J. Safra Sarasin

Annual Report 2023

Bank J. Safra Sarasin Ltd

Sustainable Swiss Private Banking since 1841

Consolidated Financial Statements

Consolidated balance sheet

Assets	**31.12.2023** **CHF 000**	31.12.2022 CHF 000
Liquid assets	3,137,026	3,438,043
Amounts due from banks	3,415,481	3,929,152
Amounts due from securities financing transactions	8,750,000	8,850,000
Amounts due from customers	5,686,763	6,354,765
Mortgage loans	1,661,439	1,391,007
Trading portfolio assets	2,762,055	2,327,780
Positive replacement values of derivative financial instruments	1,225,741	1,191,820
Other financial instruments at fair value	863,256	1,458,001
Financial investments	8,034,200	4,742,132
Accrued income and prepaid expenses	622,127	177,335
Non-consolidated participations	37,552	37,552
Tangible fixed assets	501,134	506,699
Intangible assets	0	0
Other assets	129,874	132,304
Total assets	**36,826,648**	**34,536,590**
Total subordinated claims	143,453	165,825
of which subject to mandatory conversion and/or debt waiver	92,970	98,745

Liabilities		
Amounts due to banks	11,587,071	9,609,025
Liabilities from securities financing transactions	741,000	100,000
Amounts due in respect of customer deposits	18,164,387	18,962,768
Trading portfolio liabilities	52,127	15,069
Negative replacement values of derivative financial instruments	1,263,325	1,443,801
Liabilities from other financial instruments at fair value	857,841	1,091,457
Bond issues and central mortgage institution loans	2,000	4,002
Accrued expenses and deferred income	808,128	337,597
Other liabilities	226,045	271,972
Provisions	119,654	71,563
Reserves for general banking risks	177,479	114,400
Share capital	22,015	22,015
Capital reserve	844,797	844,797
Retained earnings reserve	1,689,318	1,470,318
Currency translation reserve	–73,049	–55,172
Minority interests in equity	10,103	1,366
Consolidated profit	334,407	231,612
of which minority interests in consolidated profit	6,458	10,784
Total liabilities	**36,826,648**	**34,536,590**
Total subordinated liabilities	136,069	133,606
of which subject to mandatory conversion and/or debt waiver	–	–

Consolidated off-balance sheet

CHF 000	**31.12.2023**	31.12.2022
Contingent liabilities	173,726	217,060
Irrevocable commitments	25,370	21,727
Obligations to pay up shares and make further contributions	1,817	1,817
Credit commitments	0	0

Consolidated income statement

CHF 000	**2023**	2022
Interest and discount income	1,021,338	365,461
Interest and dividend income from trading portfolios	0	0
Interest and dividend income from financial investments	116,511	69,710
Interest expense	–708,481	–145,372
Gross result from interest operations	429,368	289,799
Changes in value adjustments for default risks and losses from interest operations	–19,986	–27,950
Subtotal net result from interest operations	409,382	261,849
Commission income from securities trading and investment activities	533,486	574,432
Commission income from lending activities	2,703	3,262
Commission income from other services	42,346	43,814
Commission expense	–75,853	–72,690
Subtotal result from commission business and services	502,682	548,818
Result from trading activities and the fair value option	271,746	252,159
Result from the disposal of financial investments	65	4,927
Income from participations	4,176	3,641
of which, participations recognised using the equity method	0	0
of which, from other non-consolidated participations	4,176	3,641
Result from real estate	9,518	9,352
Other ordinary income	3,340	2,908
Other ordinary expenses	–21,301	–4,915
Subtotal other result from ordinary activities	–4,202	15,913
Operating income	**1,179,608**	**1,078,739**
Personnel expenses	–520,784	–503,466
General and administrative expenses	–133,129	–133,041
Operating expenses	**–653,913**	**–636,507**
Depreciation and amortisation of tangible fixed assets and intangible assets and value adjustments on participations	–23,140	–57,773
Changes to provisions and other value adjustments, and losses	–54,364	–34,217
Operating result	**448,191**	**350,242**
Extraordinary income	27	618
Extraordinary expenses	0	0
Changes in reserves for general banking risks	–63,079	–90,000
Taxes	–50,732	–29,248
Consolidated profit	**334,407**	**231,612**
of which minority interests in consolidated profit	6,458	10,784

Consolidated cash flow statement

	2023		2022	
CHF 000	**Source of funds**	**Use of funds**	Source of funds	Use of funds
Consolidated profit	334,407	0	231,612	0
Change in reserves for general banking risks	63,079	0	91,020	0
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	23,140	0	57,773	0
Provisions and other value adjustments	48,094	0	23,395	0
Change in value adjustments for default risks and losses	19,986	0	27,950	0
Accrued income and prepaid expenses	0	–448,864	0	–43,539
Accrued expenses and deferred income	479,088	0	30,298	0
Other items	0	0	0	0
Previous year’s dividend	0	0	0	0
Cash flow from operating activities	**518,930**		**418,509**	
Share capital	0	0	0	0
Capital reserves	0	0	0	0
Retained earnings reserve	0	–1,833	0	–729,392
Minority interests in equity	0	–1,411	0	–45,549
Cash flow from equity transactions		**–3,244**		**–774,941**
Participating interests	0	–285	0	–361
Bank building	0	0	0	0
Other fixed assets	0	–17,809	0	–18,761
Intangible assets	0	0	0	0
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets		**–18,094**		**–19,122**

CHF 000	2023 Source of funds	2023 Use of funds	2022 Source of funds	2022 Use of funds
Medium and long-term business (>1 year)				
Amounts due to banks	0	–443,113	69,258	0
Amounts due in respect of customer deposits	6,392	0	0	–19,031
Liabilities from other financial instruments at fair value	0	–216,567	0	–385,243
Bonds	0	0	0	0
Central mortgage institution loans	0	0	0	–56,412
Loans of central issuing institutions	0	–2,001	0	–1
Other liabilities	0	–43,820	61,090	0
Amounts due from banks	0	–363,908	103,615	0
Amounts due from customers	183,746	0	25,987	0
Mortgage loans	0	–391,563	26,361	0
Other financial instruments at fair value	112,640	0	100,149	0
Financial investments	0	–252,662	1,330,041	0
Other accounts receivable	0	–47,551	0	–96,715
Short-term business				
Amounts due to banks	2,492,923	0	5,021,730	0
Liabilities from securities financing transactions	641,000	0	100,000	0
Amounts due in respect of customer deposits	0	–302,913	0	–995,551
Trading portfolio liabilities	37,058	0	1,056	0
Negative replacement values of derivative financial instruments	0	–169,523	504,478	0
Liabilities from other financial instruments at fair value	0	–10,259	0	–650,697
Amounts due from banks	860,628	0	593,220	0
Amounts due from securities financing transactions	100,000	0	0	–8,757,518
Amounts due from customers	348,754	0	766,426	0
Trading portfolio assets	0	–462,849	254,271	0
Positive replacement values of derivative financial instruments	0	–39,645	0	–279,054
Other financial instruments at fair value	475,753	0	681,376	0
Financial investments	0	–3,307,906	136,684	0
Cash flow from banking operations		**–795,386**		**–1,464,480**
Conversion differences		**–3,222**		**–4**
Change in liquid assets		**–301,016**		**–1,840,038**

CHF 000	31.12.2023	31.12.2022
Liquid assets at beginning of the year (cash)	**3,438,043**	**5,278,081**
Liquid assets at the end of the year (cash)	**3,137,026**	**3,438,043**
Change in liquid assets	**–301,017**	**–1,840,038**

Presentation of the consolidated statement of changes in equity

CHF 000	Share capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Currency translation reserve	Minority interests	Result of the period	**Total**
Equity on 01.01.2023	**22,015**	**844,797**	**1,691,146**	**114,400**	**–55,172**	**12,150**		**2,629,336**
Currency translation differences			5		–17,877	–636		–18,508
Dividends and other distributions			0			–3,244		–3,244
Reserves for general banking risks				63,079				63,079
Transactions with minority shareholders			–1,833			1,833		0
Consolidated profit						6,458	327,949	334,407
Equity on 31.12.2023	**22,015**	**844,797**	**1,689,318**	**177,479**	**–73,049**	**16,561**	**327,949**	**3,005,070**

Consolidated notes

Name, legal form and domicile

Bank J. Safra Sarasin Ltd (the “Group”) is a global banking group in private banking services and asset management. As an international group committed to sustainability and well established in Europe, Asia, the Middle East and Latin America, the Group is a global symbol of private banking tradition, emphasising security and well-managed conservative growth for clients.

Bank J. Safra Sarasin Ltd is headquartered in Basel.

Accounting and valuation principles

The Group’s financial statements are presented in accordance with the Accounting Ordinance of the Swiss Financial Market Supervisory Authority (FINMA-AccO) and the accounting rules for banks, investment firms, financial groups and conglomerates pursuant to FINMA Circular 2020/1. Capital adequacy disclosures under FINMA Circular 2016/1 are published on our website www.jsafrasarasin.com.

Changes in accounting and valuation principles

Accounting and valuation principles remained unchanged. Selectively, changes to the method of presentation were made to improve the level of information provided. Consequences are explained in the notes where meaningful. Comparative information has been reported accordingly.

Consolidation principles

The consolidated financial statements are prepared in accordance with the True and Fair View principle. The consolidation period for all Group entities is the calendar year ending 31 December. The accounting and valuation principles of the entities have been adjusted, where materially different, to the Group’s consolidation principles.

Consolidation perimeter

The consolidated financial statements comprise those of Bank J. Safra Sarasin Ltd, Basel, as well as those of its subsidiaries and branches. Newly acquired subsidiaries are consolidated as from the time control is transferred and deconsolidated once control is relinquished.

Consolidation method

Participating interests of more than 50% are wholly consolidated using the purchase method if the Group has the control, i.e. if the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Assets and liabilities, as well as costs and revenues, are stated in full (100%). Minority shareholders’ interests in the net assets and net profit are stated separately in the balance sheet and the consolidated income statement. Participating interests between 20% and 50% are consolidated according to the equity method. The net profit and assets corresponding to such holdings are reflected in the consolidated accounts according to the percentage owned by the Group. Minor participating interests and those of less than 20% are stated as unconsolidated participations at their acquisition cost, after deduction of provisions for any necessary depreciation in value. When acquiring a participation, the difference between the book value of the acquired participation and its net asset value is allocated to goodwill.

