



Compagnie Financière Tradition



Half-year
Report

2014

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OPERATING REVIEW

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FINANCIAL STATEMENTS

Such translations are made for information purposes only, and only the French version is binding.

OPERATING REVIEW

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Compagnie Financière Tradition continued to grow at a solid pace throughout the first half, maintaining the momentum of last year. Activity levels were up in all regions and across most asset classes during the period, largely driven by the Group's organic growth policy.

Against this backdrop, the Group's consolidated revenue, including the share of joint ventures, was up 9.2% at constant exchange rates to CHF 577.0m, compared with CHF 552.4m in the first six months of last year. Revenue from interdealer broking (IDB) business was up 9.4% at constant exchange rates to CHF 560.3m, while revenue from the online forex trading business for retail investors in Japan (Non-IDB), was ahead 4.9% to CHF 16.7m.

Operating profit, including the share of joint ventures, was CHF 79.9m against CHF 74.0m in H1 2023, up 12.0% at constant exchange rates, with an operating margin of 13.8% and 13.4% respectively.

The Group is active in all the major financial markets and operates in numerous currencies. Its results are therefore affected by movements in the exchange rates used to translate local figures into Swiss francs. In the tables below, variations in activity compared with H1 2023 are presented at constant exchange rates, to give a clearer analysis of underlying performance, as well as at current exchange rates used to prepare the income statement.

Companies jointly controlled with other partners are proportionally consolidated in the Group's management reports, as this allows a more accurate evaluation of their economic performance and key indicators. This presentation method is used in reporting segment information in the notes to the interim and annual financial statements. The Group's revenue and operating profit, including the share of joint ventures, are presented below, with a reconciliation to reported figures.

REVENUE

Business activity grew during the year with reported consolidated revenue of CHF 537.1m compared with CHF 513.3m in H1 2023, an increase of 9.2% at constant exchange rates, or 4.6% at current exchange rates.

Analysis of revenue by business and product group:

CHFm	30 June 2024	30 June 2023	Variation at current exchange rates	Variation at constant exchange rates
Currencies and interest rates	233.5	225.0	+3.7%	+7.4%
Securities and security derivatives	172.7	179.8	-3.9%	+3.1%
Commodities and other	154.1	129.2	+19.2%	+21.5%
IDB business	560.3	534.0	+4.9%	+9.4%
Non-IDB business	16.7	18.4	-9.3%	+4.9%
Total revenue including share of joint ventures	577.0	552.4	+4.4%	+9.2%
Equity accounted joint ventures	-39.9	-39.1		
Total reported revenue	537.1	513.3	+4.6%	+9.2%

Analysis of consolidated revenue by region:

CHFm	30 June 2024	30 June 2023	Variation at current exchange rates	Variation at constant exchange rates
United Kingdom	172.8	143.2	+20.6%	+21.5%
Continental Europe	75.1	82.5	-8.9%	-7.2%
Europe, Middle East and Africa	247.9	225.7	+9.8%	+11.0%
Americas	187.8	184.4	+1.8%	+8.7%
Asia-Pacific	141.3	142.3	-0.7%	+7.0%
Total revenue including share of joint ventures	577.0	552.4	+4.4%	+9.2%
Equity accounted joint ventures	-39.9	-39.1		
Total reported revenue	537.1	513.3	+4.6%	+9.2%

EUROPE, MIDDLE EAST AND AFRICA

Our activities managed from our London office, the Group's largest operation, accounted for 29.9% of consolidated revenue in H1 2024, against 25.9% in 2023. Overall, revenue booked was up 21.5% on the figure for the previous period at constant exchange rates. In Continental Europe, revenue was down 7.2% at constant exchange rates. The region represented 13.0% of adjusted consolidated revenue, against 14.9% in the previous period.

Revenue generated in this region includes that of the Group's electronic trading platforms, Trad X for interest rate swaps in euros, and ParFX for spot forex.

AMERICAS

Revenue was up 8.7% on the previous period at constant exchange rates. Overall, activities in the U.S. generated 32.6% of consolidated revenue, against 33.4% in 2023. The figures for this region include revenue from Trad-X for interest rate swaps in dollars and from Bonds.com for bonds.

ASIA-PACIFIC

Revenue was up 7.0% on H1 2023 at constant exchange rates. The region accounted for 24.5% of consolidated revenue against 25.8% in the previous period. Revenue for this region includes the forex trading business for retail investors in Japan operated by Gaitame.com.

OPERATING PROFIT

Operating profit, including the share of joint ventures, was CHF 79.9m compared with 74.0m in H1 2023, an increase of 12.0% at constant exchange rates, with an operating margin of 13.8% and 13.4% respectively in the previous period. IDB operating profit, including the share of joint ventures, was up 14.1% at constant exchange rates to CHF 71.6m, with a margin of 12.8% against 12.0% in 2023.

At Gaitame.com, in Japan, operating profit increased to CHF 8.3m against CHF 9.8m in H1 2023, with a margin of 49.7% against 53.0% in 2023.

Reported operating profit was CHF 67.4m against CHF 60.9m in 2023, up 13.5% at constant exchange rates with an operating margin of 12.6% against 11.9% in the previous period.

