Annual Report 2017

J. SAFRA SARASIN

Sustainable Swiss Private Banking since 1841

"If you choose to sail upon the seas of banking, build your bank as you would your boat, with the strength to sail safely through any storm."

Jacob Safra (1891 – 1963)

Contents

Group Chairman's Foreword

Switzerland | Basel | Rhine River

Group Chairman's Foreword

Welcome to the Annual Report of J. Safra Sarasin Group for 2017. We delivered an excellent performance, benefiting from a favourable economic environment, our strong operating efficiencies and the investments we have made in recent years.

2017 witnessed solid economic growth and positive returns across most markets. This was despite a worrying series of geopolitical issues, many of which remain unresolved.

Against this backdrop of geopolitical uncertainties, Switzerland remains the best country from which to operate a global private bank. Political neutrality, economic competitiveness, low government debt, a reliable legal system and a safe-haven currency, all provide a bedrock of stability. Moreover, there is a deep pool of talent for managing private and institutional wealth globally across multiple currencies and languages.

We are privileged to continue attracting first-class teams of bankers and employees, both in Switzerland and in many of the world's cities where we operate. Allied with this organic growth, we continue to acquire selective businesses as the industry consolidates further. This year we welcomed colleagues and clients from Credit Suisse in Monaco and announced the acquisition of Bank Hapoalim private banking businesses in Luxembourg and Switzerland. Our culture and experience enable the swift and effective integration of new teams, enabling them to do what they do best: create value and provide solutions to clients.

Switzerland is one of the very rare countries without an ocean coastline to succeed economically and act with an open global mindset. Switzerland is also the source of two great European rivers – the Rhine and the Rhone – and the theme of this Annual Report is waterways in

cities. Historically, rivers, canals and harbours were drivers of prosperity with traditional forms of commerce, yet today they have been reinvented as dynamic locations for new exchanges of ideas, technologies and leisure pursuits. Waterways are a strong, reliable presence and also constantly evolving. As a private bank, we also bring a constant flow of ideas and activities to our clients, while integrating elements from diverse cultures in order to remain strong.

Our core focus has always been, and will continue to be, our clients and their future generations. Private banking is a simple business at its heart – focusing on investment performance, but also ensuring good service, knowing your clients, and thinking about them all the time.

We remain naturally prudent and exercise tight controls in how we manage our clients' wealth. We are privileged to be able to take a long-term perspective thanks to no competing voices or interests. We regularly reinvest into equity capital, adding to the Group's stability. The Group's shareholders' equity stands today at CHF 4.8 billion, making J. Safra Sarasin one of the best capitalised banks in Switzerland. We are well positioned to take advantage of opportunities both here and across the world, thanks to our flexibility, liquidity and capital strength.

I would like to thank all our clients and employees for the outstanding achievements over the past year. I am confident that the Group has the scale and strength to continue navigating global markets as well as to control the direction and speed of our own strategic course in years to come.

Every bank is like a child – you have to nurture it so it is able to grow and thrive.

Joseph Y. Safra
Chairman of the Board of Directors
J. Safra Sarasin Holding Ltd.

Consolidated Key Data

Consolidated income statement	2017 CHF 000	2016 CHF 000
Operating income	1,187,285	1,047,875
Operating expenses	–650,797	–628,808
Operating profit	**536,488**	**419,067**
Consolidated profit	**315,261**	**252,068**

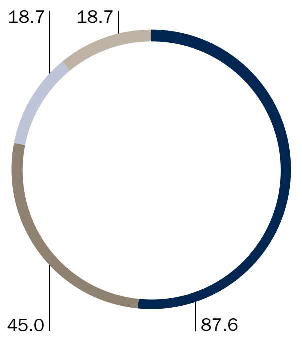
Consolidated balance sheet	31.12.2017 CHF 000	31.12.2016 CHF 000
Total assets	35,170,035	32,336,851
Due from customers	13,687,354	11,959,228
Due to customers	26,107,696	24,192,797
Equity	**4,792,113**	**4,397,707**

Ratios	2017 %	2016 %
Cost-income ratio	54.8%	60.0%
CET1 ratio	28.8%	28.1%

Assets under management	31.12.2017 CHF million	31.12.2016 CHF million
Assets under management	170,019	148,461

Headcount (full-time equivalents)	31.12.2017	31.12.2016
Consolidated headcount	2,155	2,095
of which client relationship managers	484	428