Elimination of intra-Group receivables and payables

All items stated in the balance sheet and income statement (including off-balance sheet transactions) resulting from business relationships between Group companies are eliminated from the consolidated accounts.

Recording of transactions

All transactions concluded are recorded according to the settlement date accounting principle. Foreign exchange spot transactions and security transactions concluded but not yet executed are recorded as derivative financial instruments in the balance sheet positions “Positive (or negative) replacement values of derivative financial instruments". The corresponding assets and liabilities are recorded as contract volume in the off-balance sheet. Firm commitments to underwrite securities issues and money market time deposits are recognised at the settlement date.

Translation of foreign currencies

Income and expenses in foreign currencies arising during the year are translated at the exchange rates prevailing at the date of the transaction. Exchange differences are recorded in the statement of income. Assets and liabilities expressed in foreign currencies are converted at the daily rate of the balance sheet date. The income statements of Group entities are translated at the yearly average rate. The main exchange rates prevailing at the balance sheet dates are as follows:

Currency	31.12.2023	31.12.2022
USD/CHF	0.842	0.925
EUR/CHF	0.930	0.987

Outright forward exchange contracts are translated at the residual exchange rate prevailing at the balance sheet date. Profits and losses on these exchange positions are included in the foreign exchange results at the balance sheet date.

Consolidated supervision

The Group qualifies as a financial group within the meaning of Article 3c al. 1 of the Swiss Banking Act over which FINMA exercises consolidated supervision. The scope of consolidated supervision applies to all direct and indirect subsidiaries, branches and representative offices of the Group.

The Group has delegated to the Bank's governing bodies all duties, responsibilities and competencies related to the management and operations of its current business. This management includes the financial consolidation as well as the supervision, on a consolidated basis, of the activities of the Group.

The statutory financial statements of Bank J. Safra Sarasin Ltd are available upon request.

Cash, due from and to banks and clients

These items are stated at their nominal value. Known and foreseeable risks are reflected in individual value adjustments, which are stated directly under the corresponding headings of the balance sheet.

Amounts due from and liabilities from securities financing transactions

These items contain receivables and obligations from cash collateral delivered in connection with securities borrowing and lending transactions as well as from reverse repurchase and repurchase transactions. These items are stated at their nominal value. The transfer of securities in connection with a securities financing transaction does not require recognition of the securities in the balance sheet when the ceding party retains the economic power to dispose of the rights to the transferred securities.

Securities and precious metals trading portfolios

Trading balances are valued at market price on the balance sheet date. Realised and unrealised profits and losses are included in the item "Result from trading activities and the fair value option". Securities that are not traded regularly are stated at their acquisition cost, after deduction of the necessary depreciation. Interest and dividend income from trading balances are credited to "Result from trading activities and the fair value option". The Group offsets the interest and dividend income on trading portfolios with the cost of funding from these portfolios. Income from securities issuing operations (primary market trading activities of structured products) is recorded in the item "Result from trading activities and the fair value option".

Positive and negative replacement values of derivative financial instruments

Derivative instruments include options, futures and swaps on equities, stock indices, foreign exchange, commodities and interest rates, forward rate agreements, and forward contracts on currencies, securities and commodities. Derivative instruments are marked to market. For trading balances, realised and unrealised profits and losses are stated under the result from trading activities. Hedging transactions are recorded according to the rules applicable to the underlying position. If the underlying position is not marked to market, then the market value change of the hedge instrument is recorded in the compensation account in "Other assets or liabilities". In the case of an advance sale of an interest rate hedging instrument valued on the principle of accrued interest, the realised profit or loss is deferred and reported in the income statement over the initial duration of the instrument. If the impact of the hedging transactions is greater than that of the hedged positions, the surplus fraction is treated as a trading transaction.

Other financial instruments at fair value

The items "Other financial instruments at fair value" and "Liabilities from other financial instruments at fair value" contain self-issued structured products without inherent derivatives. Certificates issued are recorded in the balance sheet position "Liabilities from other financial instruments at fair value" and marked to market. The assets held for hedging purposes of the certificates (e.g. stocks, bonds, etc.) are recorded in the balance sheet position "Other financial instruments at fair value" and marked to market. If the hedging is effected with derivative financial instruments, the replacement values are recorded in the balance sheet positions "Positive (or negative) replacement values of derivative financial instruments".

Financial investments

Financial investments, intended to be held until maturity date, are stated at acquisition cost, less amortisation of any difference to nominal value over the period until maturity date (accrual method). Financial investments which are not intended to be held until maturity date, shares and similar securities and rights are stated at the lower of cost or market value. An impairment test is performed on a regular basis to determine any potential depreciation in the credit quality of the issuer.

Fixed assets and intangible assets

Fixed assets and intangible assets are stated at their acquisition cost. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets net of impairment considered necessary as follows:

	2023	2022
Fixed assets		
Bank premises and other buildings	50 years	50 years
Leasehold improvements/ renovations	10–20 years	10–20 years
Furniture and machines	3–10 years	3–10 years
Hardware	3–8 years	3–8 years
Software	3–8 years	3–8 years

	2023	2022
Intangible assets		
Goodwill	5–10 years	5–10 years
Other intangible assets	3–10 years	3–10 years

If, when acquiring a business, the costs of acquisition are higher than the net assets acquired, the difference represents the acquired goodwill. The goodwill is capitalised in the balance sheet and amortised linearly over the estimated useful life. Other intangible assets consist of acquired clientele.

Impairment of non-financial assets

On the balance sheet date, the Group determines whether there are any reasons for an impairment of non-financial assets. Goodwill and other intangible assets with indeterminate useful life are checked for impairment at least once a year, and also whenever events suggest their value is too high. Any other non-financial assets are reviewed for impairment if there are signs that their book value exceeds the realisable amount of the fair value. The estimated fair value of non-financial assets is determined on the basis of three valuation methods:

i. Comparable transactions
ii. Market comparables
iii. Model of discounting of cash flows

Value adjustments and provisions

For all potential and identifiable risks existing at the balance sheet date, value adjustments and provisions are established on a prudent basis. Value adjustments due from banks or due from customers, mortgages and bonds intended to be held until maturity date are deducted from the corresponding asset in the balance sheet.

Applicable accounting and valuation principles require the creation of value adjustments for inherent risks of default on non-impaired receivables and provisions for inherent risks of default of off-balance sheet positions. Such value adjustments and provisions are designed to provide for not yet incurred losses that implicitly exist in the credit business.

For positions with a published rating (e.g. due from bank, financial investments and money market investments), the value adjustment for inherent default risk is calculated by multiplying the Exposures at Default * Probability of Default * Loss Given Default.

The three parameters are defined as follows:
- Probability of Default (PD): the default rates by rating and by tenor published in the "Moody's annual default study"
- Exposure at Default (EAD): the balance positions reported on the balance sheet date
- Loss Given Default (LGD): average bond and loan recoveries from 1983 to 2022 published in the "Moody's annual default study".

For positions with no published rating (e.g. due from clients, mortgages, guarantees), the value adjustment for inherent default risk is based on the risk classification of the underlying credit exposure. Each of the 7 Credit Risk Classes ("CRC") – CRC 1 being standard – has an inherent default risk factor based on the probability of default and loss given default of the net exposure. The higher the risk class, the riskier the underlying credit exposure and the respective inherent default risk factor. The highest CRC is not considered in the inherent risk calculation as it is the CRC non-performing loans which already are provisioned. The inherent default risk factors are based on market benchmark comparison and historic default analysis of the lombard and mortgage portfolios. For the lombard loan portfolio, the PD and LGD factors cannot be monitored from market data as for e.g. issuers, so to derive the risk factor a combination of knowledge of our book and market sources (available peer comparison) is used. For the mortgage book published LGD and PD figures since 1990 could also be taken into consideration to derive the final risk figures. In addition, we continuously monitor credit risk concentration. A geographical concentration risk add-on is recognized subject to specific criteria and conditions. Such criteria include exceeding a relative threshold of the total exposure in a said category or exceeding a relative threshold of Group CET1 capital. The add-on is determined with a quantitative approach that incorporates progressive PD and LGD factors over CRC.

Inherent default risk factors are determined separately for the Lombard and Mortgage categories. Positions which are already value-adjusted or provisioned individually are excluded from the inherent default risk calculation.

Value adjustments for inherent default risks are calculated on the book value of the positions and are deducted from the corresponding asset in the balance sheet. Value adjustments and provisions for inherent default risks are reassessed quarterly and changes recognised in the income statement as changes in value adjustments for default risks and losses from interest operations.

Value adjustments or provisions for inherent default risks may be used in exceptional situations for the establishment of individual value adjustments or provisions without income statement effect and without the requirement to immediately replenish the target level of value adjustments or provisions for inherent default risks. The Group evaluates in the event of an exceptional need for specific value adjustments whether to use such existing value adjustments or provisions for inherent default risks to partially or fully cover the necessary individual value adjustments or provisions. The need for individual value adjustments or provisions is considered exceptional if it exceeds 5 percent of the income statement item "gross result from interest operations". The threshold is calculated on the previous year's gross result from interest operations.

If the use of value adjustments or provisions for inherent default risks leads to a shortfall (a funding gap between remaining and target value adjustments or provisions), this shortfall must be eliminated within a maximum of five financial years by restoring the target level. In general, a linear approach will be taken to restore the target level. Depending on the course of business and the general economic situation and outlook, a faster elimination of the shortfall is possible. The determined level of value adjustments and provisioning for inherent default risks is fully funded as at balance sheet date (no shortfall).

Reserves for general banking risks

Reserves for general banking risks can be accounted for at the consolidated financial statements level or at the individual accounts level to cover risks inherent to the banking business. These reserves form part of equity and are subject to deferred tax. Reserves for general banking risks at the individual account level are not subject to tax.