The reconciliation of the operating profit including the share of joint ventures to reported operating profit is as follows:

CHFm	30 June 2024	30 June 2023	Variation at current exchange rates	Variation at constant exchange rates
Operating profit including share of joint ventures	79.9	74.0	+7.9%	+12.0%
Operating margin including share of joint ventures in %	13.8%	13.4%		
Equity accounted joint ventures	-12.5	-13.1		
Reported operating profit	67.4	60.9	+10.8%	+13.5%
Reported operating margin in %	12.6%	11.9%		

NET PROFIT

The Group recognised net financial income of CHF 1.7m in the first six months of 2024, against net financial expense of CHF 4.5m in 2023. The interest rate environment positively impacted interest income from cash investments. Income generated, net of interest expense on bank borrowings and bonds, was up CHF 2.2m from the previous period to CHF 2.6m, against CHF 0.4m in H1 2023. Net foreign exchange gains and losses driven by exchange rate fluctuations had a marginal impact on the period, compared with a loss of CHF 3.9m in 2023.

The share in the results of associates and joint ventures was CHF 12.4m against CHF 12.8m in H1 2023, up 7.0% at constant exchange rates.

The Group's tax expense amounted to CHF 17.6m against CHF 15.1m in H1 2023 for an effective tax rate of 26% against 27% in the previous period.

Consolidated net profit was CHF 63.9m compared with CHF 54.0m in H1 2023 with a Group share of CHF 60.0m against CHF 51.0m in 2023, an increase of 24.5% at constant exchange rates. Basic earnings per share increased by 21.9% at constant exchange rates to CHF 7.98, compared with CHF 6.93 in the previous period.

BALANCE SHEET

The Group's strong balance sheet, focused on a strong capital position while keeping a low level of intangible assets and a strong net cash position, continues as of June 30, 2024. Indeed, consolidated equity, before deduction of treasury shares in the amount of CHF 35.1m, was CHF 492.0m, with net cash, including the Group's share in the net cash of joint ventures, of CHF 251.6m whereas gross cash amounted to CHF 464.7m.

Consolidated equity stood at CHF 456.9m at 30 June 2024 (31 December 2023: CHF 426.0m) of which CHF 436.4m was attributable to shareholders of the parent (31 December 2023: CHF 405.1m). Total cash, including financial assets at fair value, net of financial debt, was CHF 171.8m at 30 June 2024 against CHF 173.2m at 31 December 2023.

REGULATORY DEVELOPMENTS

The section below outlines the major regulatory developments in the first half of 2024 in the regions where CFT does business.

As was the case in 2023, regulators were focused on environmental, social, and governance (ESG) related matters, cyber security risks and resilience.

AMERICAS

USA

The first half of 2024 has been overshadowed by the upcoming US presidential election. As the political battleground takes shape, current polls are indicating that the Republican candidate, Donald Trump, is leading the race for the White House. The Fed has delayed cutting interest rates although inflation continues to edge closer to the 2% target rate. Looking ahead to the rest of the year, global conflicts, cyber security, consumer protection, and ESG are high on the agenda, while controls and governance of decentralised finance and advancements in the use of cryptocurrencies and digital assets remain focal points for the primary US regulatory bodies.

CFTC

Early in 2024, the CFTC's newly formed AI Task Force announced a request for comment (RFC) on the current and potential uses and risks of artificial intelligence (AI) in CFTC-regulated derivatives markets, with particular interest in the compliance efforts in this field. The RFC focused on how CFTC-regulated firms use AI and mitigate AI-related risks. This also signals the CFTC's entry into a larger movement among financial regulators aimed at understanding how companies utilise and manage AI.

In its Spring 2024 regulatory agenda the CFTC addressed more specific areas of operation, such as risk management and resilience, consumer protections, efficiency and innovation, reporting and data policy, duplicative regulatory requirements, and international comity. These efforts aim to ensure that, in the areas affected by what the CFTC call, "the dominant disruptors of our current era", important questions are raised, and answered, about conflicts of interest, the strength of capital, margin and segregation requirements, the role and responsibilities of self-regulatory organisations, and affiliate risk management.

SEC

During the first half of 2024, the Securities and Exchange Commission (SEC) continued its focus on core market stability functions and reiterated its commitment to enhance its crypto-monitoring capabilities as a particular area of attention, despite criticism and accusations of overreach stifling innovation in this field. Other key ongoing activities include record-keeping and off-channel communications along with ensuring registrants disclose emerging and evolving risks, such as those related to supply chain issues, commercial real estate, and cyber-related disclosures. With the new cybersecurity disclosure rules now in effect, the SEC again stated that companies should consider qualitative and quantitative factors when assessing the material impact or likely material impact of a cybersecurity incident.

The SEC also published its Spring 2024 regulatory agenda detailing upcoming activity in more specific areas including: the introduction of Security-based Swap Execution Facilities and reporting of Security-Based Swap Positions, Open-end Fund Liquidity Risk Management Programs, Conflicts of Interest Associated with the Use of Predictive Data Analytics by Broker-Dealers and Investment Advisers, Safeguarding Advisory Client Assets, Enhanced Disclosures by Certain Investment Advisers and Investment Companies on ESG Investment Practices, and activities related to exchange-traded products (ETPs).