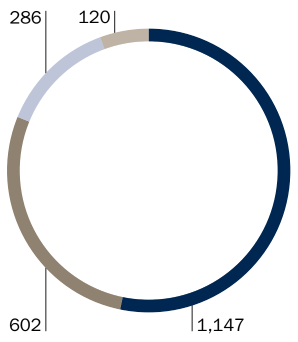
Assets under management by booking centre
(CHF billion) **31.12.2017**



Total 170.0

- Switzerland
- Europe (excluding Switzerland)
- Asia
- Other

Headcount by location
(full-time equivalents) **31.12.2017**



Total 2,155

- Switzerland
- Europe (excluding Switzerland)
- Asia
- Other

Report of the Board of Directors

Switzerland | Geneva | Rhone River

Report of the Board of Directors

We are pleased to report a record performance in 2017 for the J. Safra Sarasin Group. This year's outstanding results are a testament to the strategy, management principles, quality of our staff and the performance culture we have instilled over the years. We are proud to be ranked amongst the leading banks of Switzerland[1].

During 2017, the Group and our clients also benefited from the continued "Goldilocks" economies of many nations, and the favourable investment conditions.

Client focus remains central to our success. We are privileged to accompany many clients across generations as they build patrimony that requires careful stewardship. That is why we are very selective in the talent we hire, the businesses we acquire, and the manner in which we integrate people into the culture of a family-owned private bank.

Thanks to this ownership and its financial strength, J. Safra Sarasin continues to play a leading role in the ongoing industry consolidation. During 2017, we fully integrated Credit Suisse in Gibraltar and in Monaco, and announced the acquisition of Bank Hapoalim private banking businesses in Luxembourg and Switzerland.

Capital strength and risk management

J. Safra Sarasin Group is ranked as the 5th largest banking group in Switzerland by Tier 1 capital, the ultimate measure of a bank's financial strength, holding more than twice its regulatory requirements with a CET1 ratio of 28.8%[2].

A sound capital base is the foundation stone needed for a global private bank. This philosophy is also reflected in the conservative structure of the Group's balance sheet, which maintained a high level of liquidity.

The Group deploys ample resources to manage increasing regulatory requirements and a challenging market environment, in combination with a proven risk management approach. Assessment reviews are conducted on a regular basis. The Group's comprehensive approach to risk management is detailed in the notes to the consolidated financial statements.

Record performance in 2017

At 31 December 2017, client assets under management grew by 14.5%, or CHF 21.6 billion, to a record amount of CHF 170 billion. This exceptional growth in assets under management was the result of market performance and net new money of CHF 4.6 billion.

Operating income increased by 13.3% to CHF 1,187.3 million in 2017 compared to 1,047.9 million in 2016. This significant increase was driven by a further improvement in asset-based fee income and commissions as well as a strong growth in client trading revenue. Operating expenses slightly increased by 3.5% to CHF 650.8 million in 2017 against CHF 628.8 million in 2016, mainly as a result of the integration of new teams and acquired businesses in 2017.

[1] The Banker Top 1000 World Banks July 2017.
[2] Capital adequacy disclosures under FINMA Circulars 08/22 and 16/1 are published on our website www.jsafrasarasin.com.

The Group is able to report a strong increase of 28% in its operating profit to CHF 536.5 million in 2017 compared with CHF 419.1 million in 2016. Accordingly, the Group's cost-income ratio further improved to 54.8%, reinforcing J. Safra Sarasin's ranking as one of the best in class in the private banking industry.

Group net profit rose by 25.1% to CHF 315.3 million for the year 2017 against CHF 252.1 million for 2016.

The consolidated balance sheet at 31 December 2017 climbed to CHF 35.2 billion against CHF 32.3 billion at the end of 2016. The Group maintained high levels of liquid assets of CHF 6.8 billion at the end of 2017.

With the allocation of all Group net profit for 2017 to retained earnings, Group shareholders' equity reached CHF 4.8 billion at the end of 2017 compared with CHF 4.4 billion at the end of 2016.

The Group increased its total base of client relationship managers by 13% to 484 at the end of 2017 against 428 at the end of 2016. Total headcount (full-time equivalents) reached 2,155 compared to 2,095 at the end of 2016.

The Group operates in more than 25 locations worldwide and continues to seek appropriate locations to best serve its clients as it executes its growth strategy across Europe, Asia, Middle East, Latin America and the Caribbean.

