deferred income	3 192	-	2 502	-
Other liabilities	694	-	1 254	-
Provisions	30	-	30	-
Bank's capital	12 000	-	12 000	-
Statutory capital reserve	4 549	-	4 549	-
Statutory retained earnings reserve	1 564	-	1 564	-
Profit carried forward	7 728	-	4 957	-
Profit	5 276	-	3 770	-
Total liabilities	123 055	203 532	159 130	178 389

Assets by country or group of countries (domicile principle)

in 1 000 CHF	2023		2022	
	Absolute	Share as %	Absolute	Share as %
OECD countries	5 999	1.8	24 400	7.2
other countries	216	0.1	7 637	2.3
Total foreign receivables	6 215	1.9	32 037	9.5
Switzerland	320 372	98.1	305 482	90.5
Total assets	326 587	100.0	337 519	100.0

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

in 1 000 CHF	Bank's own country rating	Moody's	2023		2022	
			Net foreign exposure in CHF	Share as %	Net foreign exposure in CHF	Share as %
		Aaa – AA3	6 181	99.5	24 398	76.2
		A1 – A3	25	0.4	7 597	23.7
		Ba1 – Ba3	9	0.1	38	0.1
		Caa1 – C	-	0.0	-	0.0
		no Rating	-	0.0	4	0.0
	Total		6 215	100.0	32 037	100.0

Assets and liabilities broken down by the most significant currencies for the bank

in 1 000 CHF	CHF	EUR	USD	GBP	other
Assets					
Liquid assets	50 985	-	-	-	-
Amounts due from banks	43 903	10 619	7 191	224	22 220
Amounts due from customers	4 222	249	111	59	626
Positive replacement values of derivative financial instruments	11 927	500	413	12	1
Financial investments	166 066	-	2 371	-	-
Accrued income and prepaid expenses	2 475	-	-	-	-
Participations	-	12	-	-	-
Tangible fixed assets	2 034	-	-	-	-
Other assets	366	-	-	-	1
Total assets shown in balance sheet	281 978	11 380	10 086	295	22 848
Delivery entitlements from spot exchange, forward forex and forex options transactions	276 225	289 696	243 035	19 439	39 913
Total assets	558 203	301 076	253 121	19 734	62 761

in 1 000 CHF	CHF	EUR	USD	GBP	other
Liabilities					
Amounts due to banks	19 744	22 277	20 777	6 432	32 354
Amounts due in respect of customer deposits	16 345	137 905	7 387	3 324	10 503
Negative replacement values of derivative financial instruments	13 580	500	413	12	1
Accrued expenses and deferred income	3 192	-	-	-	-
Other liabilities	686	8	-	-	-
Provisions	30	-	-	-	-
Bank's capital	12 000	-	-	-	-
Statutory capital reserve	4 549	-	-	-	-
Statutory retained earnings reserve	1 564	-	-	-	-
Profit carried forward	7 728	-	-	-	-
Profit	5 276	-	-	-	-
Total liabilities shown in the balance sheet	84 694	160 690	28 577	9 768	42 858
Delivery entitlements from spot exchange, forward forex and forex options transactions	475 069	140 513	224 530	9 973	19 877
Total liabilities	559 763	301 203	253 107	19 741	62 735
Net position per currency	-1 560	-127	14	-7	26

Breakdown of fiduciary business

in 1 000 CHF	2023	2022
Fiduciary investments with third-party companies	93 704	84 194
Total fiduciary business	93 704	84 194

Details on the off-balance sheet

Managed assets

CHF Mio.	2023	2022
Type of managed assets		
Assets in collective investment schemes managed by the bank	-	-
Assets under discretionary asset management agreements	-	-
Other managed assets	-	-
Total managed assets	-	-
of which, double counting	-	-
Custody account management for financial intermediaries	11 512	11 396

The Bank does not conduct any client business of its own. The assets shown are exclusively assets of clients of other financial institutions and market participants that have been handed over to the Bank for safekeeping purposes. These custody assets also include cryptocurrencies.

Details on the income statement

Refinancing income in interest and discount income as well as from significant negative interest rates

No refinancing costs for the trading business are credited to interest and discount income.

Negative interest

in 1 000 CHF	2023	2022	Changes
Negative interest on the lending business (reduction of Interest and discount income)	19	1 153	-1 134
Negative interest on the borrowing business (reduction in interest expense)	30	1 882	-1 852

Result from trading activities

in 1 000 CHF	2023	2022	Changes
Foreign exchange and notes and coins business	6 822	4 111	2 711
Precious metals business	151	56	95
Securities trading	215	95	120
Total result from trading activities	7 188	4 262	2 926

Personnel expenses

in 1 000 CHF	2023	2022	Changes
Salaries	11 177	8 550	2 627
Social security benefits	2 071	1 581	490
Other personnel expenses	219	117	102
Total personnel expenses	13 467	10 248	3 219

General and administrative expenses

in 1 000 CHF	2023	2022	Changes
Office space expenses	440	332	108
Expenses for information and communications technology	10 567	8 726	1 841
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	11	5	6
Fees of audit firm(s) (Art. 961a no. 2 CO)	294	229	65
of which, for financial and regulatory audits	223	168	55
of which, for other services	71	70	1
Other operating expenses	4 175	3 476	699
Total general and administrative expenses	15 487	12 768	2 719

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

in 1 000 CHF	2023	2022
Expenses for current taxes	1 311	947
Total taxes	1 311	947
Average tax rate weighted on the basis of the operating result	19.90	20.24

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

Material losses / profit

In the financial year, there were individual minor settlement losses (totalling TCHF -14).

Value adjustments and provisions released

None

Significant release of hidden reserves

No hidden reserves were released during the financial year.



Report of the statutory auditors

Report of the statutory auditor

to the General Meeting of InCore Bank AG, Schlieren

Report on the audit of the financial statements

Opinion

We have audited the financial statements of InCore Bank AG (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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 29 to 56) 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.

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

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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.

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

Report on other legal and regulatory requirements

In accordance with art. 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed 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 AG



Roman Berlinger

Licensed audit expert
Auditor in charge



Adrian Oehri

Licensed audit expert

Zürich, 26 March 2024





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