EUROPE

United Kingdom

The ESG landscape continues to expand. In the EU the Corporate Sustainability Reporting Directive (CSRD) introduces more detailed sustainability reporting requirements for listed companies. The UK Financial Conduct Authority (FCA) finalised its Sustainability Disclosure Requirements (SDR) investment labelling regime, and anti-greenwashing rule in December 2023. Most of the new rules will take effect from 2024. The anti-greenwashing rule will apply to all FCA-authorized firms.

The regulators proposed new Diversity, Equity, and Inclusion (DEI) reporting and disclosure requirements for larger firms (those with more than 251 employees) which need to set a DEI strategy and specific targets.

As part of new guidance on non-financial misconduct, the FCA aims to inform firms on how to deal with non-financial misconduct when assessing fitness and propriety or applying the Conduct Rules.

The FCA published a Market Watch on "flying" and "printing", which highlights its concerns over these market practices.

The European anti-money laundering regime has been formally adopted (AML/CFT.) The aim of this legislation is to harmonise different national rules and to create a single AML rulebook. A new AML watchdog - the AML Authority (AMLA) - has been established and is expected to begin operations in 2025.

European Union

In February, the European Council and European Parliament reached a provisional political agreement on a review of the European market infrastructure regulation (EMIR) and directive. The review aims to make the EU clearing landscape more attractive and resilient by streamlining and shortening procedures, improving consistency between rules, strengthening supervision of central counterparties (CCP) and requiring market participants of substantial systemic importance, who are subject to a clearing obligation, to have an operationally active account at an EU CCP.

In addition, the European Parliament has adopted a package of laws strengthening the EU's toolkit to fight money-laundering and terrorist financing (AML/CFT). The new laws ensure that people with a legitimate interest will have immediate, unfiltered, direct and free access to beneficial ownership information held in national registries and interconnected at EU level. The laws also give Financial Intelligence Units (FIUs) more powers to analyse and detect money laundering and terrorist financing cases as well as to suspend suspicious transactions. To supervise the new rules on combatting money laundering, a new authority - the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) - will be established in Frankfurt.

New EU rules on market integrity also entered into effect, extending the scope of regulation to new trading platforms. Europe remains a world leader through the introduction of ESG regulations. Application of the Corporate Social Responsibility Directive (CSRD) is being phased in from the start of 2024, and aims to enhance transparency and disclosure of ESG practices for businesses. The European Council and European Parliament reached a provisional agreement on a proposal for a regulation on ESG rating activities, which aims to boost investor confidence in sustainable products.

ASIA-PACIFIC

Japan

In the first half of 2024, Japan's Financial Services Agency (JFSA) introduced significant regulatory changes impacting intermediaries in the derivatives market. In January, new guidelines imposed stricter reporting standards and heightened internal controls for OTC derivatives traders. These guidelines are in line with the international push for transparency and risk management in financial markets. By March, the JFSA had revised its capital adequacy requirements to meet the evolving market conditions and ensure the robustness of financial intermediaries. Additionally, new cybersecurity measures were enforced to protect against the increasing threat of cyberattacks on digital trading platforms. These updates were complemented by the introduction of new disclosure requirements aimed at increasing the transparency of derivatives trading activities.

South Korea

In South Korea, the Financial Services Commission (FSC) and the Bank of Korea (BOK) made significant strides in enhancing market accessibility and regulatory compliance for derivatives intermediaries. February saw the implementation of reforms that extended foreign financial institutions' participation in the FX market and imposed new margin requirements for derivatives that exceed significant thresholds. The FSC also abolished the longstanding foreign investor registration system, simplifying the regulatory landscape for foreign participants. In April, amendments to the Financial Investment Services and Capital Markets Act (FSCMA) introduced new transparency and reporting obligations for intermediaries, reinforcing the government's commitment to robust financial market regulation.

Hong Kong

The Securities and Futures Commission (SFC) and Hong Kong Monetary Authority (HKMA) introduced several key regulatory updates for derivatives intermediaries. In March, the SFC released enhanced guidelines for OTC derivatives reporting, including the implementation of a Unique Transaction Identifier and Unique Product Identifier to improve the granularity and accuracy of trade data. The SFC also updated its AML and Counter-Financing of Terrorism Guidelines to enhance compliance with international standards. Additionally, the launch of the second phase of the Swap Connect programme in May facilitated increased international investor access to mainland China's derivatives market through Hong Kong.

Philippines

The Bangko Sentral ng Pilipinas (BSP) and the Philippine Securities and Exchange Commission (SEC) introduced new regulations to enhance the oversight and risk management of derivatives intermediaries. In January, the BSP endorsed the adoption of digital identity verification for all financial transactions, including derivatives trading, to bolster customer protection and reduce fraud. The SEC's new "Sustainable Finance Roadmap," introduced in June, requires intermediaries to disclose climate-related financial risks, aligning with the global trend towards sustainable finance. In January 2024, the SEC issued a Memorandum Circular (MC No. 02, Series of 2024) focusing on implementing a zero-contact policy and automating business-related transactions. In May it imposed the requirement for all SEC covered persons to attend organised training by the Anti-money Laundering Council (AMLC) and submit proof of training to the Anti-money laundering Division.