Outlook 2018

As we enter 2018, the geopolitical climate remains uncertain in many parts of the world. Although economic fundamentals are good, there are concerns about how long the bull run in many asset classes may continue.

Navigating changing market conditions is in our DNA. We continue to operate by the same guiding principles we have followed as a privately owned bank for generations: capital strength, conservative risk management, knowing clients intimately, efficiency and nurturing loyalty with staff.

We remain confident that the Group is extremely well positioned for a stable and successful future. The Group continues to deliver a solid dependable performance. From this base, we are able to react quickly to opportunities and play a leading role in shaping the future of the sector globally.

The Board of Directors would like to thank our loyal clients for their continued trust and support, and to express our gratitude to all employees for their expertise and dedication as we continue to grow and thrive.

Jacob J. Safra
Chairman of J. Safra Holdings International (Luxembourg) S.A.
Vice-Chairman of J. Safra Sarasin Holding Ltd.

Year in Review

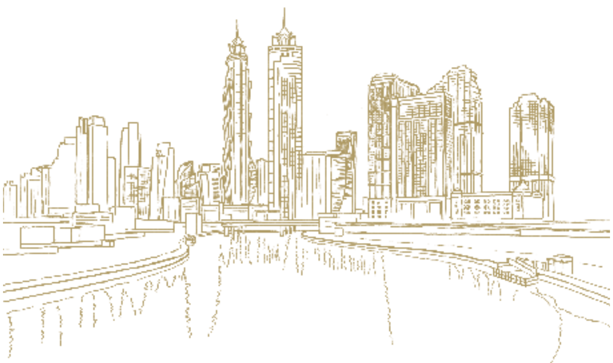
United Arab Emirates | Dubai | Dubai Water Canal

Year in Review

2017 was a very good year for the finance sector and most markets, thanks to high liquidity, the historically low interest rate environment and macroeconomic fundamentals. Our excellent performance reflects this. However, the benign economic environment seemed disconnected from geopolitical events such as elections across Europe, the rise in populism, and tensions in Asia and the Middle East.

As conservative private bankers with a heritage of over 175 years, we graciously acknowledge the record results of 2017. Looking beyond a single year's performance, it is our duty to ensure that the Group remains as strong as possible to weather different economic cycles and to guide our clients accordingly.

Our resilience and performance continues to be founded on stable family ownership, exceptional capital strength, prudent controls, and investments with a long-term perspective.



These qualities have been appreciated by both long-standing and many new clients as they benefit from a privately owned private banking culture that instinctively knows how to best connect clients to global opportunities. It was pleasing to note that we have been awarded the 2018 Best Boutique Private Bank in the World by *Global Finance* magazine.

2017 – an outstanding performance

Our outstanding performance in 2017 reflected notable progress across all key metrics. Client assets under management grew impressively to CHF 170 billion. Operating income increased by 13.3%, reflecting the strong performance of our core private banking services. Operating expenses were kept under control even as we integrated new teams across the globe. Indeed, our cost-income ratio improved to 54.8% and remains one of the best in class in global private banking. With shareholders' equity of CHF 4.8 billion, the Group significantly exceeds its regulatory requirements.

In July 2017, Standard and Poor's affirmed the Group's "A" long-term and "A-1" short-term counterparty credit ratings together with a stable outlook, which reflects "strong brand name recognition and a solid private banking franchise; sound liquidity and very strong capitalisation supported by committed family shareholders".

Stability and prudence

A key point of differentiation for our Group is that as a family-owned business we take care of our clients' wealth like our own. This core philosophy influences the way in which we operate at many levels: our conservative risk management systems, what products we offer to clients, and how we keep things simple and efficient. This produces improved financial returns which are regularly reinvested into the Group to augment even further its strong capital reserves.

Acquisitions and organic growth

It is from this strong base of financial prudence that the Group is well positioned to be a proactive consolidator in the private banking industry. The number of Swiss private banks has fallen from 179 in 2005 to 112, and gross margins have fallen 12% since 2010, according to KPMG. Industry commentators expect that consolidation will continue, and that only the most efficient and competitive banks will thrive. Over the past few years, the Group has acquired the private banking businesses of Morgan Stanley in Switzerland, of Bank Leumi in Luxembourg, and of Credit Suisse in Monaco and Gibraltar. In 2017, this process continued with the announcement of the acquisition of Bank Hapoalim private banking businesses in Switzerland and Luxembourg. We will continue to evaluate opportunities globally which fit with our client focus and culture. Indeed, each acquisition is looked at not just as a stand-alone deal, but as a stepping stone to future talent and clients.