Employee pension plans

The Group operates a number of pension plans for its employees in Switzerland and abroad, most of them comprising defined contribution plans. The adjusted contributions for the period are shown as personnel costs in the income statement. The corresponding adjustments or liabilities and the claims and commitments arising from legal, regulatory or contractual requirements are shown in the balance sheet. In accordance with the Swiss GAAP RPC 16, a study is performed on an annual basis to assess a potential financial benefit/commitment (surplus/deficit) from the Group's point of view. A surplus is recorded only if the Group is legally permitted to use this surplus either to reduce or reimburse the employer contributions. In the case of a deficit, a provision is set up if the Group has decided to or is required to participate in the financing. When the surplus and/or deficit is recorded in the income statement, it is recognised under personnel costs. In the balance sheet, the surplus is recognised under other assets, whereas a deficit is recognised under provisions.

Taxes

Current taxes, in general income and capital taxes, are calculated on the basis of the applicable tax laws and recorded as an expense in the relevant period. One-off taxes or taxes on transactions are not included in current taxes. Deferred taxes are recorded in accordance with requirements. Accruals of current taxes due are booked on the liabilities side under accrued expenses and deferred income. The tax effects arising from temporary differences between the carrying value and tax value of assets and liabilities are recorded as deferred taxes under provisions in the liabilities section of the balance sheet or in other assets for deferred tax assets. Deferred taxes are calculated using the expected tax rates.

Risk management

Structure of risk management

General considerations

Achieving a high risk management standard is not simply a question of compliance with formalised internal and external rules. Moreover, quantitative criteria are only one component of comprehensive risk management. Indeed, risk awareness must be a key governance element to spur the appropriate risk culture and become an integral part of an organisation. Only then will such risk culture demonstrate itself through the discipline and thoroughness with which employees perform their tasks.

Governance

The Board of Directors carries the ultimate responsibility in the Group's business strategy and principles for the corporate culture. It is responsible for establishing the business organisation, issuing the necessary rules and regulations and ensuring that the Group has adequate personnel and infrastructure.

The Board defines the risk strategy, approves the Group-wide Risk Management Framework and is responsible for establishing an effective risk management function and managing the Group's overall risks. It ensures that the risk and control environment is adequate and that the internal control system is efficient. The Board of Directors formulates the Group's risk policy and monitors its implementation by the Group Executive Board, which is responsible for running the operational business activities and for day-to-day risk management.

Risk Management Framework

The Risk Management Framework is developed by the Group Executive Board and approved by the Board of Directors. It is based on a comprehensive assessment of the inherent risks resulting from the activities of the Group. For each of these activities, the existing controls, testing and reviews of the first, second and third lines of defence are assessed and revised if necessary. These, together with other mitigating factors, will serve to derive the residual risks which are reported by risk category as defined in the Risk Management Framework.

Risk tolerance, defined as the level of risk that the Group is prepared to assume to achieve its business objectives, is determined for each risk category defined in the Risk Management Framework. Corresponding limits and Key Risk Indicators (KRIs) are set where applicable.

Under the responsibility of the Board of Directors, the Group Executive Board ensures that the necessary instruments and organisational structures allow for the identification, monitoring and reporting of all risk categories.

The elements of risk tolerance are integrated into internal regulations, directives and policies which govern the activities performed within the Group and contribute to enforce the risk culture. Those policies and related documents define the operating limits and describe the procedures to follow in case of breaches. Training and e-learning are also designed to educate and inform personnel on risks and restrictions as well as controls related to the activities.

The Risk Management Framework is reviewed annually.

Committees

To ensure holistic risk management, the Board of Directors and the Group Executive Board have appointed the necessary committees to deal with risks and act as decision-making bodies for key issues and risks. Their roles also include the promotion of risk awareness and compliance with the approved risk standards.

The **Audit and Risk Committee (ARC)** reports to the Board of Directors. The committee assesses the effectiveness of the internal control system, the risk controls, the compliance function and internal audit. It monitors the implementation of risk strategies and ensures that they align with the defined risk tolerance and risk limits. In addition, the ARC is responsible for assessing the effectiveness of the Risk Management Framework and makes relevant recommendations to the Board of Directors.

The **Risk Committee** is the Group's highest management committee concerned with risk. Its primary function is to assist the Group Executive Board and ultimately the Board of Directors in fulfilling their responsibilities by implementing the risk guidelines set by the Board and monitoring the Group's risk profile. When evaluating risks, the Risk Committee considers the findings and measures of other committees.

The **Operational Risk Committee** reviews the causes of operational incidents and when necessary may propose certain changes in the processes. Ad-hoc topics are analysed and reviewed, with the constant objective of reducing operational risks and improving efficiency.

The **Central Credit Committee (CCC)** administers the credit portfolio and controls the Group's credit risk. It is responsible for the review and approval of the Group's client credit exposure and non-client counterparty limits and utilisations and for reviewing the Group's credit policy.

The **Treasury Committee** is responsible for the consolidated supervision of the treasury, liquidity and investment activities and cash management of the Group. It controls and manages interest rate risk, short-term liquidity risk and mid- to long-term refinancing risks. The Treasury Committee is mandated in particular to supervise liquidity, refinancing, interest risk exposure, investment income and interest-bearing products and accounts.

The **Product Committees** oversee idea generation, development and sales support activities for new products offered within the Group. These committees bear ultimate functional responsibility for the product approval process and for managing the product development process.

The **IT Risk Committee** addresses IT and cyber risks. It monitors these risks in terms of availability, security and confidentiality, tracks developments in the cyber threat landscape, adapts the control environment when and where necessary and follows up on the initiatives and projects aiming to reduce those risks.

The **Risk and Performance Committee (RPC)** is the risk and performance controlling body for all asset management products. The RPC defines a suitable process for monitoring risk and performance and is informed on compliance with investment restrictions. It also reviews the Environmental, Social and Governance (ESG) metrics of asset management products as submitted by the Sustainability team.

All operational committees comprise representatives from different divisions and meet at regular intervals, but at least quarterly.

Organisation of risk management

Risk management is structured along three lines of defence. The first line of defence is operated by the revenue-generating and operational units as well as some specific control units. The second line is assured by independent control units. Finally, the third line of defence is provided by the Internal Audit function.

Independent controls are mostly executed by the Risk Office, Compliance, Legal and Business & Regulatory Development departments, which, from an organisational perspective, are all independent from the first line of defence units. This separation of functions ensures that the departments that analyse the risks assumed by the business units and monitor adherence to limits act independently from the business units taking decisions on the level and extent of risk exposure. This structure prevents potential conflicts of interest and incompatible objectives as early and as effectively as possible.

The Chief Risk Officer heads the Risk Office department, which is responsible for the comprehensive and systematic control of risk exposure. Risk Office, which has unlimited access to information, ensures that the risk profile of the Group is consistent with the risk tolerance and limits approved in the Risk Management Framework. Risk Office performs in-depth analyses of the Group's exposure to market, treasury, non-client credit, operational, cyber & IT and other risks. It anticipates risk, makes recommendations and takes necessary measures to maintain the risk profile within the Group's risk appetite limits. It is responsible for ensuring compliance of all business units with the risk management process and best practices. Risk Office has developed its own infrastructure allowing for efficient risk monitoring and robust reporting. The infrastructure undergoes regular updates and enhancements. Risk Office also submits periodic and ad-hoc reports to the Audit and Risk Committee, the Group Executive Board and business units.

The Legal and Compliance functions support the Group Executive Board and the management of Group Companies in their efforts to ensure that the Group's business activities in Switzerland and abroad comply with applicable legal and regulatory frameworks as well as with generally accepted market standards and practices. Compliance assures that an appropriate system of directives and procedures is in place and adequate training on compliance matters is provided to relevant staff. It also performs several controls of the second line of defence. Other controls related to areas such as suitability cross-border compliance, data protection and conduct risks are performed by the Business & Regulatory Development department. The Legal function guarantees that the Group structure and business processes adhere to a legally binding format, particularly in the areas of service provision to clients, product marketing and outsourcing activities. Regular and comprehensive risk reporting on compliance and legal risk is provided to the Audit and Risk Committee and the Group Executive Board.

The Credit department analyses, grants and records client credits and, if necessary, initiates measures to prevent credit losses. Client credits include cash loans, contingent liabilities and transactions with initial margin requirements such as forwards, futures or option contracts. The Credit department defines credit parameters relevant to credit, such as eligibility of assets for lending, lending-value rules and initial margin requirement according to the type of derivative transaction. An independent team monitors the client credit activity and the adherence to limits.

A clearly structured and transparent risk management process allows for the timely identification of risks, their documentation, escalation, resolution and/or close monitoring. The process is applied to all risk categories, both individually and collectively. When introducing new business transactions and procedures, the risk management process is the basis for the comprehensive assessment and rating of risks associated with a new activity or process. The Group has established a clear process to detect existing or potential risks before entering into any new business. The involvement of all relevant business units at an early stage ensures a comprehensive, cross-discipline assessment of every new business transaction or process and its associated risks.

Risk indicators

In-depth risk profiling entails defining adequate quantitative and qualitative risk indicators. In the case of quantitative indicators and depending on the required level of granularity, these will be measured at minimum against an internal limit as well as a regulatory limit (if applicable). Qualitative indicators are assessed in the "appetite statement" context defined in the Risk Management Framework. To the extent possible, these indicators are standardised throughout the Group. The Group makes use of stress testing in order to evaluate the impact of adverse scenarios on different elements such as capital adequacy, liquidity, interest rate sensitivity and collateral value of the credit portfolios. Different scenarios are considered in order to estimate the financial impacts on capital adequacy. They result from the combination of shocks applied for each significant type of risk to which the Group is exposed. All possible direct and indirect consequences on the profit and loss and on the equity of the Group are considered for each scenario. A detailed three-year schedule for capital planning and development describes the impact of each scenario on capital adequacy. This capital and liquidity planning is approved annually by the Board of Directors.

Risk categories

The Group is exposed to the following risks through its business activities and services:
- Market risk
- Liquidity risk
- Credit risk, including concentration risk
- Operational, IT and information security risks

- Legal and compliance risk, including conduct and data privacy related risks
- Business and strategic risks, including Environmental, Social and Governance (ESG) risks
- Reputational risk.