Thailand

In Thailand, the Securities and Exchange Commission (SEC) issued new guidelines in February 2024 for derivatives intermediaries to manage climate-related financial risks as part of their investment strategies. The guidelines are aligned with the United Nations Sustainable Development Goals (SDGs) and aim to enhance transparency and risk management. By May, the SEC had also introduced new reporting requirements for intermediaries to improve risk management and compliance with international standards.

Singapore

The Monetary Authority of Singapore (MAS) continued to strengthen its regulatory framework for derivatives intermediaries in the first half of 2024. In March, MAS introduced new regulations requiring enhanced risk governance frameworks and increased transparency in reporting risk exposures for OTC derivatives trading. The Authority also issued a consultation paper on mandatory ESG disclosures for derivatives intermediaries, which is expected to align with international sustainability standards. By June, new capital adequacy requirements were finalised, ensuring that intermediaries maintain robust financial health in a volatile market. In March, MAS issued a Consultation Paper on the Proposed Notice on Prevention of Money Laundering and Countering the Financing of Terrorism for Organised Market Operators Formed or Incorporated in Singapore. The proposed Notice intends to require organised market operators to conduct client due diligence checks in relation to all non-regulated financial institutions (non-FI) clients. In May, MAS expanded the scope of the Guidelines on Fair Dealing to formally recognise the application of fair dealing principles to all financial institutions (FI) beyond advisory services and investment products. In addition, it issued Notice FSM-N21 on Requirements on Technology Risk Management for Capital Markets Financial Institutions. This notice sets out requirements for high-level reliability, availability, and recoverability of critical IT systems. The notice specified recovery time objective (RTO) timelines, system recovery testing and incident notification requirements to the regulator.

Indonesia

Indonesia's Financial Services Authority (OJK) and Bank Indonesia (BI) introduced several key regulatory updates for derivatives intermediaries. In January, BI launched a public consultation on the development of a digital currency for derivatives trading, aiming to foster innovation while maintaining market stability. OJK issued new guidelines focused on enhancing the operational risk management capabilities of intermediaries, particularly those involved in digital derivatives platforms. These measures are designed to ensure that intermediaries are better equipped to handle the complexities of the modern financial landscape.

Australia

The Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA) introduced significant regulatory changes for derivatives intermediaries in early 2024. ASIC implemented new requirements for OTC derivatives issuers, focusing on improved risk management and transparency. In March, ASIC announced the extension of legislative instruments affecting managed funds and derivatives trading, ensuring compliance with evolving market practices. APRA's new guidelines on managing climate-related financial risks for derivatives intermediaries, introduced in May, further underscored the importance of sustainable finance in the regulatory landscape. In June, ASIC introduced Information Sheet 283, providing guidance on the importance of supervising representatives, managing risks from unmonitored business communications, and supervisory arrangements to monitor business communications.

New Zealand

The Financial Markets Authority (FMA) of New Zealand introduced several regulatory updates for derivatives intermediaries in the first half of 2024. In March, new regulations were issued to enhance the transparency and accuracy of derivatives reporting, in line with international best practices. The FMA also released a consultation paper in June on the implementation of mandatory ESG reporting for derivatives market participants, highlighting the growing importance of sustainability in financial markets. These measures are expected to significantly improve market integrity and investor protection in New Zealand's derivatives market.

OUTLOOK

The Group's activity in July and August continued along the lines of the first half of the year. In addition, Compagnie Financière Tradition intends to pursue its growth strategy, primarily organic, as well as its investments in its brokerage activity in order to accelerate its digitalization across all its operations as well as in its data and analytics activities with the support of its developed data science expertise. In addition, maintaining the quality of its balance sheet and its strong cost discipline will remain key strategic priorities.

**INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS
ENDED 30 JUNE 2024**

2025

INTERIM CONSOLIDATED INCOME STATEMENT

CHF 000	Notes	30 June 2024	30 June 2023
Revenue	2	537,089	513,279
Other net operating income		1,246	676
Operating income		538,335	513,955
Staff costs		-382,378	-374,008
Other operating expenses		-76,657	-67,299
Depreciation and amortisation		-11,868	-11,776
Operating expenses		-470,903	-453,083
Operating profit		67,432	60,872
Financial income	3	8,095	4,435
Financial expense	3	-6,391	-8,955
Share of profit of associates and joint ventures	9	12,355	12,759
Profit before tax		81,491	69,111
Income tax	4	-17,605	-15,078
Net profit for the period		63,886	54,033
Attributable to:			
Shareholders of the parent		59,994	51,022
Non-controlling interests		3,892	3,011
Earnings per share (in CHF):			
Basic earnings per share		7.98	6.93
Diluted earnings per share		7.55	6.68

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CHF 000	Notes	30 June 2024	30 June 2023
Net profit for the period recognised in the income statement		63,886	54,033
Other comprehensive income that cannot be reclassified to profit or loss			
Financial assets at fair value through other comprehensive income		326	-34
Remeasurement of defined benefit schemes		-	-19
Total other comprehensive income that cannot be reclassified to profit or loss		326	-53
Other comprehensive income that can be reclassified to profit or loss			
Currency translation		23,219	-20,530
Other comprehensive income of associates and joint ventures	9	-560	-268
Total other comprehensive income that can be reclassified to profit or loss		22,659	-20,798
Other comprehensive income, net of tax		22,985	-20,851
Comprehensive income for the period		86,871	33,182
Attributable to:			
Shareholders of the parent		82,115	30,856
Non-controlling interests		4,756	2,326