In parallel, we continue to pursue a development strategy of organic growth, attracting significant new first-class talent across the globe. Highly respected veteran private bankers and their teams have joined the Group, reflecting the credibility of our brand and our reputation as an attractive employer.

Diversity and integration

A key strength of the Group is the ability to integrate the diverse talents of over 60 nationalities, operating together under best practices of prudence and control, but without stifling the inherent drive and ambitions of new hires.

Moreover, it is significant that many staff have worked with the Group for most of their professional career. They share the family's approach to careful, conservative banking, building deep and trusting relationships with clients, steering and advising them in times of growth and times of turbulence. Their loyalty and depth of knowledge of clients and products create a legacy of know-how that is unequalled.

Asset management – adding value to clients

We recognise that all clients are different and have their own needs and that no asset manager can be all things to all clients. Therefore we focus our in-house asset management efforts on the products and solutions we strongly believe in and where we can demonstrate specialist knowledge and excellence. We aim to help clients achieve their performance objectives by thinking globally, being open-minded, acting with high conviction and high ethical standards, and providing innovative solutions.

The Group itself is an accomplished investor and we think, invest and take care of assets just like our clients do. Our track record in selected active products and quantitative strategies, plus long-standing leadership in sustainability, are appreciated by clients. Indeed, 2017 has been a remarkable year for performance by some of our products. We continue to extend our product platform, both in-house and through partnerships, bringing something different and tailor-made to add value to clients' portfolios.

Waterways in the city

This year's Annual Report focuses on the theme of waterways in cities where we engage with our clients. Rivers, canals and harbours add a unique visual element and bring a special feel to cities globally. They represent some of our core attributes as a private bank – strength and perseverance, with a steady reliable presence, bringing a constant flow of ideas and activities. Moreover, waterways are drivers of prosperity, connecting different cultures and types of commerce. They absorb and integrate diverse aspects from both the natural and man-made terroir. Lastly, their health and dynamism reflects the sustainability policies and practices of the environments in which they flow. A private banker can only deliver excellent service and performance for clients so long as the bank provides him or her with the best environment in which to prosper with prudence.

In conclusion, on behalf of the leadership team, we would like to thank all of our clients, employees and business partners for their continued trust and confidence as we continue to grow a truly exceptional global private bank of which we can all be proud.

Ilan Hayim	**Edmond Michaan**
Chairman	Chief Executive Officer
Bank J. Safra Sarasin Ltd	Bank J. Safra Sarasin Ltd

Market Environment

Singapore | Singapore River

Market Environment

2017 was an exceptionally good year from a macroeconomic perspective. The economy expanded in step around the world.

Review of 2017

The United States recorded the strongest growth since 2014, despite the Federal Reserve raising interest rates by 25 basis points on three occasions and starting to scale back its balance sheet. The euro area had an even greater surprise in store by showing economic growth and elevated sentiment data that have not been seen for years. At the beginning of 2017, it was not yet entirely clear that such a strong performance would ensue. Therefore, 2017 is best divided into two phases: the first phase, which lasted until the French presidential election in May, was marked by great uncertainty about the future of the euro. The EUR/USD exchange rate, for instance, moved close to parity. The prediction that an accelerated cycle of interest rate hikes by the Fed would lead to a stronger dollar appeared to be borne out. At the same time, only huge currency market interventions by the Swiss National Bank could keep the Swiss franc above CHF 1.06 to the euro. However, the trend suddenly turned around with the election of Mr Emmanuel Macron as French president – the beginning of the second phase. In the summer, the euro rose above USD 1.20 for a short time. Only the European Central Bank (ECB) announcing an extension of its asset purchase programme was able to bring this trend to a close.

Bond yields fell in most regions, driven by low inflation rates and concerns about the US economy. Continued caution from central banks made it difficult for the bond markets to price in significantly higher yields. However, this also buoyed risky assets, such as equities and emerging market bonds. The latter recorded a strong performance in 2017. The economic backdrop of the emerging markets remained robust despite political concerns in Brazil, Turkey and South Africa, geopolitical tensions between the US and North Korea and trade-related uncertainty around NAFTA and China, in the course of the year. Attractive yields as well as falling inflation and policy rates favoured capital inflows into emerging markets, also strengthening their exchange rates.