Market risk

Market risk refers to the risk of a loss due to changes in market parameters (asset prices, interest rates and foreign exchange rates) in on-balance or off-balance sheet positions. The Group is exposed to market risk on its trading book in a limited way. Specific limits are set on different parameters at a granular level. The monitoring of the limits is automated and performed on an ongoing basis ensuring a timely intervention when justified. A clear and efficient escalation process is in place so that in case of breach, the remediation measures are presented to the competent limit owner. Regarding the banking book, market risk limits are in place for the interest rate and foreign exchange exposures as well as regarding derivatives exposures. The interest rate risk in the banking book is measured using the predefined regulatory scenarios as well as additional internal scenarios. Specifically, the exposure to interest rate risk is measured via diverging maturities of interest-sensitive positions per currency (gap). The interest rate risk stress testing assesses the impact on the economic value of the balance sheet and the projected interest income for the following one to five years.

Liquidity risk

Liquidity risk refers to the potential inability of the Group to meet its payment obligations or failure to meet requirements imposed by banking regulations. The Treasury Committee is responsible for monitoring liquidity. The prime objective is to guarantee the Group's ability to meet its payment obligations at all times and to ensure compliance with legal requirements on liquidity. A key task of the Committee is to monitor all relevant liquidity risk factors. These include money flows between subsidiaries and the parent company, inflows and outflows of client funds and changes in the availability of liquidity reserves. The liquidity aspects are considered in aggregate but also per currency. As a supporting strategy, target bandwidths are set for surplus coverage of minimum liquidity. These are actively monitored and corresponding measures are taken if liquidity falls below the specified targets. A contingency funding plan may be triggered if certain conditions are met. Stress tests verify the impact of larger outflows combined with the deterioration of Group assets.

Credit risk

Credit or counterparty risk is the risk related to a client or a counterparty being either unable or only partially able to meet an obligation owed to the Group or an individual Group Company. Such potential counterparty failures may result in financial losses for the Group.

Lending business with clients

Lending activities mainly involve private client loans that are secured by securities or mortgages. Lending criteria are very strictly formulated and their appropriateness is continuously reviewed. The lending -business with clients respects a strict separation rule between front and support functions where the assessment, approval and monitoring of such business is performed by the latter.

Credit is granted under a system of delegation of authority based on the size and risk class of the loan, where the Central Credit Committee examines applications and authorises them in line with the delegated authority and the defined policy. Client loans and mortgages are classified by risk classes through an internal rating system which considers criteria such as the applied lending value, collateral liquidity and potential concentrations or, for mortgages, the type of property.

When a loan is granted, the loan-to-value ratio is established on the basis of the current value of the collateral. The Group applies loan-to-value criteria which are in line with common Swiss banking industry practice. A system of alerts and internal controls is used to monitor individual situations in which credit risk has increased. The risk profile of the Group's loan portfolio distributed by type of exposure, risk class and collateral type is reviewed on a monthly basis and reported to management. Non-performing loans and collateral obtained are valued at liquidation value, taking into account any correction for the debtor's solvency. Off-balance sheet transactions are also included in this assessment. The need for provisions is determined individually for each impaired loan based on analysis performed according to a clearly defined procedure. A stress test on the collateral value of the credit portfolio is performed at least on a quarterly basis.

Lending business with banks, governments and corporates

Transactions entered into with banks, governments and corporates (non-client credit activities) may represent direct exposures or serve the Group's need to manage its foreign exchange, liquidity or interest rate risk and hedge client transactions.

An internal framework regulates the granting of credit limits to non-clients. This framework is based on the Group's general risk appetite, mainly measured in freely disposable capital, and the credit quality of the respective counterparty. The Central Credit Committee approves and reviews the limits granted to non-client counterparties.

The limit requests and the credit analyses of the respective counterparties are performed by credit analysts. The limits are reviewed regularly, but at least once a year or ad hoc if required by specific credit events. The Group's Risk Office is in charge of monitoring and reporting all exposures on a daily basis.

As a general rule, the emphasis when conducting business on the interbank market is on the quality of the counterparty, but strong focus is also on risk reduction measures wherever possible. Over-the-counter transactions with third-party banks are mainly executed under netting and collateralisation agreements and credit is provided against collateral (repo transaction) whenever appropriate.

The country risk is monitored via a specific framework and a set of limits which are both approved by the Board of Directors.

Large exposure and concentration risks

Large exposure risks are monitored for every counterparty and are based on the provisions of the Swiss Ordinance on Capital Adequacy and Risk Diversification for Banks and Securities Dealers. A group of related counterparties is regarded as a single counterparty. Large exposure risks are calculated on a risk-weighted basis taking into consideration available collateral provided. The upper limit per counterparty is 25% of the eligible capital calculated in accordance with the statutory requirements. While client receivables are mostly covered by readily realisable collateral and therefore do not represent large exposure risks from a regulatory point of view, prior to entering into positions involving non-clients the Group's Risk Office checks that the critical size of the concentrations is not exceeded.

Operational risk

Operational risk is defined as the risk of loss that arises through the inadequacy or failure of internal procedures, people or systems, or as a consequence of external events.

The risk of fraud is embedded in operational risk. In order to mitigate that risk, strict procedures are in place and their application is monitored.

All operational risk incidents are notified to and analysed by Risk Office. Various reports are produced and presented to the Group Executive Board. An Operational Risk Committee meets at regular intervals to review the incidents and, when necessary, issues recommendations. The continuous measurement, reporting and assessment of segment-specific key risk indicators allows potential weaknesses to be detected well in advance, monitored and escalated. Ongoing risk and control self-assessment is performed involving representatives from all business units and risk experts in order to identify and catalogue the risks and inadequacies of a specific area. If necessary, targeted action plans are designed to decrease the risk level and align with the Group's risk appetite.

Operational resilience is designed to preserve critical functions in case of a severe but plausible disruption scenario in the defined time period approved by the Board of Directors. Business Continuity Management ("BCM") aims at maintaining and restoring the activities as quickly as possible in the event of internal or external incidents. The BCM plan is reviewed by the BCM Board on a yearly basis. Regular crisis management exercises are conducted to validate the efficiency of the plan. Both operational resilience and BCM aim to minimise the financial impact and protect client assets as well as the Group's reputation.

In addition, the Group mitigates potential consequences of risk with tailored insurance solutions. These solutions are regularly reassessed to comply with new emerging risks and regulations.

IT and information security risk

IT risk refers to a subset of operational risk due to technology-related factors. It may lead to potential business disruptions as a result of a deficient implementation of IT risk governance. It comprises, but is not limited to, user access management, the evolution of the IT infrastructure, IT operations management and risks associated with the use of artificial intelligence.

Information security risk relates to the potential inability of the Group to anticipate, resist, or react to a threat that exploits vulnerabilities, causing harm to the organisation. This includes cyber risk, which is more specific to the use of technology.

It is the Group's aim and constant objective to establish and maintain an effective security infrastructure with up-to-date systems and technology. In parallel, the Group has put in place robust IT and information security risk management governance, implementing adequate controls for mitigating identified risks and providing continuous guidance and training for staff in this area. Large IT projects, including change management, are subject to a specific IT risk assessment.

The Group has defined and implemented operating principles, guidelines and procedures that are effective and operational. An IT and information security risk reporting and decision-making process is in place, ensuring that the governing bodies as well as operational functions address those risks as required.

Legal and compliance risk

Legal risks relate to potential financial loss as a result of the deficient drafting or implementation of contractual agreements or as a consequence of contractual infringements or illegal and/or culpable actions. It also covers the deficient implementations of changes in the legal and regulatory environment. The legal department is involved as soon as a potential risk has been identified. It assesses the situation and, if appropriate, retains an external lawyer with whom it works to resolve the issue. Such risks have been assessed and provisions have been set aside on a case-by-case basis.

Compliance risk is defined as the risk of legal sanctions, material financial loss, or loss of reputation that the Group may suffer as a result of its failure to comply with applicable laws, its own regulations, code of conduct and standards of best/good practice. Compliance risk relates to many areas, such as anti-money laundering and combating the financing of terrorism, regulatory tax compliance, breaches of cross-border rules, conduct risks including suitability and appropriateness of products and investments, or market conduct rules.

Legal and compliance risks also comprise risks related to non-compliance with data protection and data privacy laws and regulations. Internal directives set out the framework and minimum standards across the Group in connection with the processing of personal data.

Business and strategic risk

Business and strategic risk is inherent to external or internal events or decisions resulting in strategic and business objectives not being achieved. Assessment reviews are conducted on a regular basis to evaluate the impact of potential strategic and business risks and define mitigating measures.

Business and strategic risks, including ESG risks, are actively addressed by a strong corporate governance, a broad variety of investment offerings, a sustainable corporate culture and the efficient management of resources.

For further information, please refer to the Sustainability Report on page 86 (Annual Report 2023 – J. Safra Sarasin Holding Ltd.).

Reputational risk

Reputation is a critical element shaping stakeholders' perception of the Group's public standing, professionalism, integrity and reliability. Reputational risk can be defined as the existing or potential threat of negative commercial impacts on the Group created by stakeholders' negative perception of the Group. It is most often an event which has occurred as a direct consequence of another risk materialising. To identify potential reputational risks at an early stage and take appropriate preventive measures, the Group strives to instil an intrinsic risk culture in its staff, structures and processes.

Treatment of structured products

Self-issued structured products containing option components are separated into the fixed-income instrument and the embedded derivative. The fixed-income instrument is recognised in the balance sheet position "Amounts due in respect of customer deposits" and the derivative is recognised in the balance sheet position "Positive (or negative) replacement values of derivative financial instruments". Assets (stocks, bonds derivatives from third parties, etc.) bought to hedge self-issued structured products are recognised in the respective balance sheet position. For self-issued structured products where the fair value option is applied, the product itself and the corresponding hedging positions in stocks, bonds and funds are recognised in the balance sheet position "Liabilities from other financial instruments at fair value" or "Other financial instruments at fair value", as appropriate. Potential derivative positions also held for hedging purposes are reported under "Positive (or negative) replacement values of derivative financial instruments".