INTERIM CONSOLIDATED BALANCE SHEET

CHF 000	Notes	30 June 2024	31 December 2023
ASSETS			
Property and equipment		16,229	17,201
Right-of-use assets	7	37,747	36,557
Intangible assets	8	51,514	50,195
Investments in associates and joint ventures	9	122,725	128,772
Financial assets at fair value through other comprehensive income		3,879	3,671
Financial assets at fair value through profit or loss		1,627	1,627
Other financial assets		9,800	9,663
Deferred tax assets		24,054	23,871
Unavailable cash and cash equivalents		32,458	29,595
Total non-current assets		300,033	301,152
Other current assets		14,565	12,862
Derivative financial instruments		149	386
Tax receivable		5,457	5,580
Trade and other receivables	6	727,128	309,591
Financial assets at amortised cost		46,974	28,597
Financial assets at fair value through profit or loss		3	3
Cash and cash equivalents		304,918	325,037
Total current assets		1,099,194	682,056
TOTAL ASSETS		1,399,227	983,208
EQUITY AND LIABILITIES			
Capital	12	20,066	19,366
Share premium		43,850	40,085
Treasury shares	12	-35,089	-27,510
Currency translation		-271,844	-293,639
Consolidated reserves		679,417	666,773
Total equity attributable to shareholders of the parent		436,400	405,075
Non-controlling interests		20,522	20,907
Total equity		456,922	425,982
Financial debts	11	209,641	209,553
Lease liabilities	7	32,717	32,613
Provisions		23,353	23,934
Deferred tax liabilities		333	260
Total non-current liabilities		266,044	266,360
Financial debts	11	5,635	416
Lease liabilities	7	14,734	13,668
Trade and other payables	10	632,408	256,879
Provisions		5,691	5,327
Tax liabilities		16,407	13,298
Derivative financial instruments		154	129
Deferred income		1,232	1,149
Total current liabilities		676,261	290,866
Total liabilities		942,305	557,226
TOTAL EQUITY AND LIABILITIES		1,399,227	983,208

INTERIM CONSOLIDATED CASH FLOW STATEMENT

CHF 000	Notes	30 June 2024	30 June 2023
Cash flows from operating activities			
Profit before tax		81,491	69,111
Depreciation and amortisation		11,868	11,776
Net financial result		-1,446	-140
Share of profit of associates and joint ventures	9	-12,355	-12,759
Increase/(decrease) in provisions		111	-5,946
Increase/(decrease) in deferred income		-4	171
Expense related to share-based payments	16	1,074	3,131
(Gains)/losses on disposal of fixed assets		-30	-5
(Increase)/decrease in receivables/payables related to matched principal and account holder activities		-3,576	-2,658
(Increase)/decrease in working capital		-36,989	14,495
Provisions paid		-8	-219
Interest paid		-1,634	-2,040
Interest received		5,217	3,351
Income tax paid		-13,125	-11,232
Net cash flows from operating activities		30,594	67,036
Cash flows from investing activities			
Acquisition of financial assets		-23,130	-28,405
Proceeds from disposal of financial assets		7,184	3,497
Acquisition of companies, net of cash acquired		-	-181
Acquisition of property and equipment		-1,051	-823
Purchase of intangible assets		-1,757	-1,117
Dividends received		17,348	20,129
Increase in unavailable cash		-817	184
Net cash flows from investing activities		-2,223	-6,716
Cash flows from financing activities			
Increase in short-term financial debts	11	2,668	1,413
Decrease in short-term financial debts	11	-	-8,000
Lease liabilities paid	7	-7,694	-7,710
Increase in capital	12	700	35
Acquisition of treasury shares	12	-7,658	-5,420
Proceeds from disposal of treasury shares	12	109	324
Dividends paid to non-controlling interests		-5,141	-3,277
Dividends paid to shareholders of the parent	13	-46,270	-40,676
Net cash flows from financing activities		-63,286	-63,311
Movement in exchange rates		12,276	-9,285
Movement in cash and cash equivalents		-22,639	-12,276
Cash and cash equivalents at start of period		324,621	306,416
Cash and cash equivalents at end of period	5	301,982	294,140