The acceleration in global growth, swiftly expanding corporate earnings, and the moderate increase in US policy rates drove global equity markets upwards in 2017. The election of Mr Macron as president of France reduced political risk in the euro area and boosted continental European equity markets. Strengthening growth, not least in China, and a high level of liquidity were the main reasons for the particularly sharp increase in emerging market share prices.

Outlook for 2018

We expect a continuation of strong and solid growth in the world economy in 2018. The trend towards higher inflation rates remains slow moving but steady, with wages and salaries continuing to rise. This means that central banks should gradually tighten monetary policy. Thus, the conditions for the growth of corporate earnings and for risky assets remain favourable.

As the year starts, the world economy is being borne aloft by a high wave of optimism. Economic activity is robust in all regions, and both consumer confidence and the business climate surveys are at elevated levels. Furthermore, inflation has increased, which is sufficient to allay fears about deflation, but so far not enough to prompt the central banks to undertake more aggressive tightening.

The US tax cuts should lead to an economic stimulus but also to lower tax receipts and higher budget deficits in the future. This is likely to trigger higher interest rates as well, without making a significant contribution to improving productivity or potential growth. A positive impact can nonetheless be expected in the short term such that the US should experience again above potential growth in 2018, with a low risk to fall into a recession soon.

While fiscal policy is having a positive influence on expectations about the United States, in the euro area monetary policy could bolster growth following the ECB's decision to extend its asset purchases to September 2018 at a reduced level of EUR 30 billion a month. We even view it as probable that the ECB will follow this with a three-month phase in which it slowly winds down its purchase programme with progressively diminishing volumes. Since the ECB has signalled that interest rates will not be increased for as long as bonds are being bought, we do not expect the first interest rate rise until the second quarter of 2019. The Swiss National Bank, which is keeping a close eye on the narrow interest rate differential between the euro and Swiss franc money markets, will probably not raise its policy rates until the second half of 2019. In contrast, we expect the Fed to raise its policy rates by 25 basis points at least three times in 2018 in order to counteract an overheating of the economy. Thus, monetary policy in the United States and the euro area will initially be going in different directions. This should be reflected in the EUR/USD exchange rate, where we expect a rise in the value of the euro in the second half of the year. For the Swiss franc we expect a continuation of the downward trend observed in 2017. We believe that the positive economic environment, with a low level of political risk, should cause demand for the Swiss franc to diminish. Our prediction is for a continuation of the trend towards a weaker Swiss franc until the end of 2018.

In view of the robust economic picture, we expect a gradual rise in bond yields in 2018. However, the upward movement is likely to remain limited with central banks continuing to pursue an expansionary monetary policy. For that reason, maturity premiums should also continue to be low. Nevertheless, we believe that developed countries' bond yields should finish 2018 higher than they were at the beginning of the year. In addition, we expect a further narrowing in the yield spreads between German government bonds and those of the euro area periphery countries.

For 2018, we also see the prospects for the emerging economies remaining positive, which means that their bonds are likely to continue to perform well. This will be the result of better economic data, the across-the-board recovery in the world economy, and solid foreign trade positions. The interest premiums on emerging market bonds already reflect these positive trends in part, but the asset class still offers attractive yield levels in comparison to industrialised countries.

The equity markets should continue on their upward trajectory particularly in the first half of 2018 in view of the ongoing macroeconomic upswing and ample liquidity. Higher expected earnings for 2018 look supportive, yet the normalisation of bond yields might erode valuations if too quick. In this respect, the US central bank's normalisation of interest rates and fluctuations in the price of oil could trigger short-term turbulence. In regional terms we favour emerging markets and also consider the United States and Japan as attractive.

Asset
Management
Switzerland | Zurich | Limmat River

Asset Management

The asset management business is at the core of J. Safra Sarasin Group activities. Investment teams develop investment strategies and manage client portfolios on a global basis. For over three decades, we have proposed an attractive range of solutions and products to pension funds and other financial institutions.

The asset management industry is going through unprecedented changes due to regulation overhaul, technology disruption and evolution in investors' preferences, all taking place in a context of low interest rates and demographic challenges.