Explanation of the methods used for identifying default risks and determining the need for value adjustments

Based on the inherent risk of a credit facility, the Group establishes the individual Credit Risk Class (CRC), which in return defines the review cycle of the facility. All credits are regularly tracked by means of daily monitoring and the aforementioned credit reviews. Deviations from the agreed contractual terms with regard to interest payments and/or amortisation, representing potential indicators of default risk, are detected by the aforementioned regular credit-monitoring process and trigger a review and re-evaluation of the CRC.

With respect to Lombard facilities, lending value rules are set and periodically reviewed by the Group's Central Credit Committee for each asset type. Any lending value exceptions are approved in conjunction with the credit request in question. On this basis, each approved credit facility is given a CRC. Additionally, the country concentration embedded within the portfolios on which the Group lends is also reviewed periodically, as necessary. Lombard loans are monitored on a daily basis for margin purposes and in relevant periodic intervals for repayment purposes. The CRC of a Lombard facility or group of facilities is reassessed at each credit review interval. In addition, periodic interim controls are performed to flag CRC inconsistencies. Any adverse change in the Group's outlook with respect to the collateral will, on a case-by-case basis, trigger an assessment for the purpose of establishing a provision.

With respect to mortgage facilities, the value of the collateral is assessed based on a property valuation mandated by the Group and performed by a certified value and/or property valuation tool. In addition to the risk-class-based review process and in order to detect a potential material decrease in market value, market prices are analysed and documented against appropriate regional price statistics. If prices of certain regions and/or object types have significantly decreased in value or a corresponding decrease is deemed to be imminent by the Group, the respective mortgage facilities are assessed individually and provisions are set aside on a case-by-case basis.

Explanations of the valuation of collateral, in particular key criteria for the calculation of current market value and lending value

The lending business is basically limited to Lombard loans and mortgages. In the case of a Lombard loan, the collateral is accepted at a percentage of its market value according to the Group's credit policy. The lending value depends on the nature, solvency, currency and fungibility of the assets. In case of a mortgage, the maximum pledge rate is defined by the Group's credit policy, the property type and the appraised value of the property.

Explanations of the Group's business policy regarding the use of derivative financial instruments, including explanations relating to the use of hedge accounting

The Group enables clients to trade different types of derivatives. Client derivative trading activities include options, forwards, futures, swaps on equities, foreign exchange, precious metals, commodities and interest rates. The Group can trade derivative products for its own account, either for proprietary trading or for balance sheet management activities, as long as the necessary limits are approved by the Board of Directors, or square client transactions in the market with third parties in order to eliminate market risk incurred through the client transactions.

The use of derivatives in discretionary portfolio management is restricted to the transactions authorised by the Swiss Bankers' Association asset management guidelines and in accordance with the Group's investment policy.

The Group uses derivative financial instruments as part of its balance sheet management activities in order to manage the risk in its banking book. The Group may apply hedge accounting, if possible, to avoid asymmetric profit and loss recognition. Interest rate risks of assets and liabilities are typically hedged by interest rate swaps (IRS), but other instruments like forward rate agreements (FRA), futures or interest rate options could also be used. The Group can buy credit default swap (CDS) protection to hedge the counterparty risk of financial investments. The hedge relationships with underlying hedged item(s) and hedge transactions are documented and periodically reviewed.

The effectiveness of hedging transactions is measured prospectively either by the differential of sensitivity to the risk parameter, within a predefined corridor, of the hedged item(s) and the hedging transaction, or by matching the cash flows of the hedge and the risk position. The hedging relationships are periodically checked as to whether hedged item(s) and hedging transaction are still in place and hedge effectiveness is guaranteed.

Where the effect of the hedging transactions exceeds the effect of the hedged items, the excess portion of the derivative financial instrument is treated as equivalent to a trading position. The excess portion is recorded in the profit and loss item “Result from trading activities”.

Subsequent events

No events affecting the balance sheet or income statement are to be reported for the financial year 2023.

Consolidated notes – Information on the balance sheet

Breakdown of securities financing transactions (assets and liabilities)

CHF 000	**2023**	2022
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions (before netting agreements)[1]	8,750,000	8,850,000
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions (before netting agreements)	741,000	100,000
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	1,476,759	826,578
with unrestricted right to resell or pledge	720,759	725,578
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge	9,569,638	10,296,242
of which, repledged securities	31,277	3,246
of which, resold securities	0	0

1) CHF 8.75 bn (2022: CHF 8.85 bn) relates to tradable money market debt register claims issued by the Swiss National Bank (SNB Bills).

Presentation of collateral for loans / receivables and off-balance sheet transactions, as well as impaired loans / receivables

CHF 000	Mortgage collateral	Secured by other collateral	Without collateral	Total
Loans (before netting with value adjustments)				
Amounts due from customers	364,169	5,466,810	196,271	6,027,250
Mortgage loans				
Residential property	601,655	0	0	601,655
Office and business premises	928,561	0	0	928,561
Trade and industry	227,677	0	0	227,677
Others	10	0	0	10
Total loans (before netting with value adjustments)				
Current year	**2,122,072**	**5,466,810**	**196,271**	**7,785,153**
Previous year	1,835,263	6,232,160	105,664	8,173,087
Total loans (after netting with value adjustments)				
Current year	**1,843,478**	**5,339,690**	**165,034**	**7,348,202**
Previous year	1,581,934	6,091,554	72,284	7,745,772
Off-balance sheet transactions				
Contingent liabilities	0	71,805	101,921	173,726
Irrevocable commitments	0	25,370	0	25,370
Obligations to pay up shares and make further contributions	0	0	1,817	1,817
Total current year	**0**	**97,175**	**103,738**	**200,913**
Previous year	0	136,802	103,802	240,604

Impaired loans

CHF 000	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Current year	**493,984**	**182,038**	**311,946**	**311,946**
Previous year	562,459	190,927	371,532	371,532

See note “Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year” for the full presentation of value adjustments for default and country risks (i.e. including value adjustments for inherent default risks).

Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities)

CHF 000	**31.12.2023**	31.12.2022
Assets		
Trading portfolios		
Debt securities	1,241,546	1,180,278
of which, listed	293,776	316,089
Equity securities	917,837	605,167
Precious metals and commodities	542,389	522,536
Other trading portfolio assets	60,283	19,799
Other financial instruments at fair value		
Debt securities	192,270	280,932
Structured products	1,970	2,316
Other	669,016	1,174,753
Total assets	**3,625,311**	**3,785,781**
of which, determined using a valuation model	0	0
of which, securities eligible for repo transactions in accordance with liquidity requirements	0	0
Liabilities		
Trading portfolios		
Debt securities	37,302	1,807
of which, listed	37,302	1,807
Equity securities	14,823	13,259
Precious metals and commodities	0	0
Other trading portfolio liabilities	2	3
Other financial instruments at fair value		
Debt securities	192,502	284,941
Structured products	0	0
Other	665,339	806,516
Total liabilities	**909,968**	**1,106,526**
of which, determined using a valuation model	0	0

Presentation of derivative financial instruments (assets and liabilities)

CHF 000	Positive replacement values	Negative replacement values	Contract volumes
Trading instruments			
Interest rate instruments			
Forward agreements	66	32	2,520,068
Swaps	320,373	193,168	28,351,770
Futures	233	218	27,428
Total interest rate instruments	**320,672**	**193,418**	**30,899,266**
Foreign exchange			
Forward agreements	30,895	30,599	5,687,087
Combined interest/currency swaps	630,154	857,705	42,491,382
Futures	0	0	778,652
Options (OTC)	38,816	33,265	7,064,726
Total foreign exchange	**699,865**	**921,569**	**56,021,847**
Equity securities/indices			
Forward agreements	388	308	92,792
Futures	39	0	2,081
Options (OTC)	66,679	53,473	2,289,655
Options (exchange traded)	82,663	53,889	1,917,030
Total equity securities/indices	**149,769**	**107,670**	**4,301,558**
Precious metals			
Forward agreements	2,601	3,558	163,670
Swaps	15,792	18,199	627,345
Options (OTC)	26,999	17,151	2,259,313
Total precious metals	**45,392**	**38,908**	**3,050,328**
Credit derivatives			
Credit default swaps	460	0	269,328
Total credit derivatives	**460**	**0**	**269,328**
Other			
Forward agreements	91	91	572,964
Total other	**91**	**91**	**572,964**
Total trading instruments before netting agreements on 31.12.2023	**1,216,249**	**1,261,656**	**95,115,291**
Total trading instruments before netting agreements on 31.12.2022	1,170,062	1,443,016	70,142,991
Hedge instruments			
Interest rate instruments			
Swaps	9,492	1,669	285,753
Total hedge instruments on 31.12.2023	**9,492**	**1,669**	**285,753**
Total hedge instruments on 31.12.2022	21,758	785	460,266
Total before netting agreements on 31.12.2023	**1,225,741**	**1,263,325**	**95,401,044**
of which, determined using a valuation model	0	0	–
Total before netting agreements on 31.12.2022	1,191,820	1,443,801	70,603,257
of which, determined using a valuation model	0	0	–
Total after netting agreements on 31.12.2023	**677,087**	**714,721**	
Total after netting agreements on 31.12.2022	538,665	790,676	

Breakdown by counterparty	Central clearing houses	Banks and securities dealers	Other customers
CHF 000			
Positive replacement values (after netting agreements) on 31.12.2023	**229,962**	**415,176**	**31,949**
Positive replacement values (after netting agreements) on 31.12.2022	348,227	104,980	85,458

Financial investments

CHF 000	**Book value 31.12.2023**	**Fair value 31.12.2023**	Book value 31.12.2022	Fair value 31.12.2022
Debt securities	7,823,289	7,812,565	4,595,504	4,605,111
of which, intended to be held until maturity	7,823,289	7,812,565	4,595,504	4,605,111
of which, not intended to be held to maturity (available for sale)	0	0	0	0
Equity securities	118,230	184,438	116,018	222,911
of which, qualified participations	0	0	0	0
Precious metals	0	0	0	0
Real estate	92,681	92,681	30,610	30,610
Total financial investments	**8,034,200**	**8,089,684**	**4,742,132**	**4,858,632**
of which, securities eligible for repo transactions in accordance with liquidity regulations	455,671		20,125	

Breakdown of counterparties by rating

CHF 000	AAA to AA–	A+ to A–	BBB+ to BBB–	BB+ to B–	Below B–	Unrated
Debt securities						
Book value on 31.12.2023	**6,561,997**[1]	**1,069,065**	**157,289**	**34,937**	**0**	**0**
Book value on 31.12.2022	3,273,738	1,098,758	64,552	20,471	0	137,985

The above rating is based on the credit rating of Standard & Poor's.