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHF 000 (except for number of shares)	Notes	Attributable to shareholders of the parent							Non-controlling interests	Total Equity
		Number of shares	Capital	Share premium	Treasury shares	Currency translation	Consolidated reserves	Total		
At 1 January 2023		7,654,385	19,136	37,713	-23,527	-236,862	620,344	416,804	25,712	442,516
Net profit for the period		-	-	-	-	-	51,022	51,022	3,011	54,033
Other comprehensive income		-	-	-	-	-20,113	-53	-20,166	-685	-20,851
Comprehensive income for the period			-	-	-	-20,113	50,969	30,856	2,326	33,182
Increase in capital		14,000	35	-	-	-	-	35	-	35
Acquisition of treasury shares		-	-	-	-5,420	-	-	-5,420	-	-5,420
Disposal of treasury shares		-	-	82	242	-	-	324	-	324
Dividends paid		-	-	454	7,781	-	-49,031	-40,796	-3,277	-44,073
Effect of changes in basis of consolidation		-	-	-	-	-	-	-	-4,813	-4,813
Exercise of share options		-	-	188	-	-	76	264	-	264
Impact of recognition of share options		-	-	-	-	-	4,431	4,431	-	4,431
At 30 June 2023		7,668,385	19,171	38,437	-20,924	-256,975	626,789	406,498	19,948	426,446
At 1 January 2024		7,746,385	19,366	40,085	-27,510	-293,639	666,773	405,075	20,907	425,982
Net profit for the period		-	-	-	-	-	59,994	59,994	3,892	63,886
Other comprehensive income		-	-	-	-	21,795	326	22,121	864	22,985
Comprehensive income for the period			-	-	-	21,795	60,320	82,115	4,756	86,871
Increase in capital	12	280,000	700	-	-	-	-	700	-	700
Acquisition of treasury shares	12	-	-	-	-7,658	-	-	-7,658	-	-7,658
Disposal of treasury shares	12	-	-	30	79	-	-	109	-	109
Dividends paid	13	-	-	-	-	-	-46,270	-46,270	-5,141	-51,411
Exercise of share options		-	-	3,735	-	-	-1,603	2,132	-	2,132
Impact of recognition of share options		-	-	-	-	-	197	197	-	197
At 30 June 2024		8,026,385	20,066	43,850	-35,089	-271,844	679,417	436,400	20,522	456,922

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Compagnie Financière Tradition SA is a public limited company with its registered office at 11 Rue de Langallerie, Lausanne. With a presence in more than 30 countries, the Compagnie Financière Tradition Group ("the Group") is one of the world's leading interdealer brokers of both financial products (money market products, bonds, interest rate, currency and credit derivatives, equities, equity derivatives, interest rate futures and index futures) and non-financial products (energy, precious metals, and environmental products). Its shares are listed on the SIX Swiss Exchange and the Third Market Segment of the Frankfurt Stock Exchange.

Publication of the interim consolidated financial statements for the period ended 30 June 2024 was approved by the Board of Directors on 29 August 2024.

BASIS OF PREPARATION

The interim consolidated financial statements for the six-months ended 30 June 2024 were prepared in accordance with IAS 34 - Interim Financial Reporting, as required by the Listing Rules of the SIX Swiss Exchange. They comprise the financial statements of Compagnie Financière Tradition SA and its subsidiaries ("the Group"). They should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023.

The accounting policies applied to the interim consolidated financial statements are identical to those in effect at 31 December 2023, except for the following changes which have been applied since 1 January 2024:

Standard	Name	Effective date
IAS 1 (amendments)	Classification of Liabilities as Current or Non-current	1 January 2024
IAS 1 (amendments)	Non-current Liabilities with Covenants	1 January 2024
IFRS 16 (amendments)	Lease Liability in a Sale and Leaseback	1 January 2024
IAS 7 and IFRS 7 (amendments)	Supplier Finance Arrangements	1 January 2024

The adoption of these new provisions had no material impact on the Group's consolidated financial statements.

Exchange rates

The main exchange rates against the Swiss franc used in consolidation are shown below:

		30 June 2024		30 June 2023	
		Closing rate	Average rate	Closing rate	Average rate
1 pound sterling	GBP	1.14	1.13	1.14	1.12
1 euro	EUR	0.96	0.96	0.98	0.99
100 Japanese yen	JPY	0.56	0.59	0.62	0.68
1 US dollar	USD	0.90	0.89	0.90	0.91

1 SEASONALITY

The Group's activities are not subject to particular seasonal variations given its diverse product mix and broad geographic footprint. Its activities depend mainly on market volatility. However, historically, business tends to slow down in December.

2 OPERATING SEGMENTS

The presentation of the Group's operating segments and the accounting policies applied in measuring the segment operating results are identical to those applied at 31 December 2023.

Segment information is disclosed below:

At 30 June 2024

CHF 000	Europe, Middle East and Africa	Americas	Asia-Pacific	Adjustments	Total
Revenue	246,982	186,178	144,553	-40,624	537,089
Operating profit	33,165	23,872	31,256	-20,861	67,432
Net financial result					1,704
Share of profit of associates and joint ventures					12,355
Profit before tax					81,491

At 30 June 2023

CHF 000	Europe, Middle East and Africa	Americas	Asia-Pacific	Adjustments	Total
Revenue	225,903	184,401	142,837	-39,862	513,279
Operating profit	30,583	24,641	27,990	-22,342	60,872
Net financial result					-4,520
Share of profit of associates and joint ventures					12,759
Profit before tax					69,111

Reconciliation of segment revenue to consolidated revenue is as follows:

CHF 000	30 June 2024	30 June 2023
Segment revenue	577,713	553,141
Application of the proportionate consolidation method for joint ventures	-39,882	-39,142
Other	-742	-720
Consolidated revenue	537,089	513,279

Reconciliation of the segment operating profit to consolidated operating profit is as follows:

CHF 000	30 June 2024	30 June 2023
Segment operating profit	88,293	83,214
Application of the proportionate consolidation method for joint ventures	-12,465	-13,182
Corporate expenses	-7,832	-6,420
Other	-564	-2,740
Consolidated operating profit	67,432	60,872