"Change in the asset and wealth management industry is now accelerating at an exponential rate"
PWC Asset & Wealth Management Revolution: Embracing Exponential Change – October 2017

We aim to make best use of the most modern tools to engage in clear, dynamic and interactive communication with our clients enabling them to leverage the ubiquitous flow of information, which prevails today, to their advantage.

As an asset manager, what is our main characteristic?
We are a Group that caters to the most demanding private individuals and institutional clients across the globe. The Group itself is an accomplished investor. This means we think, invest and take care of assets just like our clients do. The fact that we share our clients' needs and expectations helps us design investment solutions in order to achieve their investment objectives. We realise that this perspective is a key advantage in serving our clients' interests enabling us to feel that we are "in their shoes" and act for them as if we were acting for ourselves.

In terms of investment philosophy and approach, we have an open mindset, we believe in high convictions and we are prudent risk takers
In today's asset management landscape, three main approaches are clearly polarising the market. The first one is a pure passive approach, where the objective is to track an index. The second one relies on quantitative strategies ("Quant") or smart beta strategies that aim at providing outperformance by focusing on specific factors using models and algorithms. The third one is an active approach that focuses on beating a benchmark using fundamental research and stock picking.

As an investor, the Group looks for investment solutions that demonstrate an open mindset as well as high convictions. While we definitively stand for active management, we do not limit ourselves to traditional approaches when we want to express our convictions. Over the years, we have built a solid track record in Quant strategies. We offer a range of products that we believe in and where we can demonstrate expertise.

With a strong focus on Swiss and thematic equities, on Emerging Market and Total Return fixed income, on flexible multi-asset portfolios and alternative investment such as commodities and real estate, we propose both core elements of a portfolio as well as what is often called "satellite" parts (highly uncorrelated, very active strategies).

Next to those in-house competences, we have built close collaborations and partnerships with highly specialised external players. This allows us to bring to our clients unique products designed especially for them in areas such as US and global equities, high-yield bonds, senior loans, insurance-linked products and Cat bonds.

Whether we manage products ourselves or entrust them to partners, we see risk management as our responsibility during all phases of the investment process.

At a time when passive becomes more and more prominent we are aware that our active products have to bring value and meaning to our clients' portfolios. This is why we develop our products very carefully and monitor them extremely closely to ensure they remain true to their objectives.

Sustainable investments: a new hype?

Almost 30 years ago, we developed a proprietary research and investment framework and became pioneers in sustainable finance. What was a vision at the time has now reached a mainstream status as more and more investors request their investment providers to follow ESG (Environment, Social, Governance) principles and demonstrate impact in their investments.

Sustainable finance is deeply embedded in our investment DNA, we will continue to bring our clients the soundest and most innovative sustainable solutions.

Our complete view on Sustainability can be read in the Sustainability Report 2017 (see page 84).

A wider, more dynamic communication

As an asset manager, our task is to manage our clients' portfolios and inform them about markets, about the way to see trends developing, about the strategies we follow to manage their assets, about the impact this has had on the portfolios.

Our experts already share their insight in publications on a regular basis and during events, explaining how our long-term thinking helps us to spot opportunities early on in areas such as Artificial Intelligence, Robotics, Cryptocurrencies, Climate Change, Medtech and other trends that are reshaping the way we live. Twice a year, we present our Economic Outlook and investment strategies for the months to come. Throughout the year, we meet with investors to introduce and report on our investment solutions.

In addition to such publications and events, we now see the need to make asset management services even more broadly accessible to our clients namely via the launch of a new, dedicated website, the use of social media and presentations at targeted events for the industry as well as more actively promoting our expertise in traditional media.

The website will offer our top specialists' opinions in real time; market insights will be shared instantly with our clients in a more dynamic way using videos and animated presentations that illustrate our current views. A new Fund Finder tool will also be developed to bring a more complete set of information on our different investment solutions. Clients will have the possibility to customise their settings giving them direct access to the most relevant information to them.

Following our research and analysis will be made easier through a new social media strategy. Our thought leaders will enjoy a wider platform to express their views thereby impacting the industry and enhancing the visibility of our Group.

We look forward to these new ways of enhancing communication and continued building of the partnership with our clients.