[1] CHF 4.2bn is attributable to treasury bills (no rating in accordance with Standard & Poor's) and are rated between AAA to AA-.

Participations

CHF 000	Acquisition costs	Accumulated value adjustments	Book value as at 31.12.2022	Reclassi-fications	Additions	Disposals	Value adjustments	**Book value as at 31.12.2023**	Market value
Participations valued using the equity method									
with market value	0	0	0	0	0	0	0	0	0
without market value	0	0	0	0	0	0	0	0	–
Other participations									
with market value	37,817	–265	37,552	0	0	0	0	37,552	127,790
without market value	0	0	0	0	0	0	0	0	–
Total participations	**37,817**	**–265**	**37,552**	**0**	**0**	**0**	**0**	**37,552**	**127,790**

Significant participating interests

	Place of incorporation	Activity	Currency	Share capital '000s	% of equity/ votes	Direct/ indirect ownership
Fully consolidated participating interests						
Bank J. Safra Sarasin (Gibraltar) Ltd	Gibraltar	Bank	CHF	1,000	100.00%	direct
J. Safra Sarasin Asset Management (Europe) Ltd	Gibraltar	Advisory	CHF	4,000	100.00%	indirect
JSS (Gibraltar) Ltd	Gibraltar	Holding	GBP	235	100.00%	indirect
Marina Bay Holding Ltd	Gibraltar	Holding	GBP	100	100.00%	indirect
J. Safra Sarasin Gestion (Monaco) SA	Monaco	Asset Management	EUR	160	100.00%	direct
J. Safra Sarasin (Middle East) Ltd	Dubai	Advisory	USD	22,000	100.00%	direct
Bank J. Safra Sarasin (QFC) LLC	Doha	Advisory	USD	2,000	100.00%	direct
J. Safra Sarasin Asset Management (Israel) Ltd	Tel Aviv	Advisory	ILS	350	100.00%	direct
bank zweiplus ltd	Zurich	Bank	CHF	35,000	100.00%	direct
J. Safra Sarasin (Deutschland) GmbH	Frankfurt	Advisory	EUR	50	100.00%	direct
J. Safra Sarasin Trust Company (Singapore) Ltd.	Singapore	Trust Company	USD	1,000	100.00%	direct
Sarabet Ltd	Basel	Holding	CHF	3,250	100.00%	direct
Sarasin (U.K.) Ltd	London	Holding	GBP	17,900	100.00%	indirect
S.I.M. Partnership (London) Ltd	London	Holding	GBP	727	72.51%[1]	indirect
Sarasin & Partners LLP	London	Asset Management	GBP	21,726	60.00%[1]	indirect
Sarasin Asset Management Ltd	London	Asset Management	GBP	250	60.00%[1]	indirect
Sarasin U.S. Services Ltd	London	Advisory	GBP	0.1	60.00%[1]	indirect
Sarasin Investment Funds Ltd	London	Fund Management	GBP	250	60.00%[1]	indirect
Juxon Ltd	Dublin	Fund Management	GBP	500	60.00%[1]	indirect
JSS Administradora de Recursos Ltda.	Sao Paulo	Advisory	BRL	1,711	100.00%	indirect
JSS Tecnologia e Desenvolvimento Ltda.[2]	Sao Paulo	IT Services	BRL	1,500	100.00%	indirect
JSS Global Real Estate Company S.à r.l.	Luxembourg	Fund Management	EUR	125	100.00%	indirect
J. Safra Sarasin Investmentfonds Ltd	Basel	Fund Management	CHF	4,000	100.00%	indirect
J. Safra Sarasin Fund Management (Luxembourg) S.A.	Luxembourg	Fund Management	EUR	1,500	100.00%	indirect
Place de Hollande SA	Geneva	Real Estate	CHF	100	51.00%	indirect

Non-consolidated investments in subsidiary companies

SIX Group AG	Zurich	Stock exchange	CHF	19,522	2.49%	indirect
PFBK Schweizerische Hypothekarinstitute AG	Zurich	Mortgage company	CHF	1,100,000	0.30%	indirect
Euroclear Holding SA/NV	Brussels	Financial services	EUR	3,147	0.54%	indirect

1) Voting rights.

2) Consolidated for the first time.

Tangible fixed assets

CHF 000	Acquisition costs	Accumulated depreciation	Book value as at 31.12.2022	Change in scope of consolidation	Reclassi-fications	Additions	Disposals	Depreciation	**Book value as at 31.12.2023**
Real estate: bank buildings	267,269	–88,290	178,979	0	0	0	0	–4,474	174,505
Real estate: other real estate	283,557	–7,756	275,801	0	0	0	0	–4,634	271,167
Proprietary or separately acquired software	33,653	–16,170	17,483	0	0	5,175	0	–6,620	16,038
Other fixed assets	85,539	–51,103	34,436	0	0	12,633	–233	–7,412	39,424
Tangible assets acquired under finance leases:	0	0	0	0	0	0	0	0	0
of which, bank buildings	0	0	0	0	0	0	0	0	0
of which, other real estate	0	0	0	0	0	0	0	0	0
of which, other tangible fixed assets	0	0	0	0	0	0	0	0	0
Total fixed assets	**670,018**	**–163,319**	**506,699**	**0**	**0**	**17,808**	**–233**	**–23,140**	**501,134**

Operating leases

CHF 000	**31.12.2023**	31.12.2022
Remaining maturity <1 year	13,240	13,883
Remaining maturity 1–5 years	22,602	33,237
Remaining maturity >5 years	1,694	1,981
Total liabilities from operating lease	**37,536**	**49,101**
of which, liabilities that can be terminated within one year	1,246	1,346

Intangible assets

CHF 000	Acquisition costs	Accumulated amortisation	Book value as at 31.12.2022	Reclassi-fications	Additions	Disposals	Amortisation	**Book value as at 31.12.2023**
Goodwill	0	0	0	0	0	0	0	0
Patents	0	0	0	0	0	0	0	0
Licences	0	0	0	0	0	0	0	0
Other intangible assets	14,927	–14,927	0	0	0	0	0	0
Total intangible assets	**14,927**	**–14,927**	0	0	0	0	0	0

Other assets/Other liabilities

CHF 000	**31.12.2023**	31.12.2022
Other assets		
Compensation account	1,655	255
Accrued loss after sale of financial investments	27,918	42,452
Deferred income taxes recognised as assets	21,077	8,169
Amount recognised as assets in respect of employer contribution reserves	0	0
Amount recognised as assets relating to other assets from pension schemes	0	0
Others	79,224	81,428
Total	**129,874**	**132,304**
Other liabilities		
Compensation account	22,651	38,260
Accrued profit after sale of financial investments	51,537	75,912
Others	151,857	157,800
Total	**226,045**	**271,972**

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

CHF 000	**Book value 31.12.2023**	**Effective commitment 31.12.2023**	Book value 31.12.2022	Effective commitment 31.12.2022
Financial instruments	431,689	413,464	253,577	243,945
Other assets	867,024	739,247	1,429,570	1,201,331
Total pledged assets	**1,298,713**	**1,152,711**	**1,683,147**	**1,445,276**

There are no assets under reservation of ownership. The assets are pledged for commitments from securities borrowing, for lombard limits at central banks and for stock exchange security.

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

CHF 000	**31.12.2023**	31.12.2022
Liabilities to own pension plans	**48,299**	**29,681**

Pension schemes

The Group operates a number of pension schemes for its employees in Switzerland and abroad. Employees in Switzerland are covered either by the pension fund of Bank J. Safra Sarasin or by the collective foundation "Trianon". These pension schemes are defined contribution plans. Also all pension schemes based outside of Switzerland are defined contribution plans. There is neither a surplus nor a deficit coverage. The contributions for the period are shown as personnel costs in the income statement.

The purpose of the pension scheme is to provide pension benefits for employees of the Group upon retirement or disability and for the employees' survivors after their death. It manages the mandatory retirement, survivors' and disability benefits in accordance with the BVG ("Berufliche Vorsorge") in Switzerland.

The Group does not have any patronage funds.

Employer's contribution reserves (ECR)

CHF 000	**Nominal value 31.12.2023**	**Renunciation of use 31.12.2023**	**Creation 2023**	**Balance sheet 31.12.2023**	Balance sheet 31.12.2022	**Result from ECR in personnel expenses 2023**	Result from ECR in personnel expenses 2022
Patronage funds/pension schemes	**0**	**0**	**0**	**0**	0	**0**	0

Economic benefit / economic obligation and pension benefit expenses

CHF 000	**Surplus/ (deficit) 31.12.2023**[1]	**Economical part of the organisation 31.12.2023**	Economical part of the organisation 31.12.2022	**Change in the prior-year period or recognised in the current result of the period**	**Contributions concerning the business period**	**Pension benefit expenses within personnel expenses 2023**	**Pension benefit expenses within personnel expenses 2022**
Pension schemes							
with surplus	**50,776**	**0**	0	**0**	**25,758**	**25,758**	24,588
without surplus/(deficit)	**0**	**0**	0	**0**	**8,838**	**8,838**	9,480
Total	**50,776**	**0**	0	**0**	**34,596**	**34,596**	34,068

[1] At the publication date the final financial statements of the pension schemes were not available. Therefore the figures are based on the 2022 financial statements of the pension schemes.

The financial statements of the pension funds in Switzerland are prepared in accordance with Swiss GAAP FER 26.