Information on products and services

A segment analysis of consolidated revenue from continuing operations is shown below:

CHF 000	30 June 2024	30 June 2023
Currencies and interest rates	214,142	207,972
Securities and security derivatives	171,316	178,136
Commodities and other activities	151,631	127,171
Total	537,089	513,279

3 NET FINANCIAL RESULT

CHF 000	30 June 2024	30 June 2023
Financial income		
Interest income	5,299	3,342
Income from equity investments	77	37
Exchange gains	2,719	1,056
Total	8,095	4,435
Financial expense		
Interest expense on financial debts	-2,692	-2,967
Interest expense on lease liabilities	-958	-1,042
Exchange losses	-2,741	-4,946
Total	-6,391	-8,955
Net financial result	1,704	-4,520

4 INCOME TAX

An analysis of tax expense is shown below:

CHF 000	30 June 2024	30 June 2023
Current tax expense	18,174	14,148
Deferred tax expense/(income)	-569	930
Income tax	17,605	15,078

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the cash flow statement are made up as follows:

CHF 000	30 June 2024	30 June 2023
Cash on hand and demand deposits	286,274	225,350
Short-term bank deposits	13,194	53,357
Short-term money market investments	5,450	20,061
Cash and cash equivalents in the balance sheet	304,918	298,768
<i>Less: bank overdrafts</i>	-2,936	-4,628
Cash and cash equivalents in cash flow statement	301,982	294,140

The bank overdrafts mainly concern the funding of failed trades in connection with matched principal transactions and are repaid once the transactions are settled.

6 TRADE AND OTHER RECEIVABLES

An analysis of this item is shown below:

CHF 000	30 June 2024	31 December 2023
Receivables related to matched principal activities	389,349	46,470
Trade receivables	225,041	170,526
Employee receivables	82,905	66,442
Related party receivables	12,275	9,422
Other short-term receivables	17,558	16,731
Total	727,128	309,591

"Receivables related to matched principal activities" include sales of securities that had passed the scheduled delivery date at 30 June 2024 and 31 December 2023. The corresponding securities purchases are presented as liabilities under "Trade and other payables".

7 LEASES

The Group's leases mainly concern offices used by employees in connection with their business activities.

Right-of-use assets

CHF 000	Buildings	Vehicles	Total
Net carrying amount at 1 January 2024	36,289	268	36,557
Additional assets	6,158	159	6,317
Depreciation	-7,078	-54	-7,132
Currency translation	2,004	1	2,005
Net carrying amount at 30 June 2024	37,373	374	37,747

Lease liabilities

CHF 000	30 June 2024	31 December 2023
Short-term		
Lease liabilities	14,734	13,668
Total	14,734	13,668
Long-term		
Lease liabilities	32,717	32,613
Total	32,717	32,613
Total lease liabilities	47,451	46,281

Movements in lease liabilities from financing activities presented in the cash flow statement were as follows:

CHF 000	1.1.24	Changes arising from cash flows	Non-cash changes		30.06.24
			Increase in lease liabilities	Currency translation	
Obligations locatives	46,281	-7,694	6,286	2,578	47,451
Total	46,281	-7,694	6,286	2,578	47,451

8 INTANGIBLE ASSETS

An analysis of intangible assets is shown below:

CHF 000	30 June 2024	31 December 2023
Goodwill	38,569	37,587
Software	6,555	6,321
Other	6,390	6,287
Total	51,514	50,195

9 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

This item covers the Group's share of equity accounted associates and joint ventures. Movements during the period are shown below:

CHF 000	Associates	Joint ventures	Total
At 1 January 2024	33,380	95,392	128,772
Net profit for the period	3,762	8,593	12,355
Other comprehensive income	-560	-	-560
Dividends paid	-7,437	-9,834	-17,271
Currency translation	2,159	-2,730	-571
At 30 June 2024	31,304	91,421	122,725

10 TRADE AND OTHER PAYABLES

An analysis of this item is shown below:

CHF 000	30 June 2024	31 December 2023
Payables related to matched principal activities	385,825	46,557
Accrued liabilities	191,864	161,526
Related party payables	6,412	5,752
Other short-term liabilities	48,307	43,044
Total	632,408	256,879

"Payables related to matched principal activities" include purchases of securities that had passed the scheduled delivery date at 30 June 2024 and 31 December 2023. The corresponding disposals of securities are presented as assets under "Trade and other receivables".

11 FINANCIAL DEBTS

CHF 000	30 June 2024	31 December 2023
Short-term		
Bank overdrafts	2,936	416
Bank borrowings	2,699	-
Total	5,635	416
Long-term		
Bond issues	209,641	209,553
Total	209,641	209,553
Total financial debts	215,276	209,969

Movements in financial debts from financing activities presented in the cash flow statement were as follows:

CHF 000	1.1.24	Changes arising from cash flows	Non-cash changes		30.06.24
			Other movements	Currency translation	
Short-term					
Bank borrowings	-	2,668	-	31	2,699
Total	-	2,668	-	31	2,699
Long-term					
Bond issues	209,553	-	88	-	209,641
Total	209,553	-	88	-	209,641

An analysis of bond issues is shown below:

Issuer	Year of issue and maturity	Outstanding face value CHF 000	Coupon	Effective interest rate	Carrying amount CHF 000	
					30 June 2024	31 December 2023
Compagnie Financière Tradition SA	2021-2027	CHF 80 000	1.875%	1.980%	79,757	79,723
Compagnie Financière Tradition SA	2019-2025	CHF 130 000	1.750%	1.850%	129,884	129,830
Total					209,641	209,553

12 SHARE CAPITAL AND TREASURY SHARES

Composition of share capital

Share capital at 30 June 2024 was CHF 20,065,963 (31 December 2023: CHF 19,365,963), consisting of 8,026,385 bearer shares (31 December 2023: 7,746,385) with a nominal value of CHF 2.50.