SHUN TAK

Corporate Governance

Hong Kong | Victoria Harbour

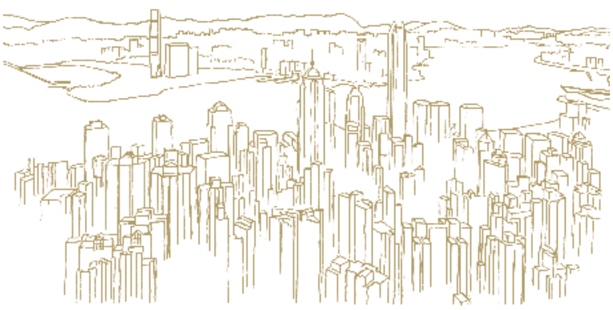
Corporate Governance

Corporate Governance at J. Safra Sarasin Holding Ltd. ("JSSH") ensures that the management and supervision of the Group are focused on the long-term success of the organisation to the benefit of all stakeholders.

Group structure and shareholder

J. Safra Sarasin Holding Ltd. is a holding company incorporated under the laws of Switzerland with its registered office in Basel. JSSH is the shareholder of Bank J. Safra Sarasin Ltd ("BJSS") and other direct and indirect subsidiaries and, as the case may be, their branches and representative offices (each a "Group Company" and together the "J. Safra Sarasin Group" or the "JSS Group"). Reference is made to the organisation chart on page 35 and the information provided in the section Group Companies of this report.

Bank J. Safra Sarasin Ltd is a company incorporated under the laws of Switzerland with its registered office in Basel. It holds a banking licence and has the status of a securities dealer.



J. Safra Holdings International (Luxembourg) S.A., Luxembourg, holds the entire share capital and voting rights of JSSH. JSSH is ultimately owned by Mr. Joseph Y. Safra and his family.

Both JSSH and BJSS are regulated by the Swiss Financial Market Supervisory Authority (FINMA).

Consolidated supervision

The JSS 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 JSS Group.

JSSH has delegated to BJSS governing bodies all duties, responsibilities and competencies related to the management and operation of its current business. These responsibilities include the organisation, the financial consolidation and the risk diversification as well as the supervision on a consolidated basis of the JSS Group's activities.

Accordingly the implementation of the criteria for the consolidated supervision of the JSS Group is the responsibility of the Board of Directors and the Group Executive Board ("GEB") of BJSS, under the auspices of the Board of Directors of JSSH. The main functions and departments at the level of BJSS, and in particular, the following functions and departments, exercise Group-wide consolidated supervision on the JSS Group:

- Finance
- Credit
- Legal and Compliance
- Risk Management
- Treasury & Trading
- IT
- Group Internal Audit

The duties and responsibilities of the above functions are governed by the regulations, directives, working directives and guidelines issued by JSSH and/or BJSS.

The implementation of an adequate and effective framework of consolidated supervision throughout the JSS Group ensures inter alia:

- Compliance with the relevant accounting standards of the JSS Group;
- Compliance with consolidated capital adequacy provisions for the JSS Group;

- Compliance with risk provisions on a consolidated basis for the JSS Group;
- Compliance with the liquidity requirements of the JSS Group;
- Adequate system of internal controls and supervision of the governing bodies of all JSS Group entities and separation of functions;
- Operation of a Group-wide system of directives, which serves as a management instrument for the implementation of regulations and processes which are necessary in the context of the consolidated supervision;
- Group-wide anti-money laundering and combatting the financing of terrorism;
- Group-wide regulatory compliance, risk management and internal audit; and
- Immediate access to any information required to ensure the integrated management of all entities within the JSS Group.

Board of Directors

Area of responsibility

The Board of Directors (the "Board") of JSSH is the ultimate governing body of JSS Group. It lays down JSS Group's objectives and business strategy and supervises the GEB, entrusted with the management of the business.

The Board is responsible for the financial situation and development of the JSS Group and approves the capital and liquidity plans, as well as the financial statements.

The Board is also responsible for all business matters that the Articles of Association and the law do not specifically reserve for the General Meeting of shareholders.

The Board signs off the Group-wide risk management framework and is responsible for monitoring and controlling the main risks of JSS Group as required by Swiss banking regulation and the implementation of an appropriate business organisation and the consolidated supervision framework.

The Board delegates the running of the JSS Group to the CEO of BJSS and the GEB in accordance with the applicable Organisational Regulations and is regularly briefed by the CEO and the members of the GEB.

The allocation of responsibilities between the Board, the CEO and the GEB is further specified in the Allocation of Competencies of JSSH.