Presentation of issued structured products

Underlying risk of the embedded derivative

CHF 000	Valued separately: Value of the host instrument	Valued separately: Value of the derivative	Total 31.12.2023	Valued separately: Value of the host instrument	Valued separately: Value of the derivative	Total 31.12.2022
Interest rate instruments						
With own debenture component (oDC)	**0**	**0**	**0**	0	0	0
Without oDC	**0**	**0**	**0**	0	0	0
Equity securities						
With own debenture component (oDC)	**367,506**	**–22,635**	**344,871**	469,786	–68,157	401,629
Without oDC	**0**	**0**	**0**	0	0	0
Foreign currencies						
With own debenture component (oDC)	**194,953**	**–676**	**194,277**	362,220	–1,407	360,813
Without oDC	**0**	**0**	**0**	0	0	0
Commodities/precious metals						
With own debenture component (oDC)	**38,706**	**–581**	**38,125**	38,792	–402	38,390
Without oDC	**0**	**0**	**0**	0	0	0
Total	**601,165**	**–23,892**	**577,273**	870,798	–69,966	800,832

Presentation of bonds outstanding and mandatory convertible bonds

		Year of issuance	Early termination possibilities	Weighted average interest rate	Maturity date	Amount outstanding CHF 000
Issuer						
Bank J. Safra Sarasin Ltd	Non-subordinated mortgage-backed bonds	2012	no	1.43%	2024	2,000

Overview of maturities of bonds outstanding

CHF 000	<1 year	>1–<2 ys	>2–<3 ys	>3–<4 ys	>4–<5 ys	>5 years	**Total**
Issuer							
Bank J. Safra Sarasin Ltd	2,000	0	0	0	0	0	**2,000**

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

CHF 000	Balance as at 31.12.2022	Use in conformity with designated purpose	Change in scope of con- solidation	Currency differences	Past due interest, recoveries	New creations charged to income	Release to income	**Balance as at 31.12.2023**
Provisions								
Provisions for deferred taxes	8,631	0	0	0	0	0	–174	8,457
Provisions for pension benefit obligations	0	0	0	0	0	0	0	0
Provisions for inherent default risks (off-balance sheet)	477	0	0	0	0	353	–3	827
Provisions for other business risks	1,179	0	0	0	0	11,000	0	12,179
Provisions for restructuring	0	0	0	0	0	0	0	0
Other provisions	61,276	–4,726	0	–3	0	41,649	–5	98,191
Total provisions	**71,563**	**–4,726**	**0**	**–3**	**0**	**53,002**	**–182**	**119,654**
Reserves for general banking risks	**114,400**	**0**	**0**	**0**	**0**	**63,079**	**0**	**177,479**
Value adjustments for default and country risks								
Value adjustments for default risks in respect of impaired loans / receivables	371,532	–69,533	0	–4,342	14,319	0	–30	311,946
Value adjustments for inherent default risks	59,279	0	0	0	0	78,390	–9,650	128,019
of which, on customer loans	55,782	0	0	0	0	77,545	–8,323	125,004
of which, on amounts due from banks and financial investments	3,497	0	0	0	0	845	–1,327	3,015
Value adjustments for default risks in respect of amounts due from banks and financial investments	50,150	0	0	218	–801	1	–48,725	843
Total value adjustments for default and country risks	**480,961**	**–69,533**	**0**	**–4,124**	**13,518**	**78,391**	**–58,405**	**440,808**

Disclosure of amounts due from/to related parties

	Amounts due from		Amounts due to	
CHF 000	**31.12.2023**	31.12.2022	**31.12.2023**	31.12.2022
Holders of qualified participations	–	24	2,940	0
Group companies	–	–	–	–
Linked companies	2,612,836	2,650,413	11,035,619	8,339,835
Transactions with members of governing bodies	68,713	69,493	9,162	12,984
Other related parties				

Above-mentioned operations are concluded at arm's length.

Off-balance-sheet transactions with any of the above-mentioned parties are mainly foreign exchange operations.

Presentation of the maturity structure of financial instruments

CHF 000	At sight	Cancellable	Due within 3 months	Due within 3 to 12 months	Due within 12 months to 5 years	Due more than 5 years	No maturity	Total
Liquid assets	3,137,026	0	0	0	0	0	0	3,137,026
Amounts due from banks	1,444,511	232,409	1,310,977	63,880	256,417	107,287	0	3,415,481
Amounts due from securities financing transactions	0	0	8,750,000	0	0	0	0	8,750,000
Amounts due from customers	1,205,980	0	3,740,868	606,005	98,463	35,447	0	5,686,763
Mortgage loans	1,701	0	422,824	335,758	800,638	100,518	0	1,661,439
Trading portfolio assets	2,762,055	0	0	0	0	0	0	2,762,055
Positive replacement values of derivative financial instruments	1,225,741	0	0	0	0	0	0	1,225,741
Other financial instruments at fair value	863,256	0	0	0	0	0	0	863,256
Financial investments	210,838	0	6,496,612	840,737	319,466	166,547	0	8,034,200
Total 31.12.2023	**10,851,108**	**232,409**	**20,721,281**	**1,846,380**	**1,474,984**	**409,799**	**0**	**35,535,961**
Total 31.12.2022	11,370,045	283,843	19,460,254	1,326,946	1,047,510	194,102	0	33,682,700
Due to banks	1,164,070	0	10,186,679	236,322	0	0	0	11,587,071
Liabilities from securities financing transactions	0	0	741,000	0	0	0	0	741,000
Amounts due in respect of customer deposits	7,458,542	29,396	8,883,536	1,558,124	103,854	130,935	0	18,164,387
Trading portfolio liabilities	52,127	0	0	0	0	0	0	52,127
Negative replacement values of derivative financial instruments	1,263,325	0	0	0	0	0	0	1,263,325
Liabilities from other financial instruments at fair value	857,841	0	0	0	0	0	0	857,841
Bond issues and central mortgage institution loans	0	0	2,000	0	0	0	0	2,000
Total 31.12.2023	**10,795,905**	**29,396**	**19,813,215**	**1,794,446**	**103,854**	**130,935**	**0**	**32,667,751**
Total 31.12.2022	15,055,202	23,129	13,854,296	1,618,634	601,115	73,746	0	31,226,122

Assets and liabilities by domestic and foreign origin

	31.12.2023		31.12.2022	
CHF 000	**Swiss**	**Foreign**	Swiss	Foreign
Assets				
Liquid assets	3,116,322	20,704	3,423,851	14,192
Amounts due from banks	56,431	3,359,050	84,563	3,844,589
Amounts due from securities financing transactions	8,750,000	0	8,850,000	0
Amounts due from customers	1,284,960	4,401,803	1,231,663	5,123,102
Mortgage loans	402,048	1,259,391	481,087	909,920
Trading portfolio assets	1,467,728	1,294,327	1,069,143	1,258,637
Positive replacement values of derivative financial instruments	159,951	1,065,790	179,189	1,012,631
Other financial instruments at fair value	223,717	639,539	690,945	767,056
Financial investments	4,462,070	3,572,130	1,546,876	3,195,256
Accrued income and prepaid expenses	43,739	578,388	40,282	137,053
Non-consolidated participations	29,234	8,318	29,234	8,318
Tangible fixed assets	495,964	5,170	501,756	4,943
Intangible assets	0	0	0	0
Other assets	71,516	58,358	67,658	64,646
Total assets	**20,563,680**	**16,262,968**	**18,196,247**	**16,340,343**
Liabilities				
Amounts due to banks	372,529	11,214,542	571,779	9,037,246
Liabilities from securities financing transactions	541,000	200,000	100,000	0
Amounts due in respect of customer deposits	8,514,285	9,650,102	6,524,188	12,438,580
Trading portfolio liabilities	13,844	38,283	6,710	8,359
Negative replacement values of derivative financial instruments	248,291	1,015,034	381,042	1,062,759
Liabilities from other financial instruments at fair value	665,340	192,501	778,778	312,679
Bond issues and central mortgage institution loans	2,000	0	4,002	0
Accrued expenses and deferred income	218,200	589,928	164,543	173,054
Other liabilities	171,153	54,892	185,421	86,551
Provisions	108,350	11,304	71,344	219
Reserves for general banking risks	177,479	0	114,400	0
Share capital	22,015	0	22,015	0
Capital reserve	844,797	0	844,797	0
Retained earnings reserve	1,135,708	553,610	956,628	513,690
Currency translation reserve	–776	–72,273	–776	–54,396
Minority interests in equity	–83	10,186	0	1,366
Consolidated profit	195,792	138,615	125,300	106,312
Total liabilities	**13,229,924**	**23,596,724**	**10,850,171**	**23,686,419**

Assets by countries/country groups

	31.12.2023		31.12.2022	
CHF 000	**Total**	**Part as a %**	Total	Part as a %
Europe	5,492,192	14.9%	5,320,590	15.4%
Americas	6,467,255	17.6%	6,281,482	18.2%
Asia	4,096,187	11.1%	4,483,201	13.0%
Others	207,334	0.6%	255,070	0.7%
Total foreign assets	**16,262,968**	**44.2%**	**16,340,343**	**47.3%**
Switzerland	20,563,680	55.8%	18,196,247	52.7%
Total assets	**36,826,648**	**100.0%**	**34,536,590**	**100.0%**

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

	31.12.2023		31.12.2022	
	Net foreign exposure CHF 000	**Part as a %**	Net foreign exposure CHF 000	Part as a %
Standard & Poor's				
AAA to AA-	496,209	90.3%	3,282,287	93.2%
A+ to A-	53,216	9.7%	237,655	6.8%
Total net foreign assets	**549,425**	**100.0%**	**3,519,942**	**100.0%**

Basis for Country Ratings: Standard & Poor's Issuer Credit Ratings Foreign Currency LT (long term).