Following the conversion of subscription rights during the period, 280,000 new Compagnie Financière Tradition SA shares were issued at a price of CHF 2.50 per share. This operation increased capital by CHF 700,000.

Treasury shares

	Carrying amount CHF 000	Acquisition or redemption price CHF 000	Number of shares of CHF 2.50 nominal
At 1 January 2024	27,510	27,510	268,115
Acquisitions	7,658	7,658	58,157
Disposals	-79	-109	-889
Realised gains	-	30	-
At 30 June 2024	35,089	35,089	325,383

13 DIVIDENDS

The dividend for 2023 totalling CHF 46,270,000 was paid in cash on 27 May 2024 in accordance with a resolution of the Annual General Meeting of 21 May 2024.

14 FINANCIAL INSTRUMENTS

The table below shows the carrying amount of financial assets and liabilities and their fair value measurement according to the corresponding hierarchy level.

Fair value is not shown for items where the carrying amount is a reasonable estimate of their fair value. The methods used to measure fair value are identical to those applied at 31 December 2023.

At 30 June 2024					
CHF 000	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value					
Financial assets at fair value through other comprehensive income	3,879	-	3,879	-	3,879
Financial assets at fair value through profit or loss	1,630	1,630	-	-	1,630
Derivative financial instruments	149	-	149	-	149
Total	5,658	1,630	4,028	-	5,658
Financial assets at amortised cost					
Unavailable cash	32,458				
Trade and other receivables	669,925				
Financial assets at amortised cost	46,974				
Cash and cash equivalents	304,918				
Total	1,054,275				
Total financial assets	1,059,933	1,630	4,028	-	5,658
Financial liabilities at fair value					
Derivative financial instruments	154	-	154	-	154
Total	154	-	154	-	154
Financial liabilities at amortised cost					
Long-term bonds	209,641	209,035	-	-	209,035
Long-term lease liabilities	32,717				
Short-term financial debts:					
<i>Bank overdrafts</i>	2,936				
<i>Bank borrowings</i>	2,699				
Short-term lease liabilities	14,734				
Trade and other payables	632,408				
Total	895,135	209,035	-	-	209,035
Total financial liabilities	895,289	209,035	154	-	209,189

At 31 December 2023

CHF 000	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value					
Financial assets at fair value through other comprehensive income	3,671	-	3,671	-	3,671
Financial assets at fair value through profit or loss	1,630	1,630	-	-	1,630
Derivative financial instruments	386	-	386	-	386
Total	5,687	1,630	4,057	-	5,687
Financial assets at amortised cost					
Unavailable cash	29,595				
Trade and other receivables	261,896				
Financial assets at amortised cost	28,597				
Cash and cash equivalents	325,037				
Total	645,125				
Total financial assets	650,812	1,630	4,057	-	5,687
Financial liabilities at fair value					
Derivative financial instruments	129	-	129	-	129
Total	129	-	129	-	129
Financial liabilities at amortised cost					
Long-term bonds	209,553	210,125	-	-	210,125
Long-term lease liabilities	32,613				
Short-term financial debts:					
<i>Bank overdrafts</i>	416				
Short-term lease liabilities	13,668				
Trade and other payables	256,879				
Total	513,129	210,125	-	-	210,125
Total financial liabilities	513,258	210,125	129	-	210,254

15 OFF-BALANCE SHEET OPERATIONS

Commitments to deliver and receive securities

CHF 000	30 June 2024	31 December 2023
Commitments to deliver securities	349,679,462	293,570,646
Commitments to receive securities	349,678,331	293,570,354

Commitments to deliver and receive securities reflect buy and sell operations on securities entered into before 30 June 2024 and 31 December 2023 and closed out after these dates, in connection with the matched principal activities of Group companies.

16 SHARE-BASED PAYMENTS

Compagnie Financière Tradition SA granted 142,165 share options to Group employees during the first half of the year.

The fair value of options granted or changes made is determined at the grant date or change date using a valuation method that takes account of the general vesting characteristics and conditions prevailing at that date.

The following valuation parameters, based on historical observations, were used to determine the fair value of options granted:

Weighted averages	2024
Dividend yield	5.0%
Expected volatility	13.0%
Risk-free interest rate	0.8%
Share price on the grant date (in CHF)	120.1

The weighted average fair value of options on the grant date was CHF 12.1.

Options exercised only entitle holders to delivery of the shares. Share-based payment costs amounted to CHF 1,074,000 for the period (CHF 3,131,000 at 30 June 2023).