Balance sheet by currencies

CHF 000	CHF	EUR	USD	Others	Total
Assets					
Liquid assets	3,116,322	1,364	209	19,131	3,137,026
Amounts due from banks	195,230	551,603	1,255,978	1,412,670	3,415,481
Amounts due from securities financing transactions	8,750,000	0	0	0	8,750,000
Amounts due from customers	1,966,968	735,016	2,040,742	944,037	5,686,763
Mortgage loans	218,071	220,227	4,189	1,218,952	1,661,439
Trading portfolio assets	962,962	55,591	432,345	1,311,157	2,762,055
Positive replacement values of derivative financial instruments	526,794	91,217	498,792	108,938	1,225,741
Other financial instruments at fair value	138,411	91,884	482,520	150,441	863,256
Financial investments	4,533,716	119,747	1,122,547	2,258,190	8,034,200
Accrued income and prepaid expenses	244,197	115,862	196,389	65,679	622,127
Non-consolidated participations	29,233	8,318	0	1	37,552
Tangible fixed assets	497,954	8	2,004	1,168	501,134
Intangible assets	0	0	0	0	0
Other assets	118,721	2,133	3,844	5,176	129,874
Total balance sheet assets	**21,298,579**	**1,992,970**	**6,039,559**	**7,495,540**	**36,826,648**
Delivery entitlements from spot exchange, forward forex and forex option transactions	12,425,461	8,499,773	24,800,850	5,046,832	50,772,916
Total assets 31.12.2023	**33,724,040**	**10,492,743**	**30,840,409**	**12,542,372**	**87,599,564**
Liabilities					
Amounts due to banks	4,795,661	858,366	4,173,061	1,759,983	11,587,071
Liabilities from securities financing transactions	741,000	0	0	0	741,000
Amounts due in respect of customer deposits	2,872,164	2,748,127	9,554,973	2,989,123	18,164,387
Trading portfolio liabilities	15,434	1,925	34,716	52	52,127
Negative replacement values of derivative financial instruments	629,262	69,132	477,302	87,629	1,263,325
Liabilities from other financial instruments at fair value	108,929	144,815	555,509	48,588	857,841
Bond issues and central mortgage institution loans	2,000	0	0	0	2,000
Accrued expenses and deferred income	385,059	112,523	254,763	55,783	808,128
Other liabilities	42,495	17,130	143,172	23,248	226,045
Provisions	119,403	68	182	1	119,654
Reserves for general banking risks	177,479	0	0	0	177,479
Share capital	22,015	0	0	0	22,015
Capital reserve	844,797	0	0	0	844,797
Retained earnings reserve	1,600,704	78,676	–2,389	12,327	1,689,318
Currency translation reserve	–776	–27,877	–8,690	–35,706	–73,049
Minority interests in equity	–83	0	0	10,186	10,103
Consolidated profit	157,149	30,670	52,848	93,740	334,407
Total balance sheet liabilities	**12,512,692**	**4,033,555**	**15,235,447**	**5,044,954**	**36,826,648**
Delivery obligations from spot exchange, forward forex and forex option transactions	21,429,232	6,483,947	15,606,653	7,442,179	50,962,011
Total liabilities 31.12.2023	**33,941,924**	**10,517,502**	**30,842,100**	**12,487,133**	**87,788,659**
Net currency positions 31.12.2023	**–217,884**	**–24,759**	**–1,691**	**55,239**	**–189,095**

Consolidated notes – Information on off-balance sheet transactions

Breakdown and explanation of contingent assets and liabilities

CHF 000	**31.12.2023**	31.12.2022
Guarantees to secure credits and similar	96,475	146,805
Performance guarantees and similar	71,836	68,995
Irrevocable commitments arising from documentary letters of credit	0	0
Other contingent liabilities	5,415	1,260
Total contingent liabilities	**173,726**	**217,060**
Contingent assets arising from tax losses carried forward	13,167	14,404
Other contingent assets	0	0
Total contingent assets	**13,167**	**14,404**

Breakdown of credit commitments

CHF 000	**31.12.2023**	31.12.2022
Commitments arising from deferred payments	0	0
Commitments arising from acceptances (for liabilities arising from acceptances in circulation)	0	0
Other credit commitments	0	0

Breakdown of fiduciary transactions

CHF 000	**31.12.2023**	31.12.2022
Fiduciary investments with third-party banks	1,521,346	1,420,475
Fiduciary investments with linked companies	1,272,876	2,695,303
Fiduciary loans	0	0
Fiduciary transactions arising from securities lending and borrowing which the Group conducts in its own name for the account of customers	0	0
Other fiduciary transactions	0	0
Total fiduciary transactions	**2,794,222**	4,115,778

Breakdown of unused Tax losses/unrecognised tax assets (by jurisdiction)

	2023			2022		
CHF 000	**Unused tax losses for which no deferred tax asset has been recognised**	**Relevant statutory corporate income tax rate**	**Potential tax benefit**	Unused tax losses for which no deferred tax asset has been recognised	Relevant statutory corporate income tax rate	Potential tax benefit
Germany	40,467	32%	12,950	45,012	32%	14,404
Qatar	2,171	10%	217	0	0%	0
Total	**42,638**		**13,167**	**45,012**		**14,404**

Breakdown of managed assets and presentation of their development

CHF million	**2023**	2022
Type of managed assets		
Assets in collective investment schemes by the Group	18,914	18,873
Assets under discretionary asset management agreements	28,894	28,648
Other managed assets	102,573	98,439
Total managed assets (including double-counting)	**150,381**	**145,960**
Of which double-counted items	12,705	13,336
Development of managed assets		
Total managed assets (including double-counting) at beginning	145,960	169,619
+/– net new money inflow or net new money outflow	4,788	2,581
+/– price gains / losses, interest, dividends and currency gains / losses	361	–25,407
+/– reallocation to other group companies	0	–9
+/– other effects	–728	–824
Total managed assets (including double-counting) at end	**150,381**	**145,960**

Assets under management mainly comprise amounts due to customers in the form of savings and investments, along with term accounts, fiduciary investments, all duly valued assets in custody accounts and linked sight accounts. Assets under management also include assets held for investment purposes by institutional investors, companies and individual clients, along with investment funds.

Discretionary managed accounts include clients' assets with signed discretionary management mandates in favour of an entity of the Group.

Other managed assets include client assets for whom one of the entities of the Group provides all services arising from stock exchange and foreign exchange transactions on the basis of instructions received, as well as safekeeping, loans and payments.

Net new inflows/outflows comprise all external inflows and outflows of cash and securities recorded on client accounts.

Consolidated notes – Information on the income statement

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

CHF 000	**2023**	2022
Breakdown by business area		
Trading profit with market risk	65,576	84,340
Trading profit without market risk	108,890	112,795
Trading profit from treasury activities	97,281	55,023
Total result from trading activities	**271,746**	**252,159**
Breakdown by underlying risk and based on the use of the fair value option		
Result from trading activities from:		
Interest rate instruments	51,251	78,664
Equity securities (including funds)	127,425	74,503
Foreign currencies	86,617	85,346
Commodities/precious metals	6,453	13,646
Total result from trading activities	**271,746**	**252,159**
of which, from fair value option	–15,352	–228,813

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

CHF 000	**2023**	2022
Material refinancing income in the item “Interest and discount income”	0	0
Material negative interest	20	34,438

Breakdown of personnel expenses

CHF 000	**2023**	2022
Salaries	436,073	419,331
of which, expenses relating to share-based compensation and alternative forms of variable compensation	118,099	107,337
Social charges	70,740	68,869
Changes in book value for economic benefits and obligations arising from pension schemes	0	0
Other personnel expenses	13,971	15,266
Total personnel expenses	**520,784**	503,466

Breakdown of general and administrative expenses

CHF 000	**2023**	2022
Office space expenses	23,250	21,955
Expenses for information and communications technology	24,411	22,632
Expenses for vehicles, equipment, furniture and other fixtures as well as operating lease expenses	370	243
Fees of audit firm	3,212	3,413
of which, for financial and regulatory audits	3,092	3,044
of which, for other services	120	369
Other operating expenses	81,886	84,798
of which, compensation for any cantonal guarantee	0	0
Total general and administrative expenses	**133,129**	**133,041**

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

Changes in reserves for general banking risks reflect the creation of additional reserves for general banking risks recognised at Bank J. Safra Sarasin Ltd (CHF 63.1m).

Disclosure of and reasons for revaluations of participations and tangible fixed assets up to acquisition cost at maximum

No revaluations of participations and tangible fixed assets up to acquisition cost have taken place.

Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

	2023			2022		
CHF 000	**Swiss**	**Foreign**	**Total**	Swiss	Foreign	Total
Subtotal net result from interest operations	345,551	63,831	409,382	178,800	83,049	261,849
Subtotal result from commission business and services	284,404	218,278	502,682	297,143	251,675	548,818
Result from trading activities and the fair value option	140,657	131,089	271,746	165,179	86,980	252,159
Subtotal other result from ordinary activities	21,437	–25,639	–4,202	20,174	–4,261	15,913
Operating income	**792,049**	**387,559**	**1,179,608**	**661,296**	**417,443**	**1,078,739**
Personnel expenses	–337,285	–183,499	–520,784	–320,670	–182,796	–503,466
General and administrative expenses	–80,394	–52,735	–133,129	–81,083	–51,958	–133,041
Operating expenses	**–417,679**	**–236,234**	**–653,913**	**–401,753**	**–234,754**	**–636,507**
Depreciation and amortisation of tangible fixed assets and intangible assets and value adjustments on participations	–21,497	–1,643	–23,140	–8,092	–49,681	–57,773
Changes to provisions and other value adjustments, and losses	–42,872	–11,492	–54,364	–33,141	–1,076	–34,217
Operating result	**310,001**	**138,190**	**448,191**	**218,310**	**131,932**	**350,242**

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

CHF 000	**2023**	2022
Current income and capital tax expenses	64,010	27,763
Allocation to provisions for deferred taxes	–174	–174
Recognition of deferred income taxes	–13,104	1,659
Total	**50,732**	**29,248**

The weighted average tax rate amounts to 12.5% (2022: 10.6%).

In 2023, the ordinary net tax expense effect of the use of losses carried forward was nil (2022: nil).

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To the General Meeting of
Bank J. Safra Sarasin Ltd, Basel

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Bank J. Safra Sarasin Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2023, and the consolidated statement of income, consolidated cash flow statement, consolidated statement of changes in equity for the year then ended and notes to the consolidated financial statements including accounting and valuation principles.

In our opinion, the consolidated financial statements for the year ended December 31, 2023 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss accounting rules for banks and comply with Swiss law.

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 Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with 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.

Board of Directors' Responsibilities for the Consolidated Financial Statements

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

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

Deloitte.

Bank J. Safra Sarasin Ltd
Report of the statutory auditor
for the year ended
December 31, 2023

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Deloitte AG

Sandro Schönenberger
Licensed Audit Expert
Auditor in Charge

Christian Siebold
Licensed Audit Expert

Zurich, March 26, 2024