Internal organisational structure

Meetings of the Board are convened by its Chairman or, should he be impeded, by the Vice-Chairman. Meetings take place as often as business requires, generally once a quarter. In addition, any Board member may request that a meeting be convened. Usually the Boards of BJSS and JSSH meet on the same day and both meetings together last several hours. In 2017, the Boards of BJSS and JSSH met five times.

Board members have access to all information concerning the business and the affairs of the JSS Group as may be necessary or appropriate for them to fulfil their duties. During Board meetings, any Board member is entitled to request information on any matter relating to the JSS Group regardless of the agenda.

The Board has set up an Audit & Risk Committee.

Information and control instruments vis-à-vis senior management

The CEO and the GEB assure the implementation of the Board's decisions and of plans and projects approved by the Board. The GEB and the CEO are responsible for the operational management of the JSS Group.

In coordination with the Chairman of the Board, the CEO is responsible for promptly informing the Board and/or the Audit & Risk Committee of any aspects of the JSS Group or a Group Company that are material for decision-making and monitoring.

In addition, the CEO or, in certain cases, the competent Division Head (or Function Head) provide the Board with the general information it requires to carry out its supervisory and control functions. This includes regular information about the general course of business, the Group's financial performance and the implementation of the Group's risk management framework.

The Board may invite the Division Heads or Business Units Heads to Board meetings to discuss unit-specific matters.

Composition of the Board

As of 31 December 2017, the composition of the Board of JSSH was as follows:

• Joseph Y. Safra	Chairman
• Jacob J. Safra	Vice-Chairman
• Pierre-Alain Bracher	Member*
• Philippe Dupont	Member*
• Ilan Hayim	Member*

* Independent member

As of 31 December 2017, the composition of the Board of BJSS was as follows:

• Ilan Hayim	Chairman
• Pierre-Alain Bracher	Vice-Chairman
• Philippe Dupont	Member
• Jorge A. Kininsberg	Member**
• Jacob J. Safra	Member

** Since 13 June 2017

Collectively, the members of the Board have a thorough understanding of the banking and financial services sector in general and in particular of the JSS Group, as well as the global regulatory environment.

Joseph Y. Safra
Born in 1938; Brazilian national; lives in Switzerland

Joseph Y. Safra heads the J. Safra Group, which consists of privately owned banks under the Safra name and investment holdings in asset-based business sectors such as real estate and agribusiness. The J. Safra Group's banking interests are: J. Safra Sarasin, headquartered in Basel, Switzerland; Banco Safra SA, headquartered in São Paulo, Brazil; and Safra National Bank of New York, headquartered in New York City, USA, all independent from one another from a consolidated supervision standpoint.

From 2000 until 2012, Joseph Y. Safra was Chairman of the Board of Directors of Banque J. Safra (Suisse) SA. Since 2001, he is Chairman of the Board of Directors of JSSH. Currently, he is also a member of the Board of Directors of Safra National Bank of New York, USA (since 1986).

Jacob J. Safra
Born in 1975; Brazilian and Greek national; lives in Switzerland
Bachelor of Sciences in Economics – Finance Major Wharton School, University of Pennsylvania, Philadelphia, USA

Since 1998, Jacob J. Safra is responsible for the main business activities of the J. Safra Group outside of Brazil. From 1998 until 2005, he served as COO and subsequently CEO of Safra National Bank of New York, USA, where he is currently Vice-Chairman of the Board of Directors (since 2015). Since 2005, Jacob J. Safra is a member of the Board of Directors of BJSS (including Banque J. Safra (Suisse) SA) and since 2008, he is Vice-Chairman of JSSH. He is also a member of the Board of Directors of various entities of the J. Safra Group and member of the Board of Banque J. Safra Sarasin (Monaco) SA (from 2006 until 2014 as Vice-Chairman and since 2014 as Chairman).

Pierre-Alain Bracher
Born in 1947; Swiss national; lives in Switzerland
Chartered Accountant Diploma – Expert suisse, Swiss Institute of Accounting & Tax Experts

Pierre-Alain Bracher joined the accounting firm Deloitte Ltd, Zurich, in 1972 as junior accountant in the financial industry group. He moved to Geneva in 1974 and became a partner at Deloitte Ltd from 1984 until 2007. From 2007 until 2013, Pierre-Alain Bracher was a member of the Board of Directors of Banque J. Safra (Suisse) SA and from 2009 until 2015 member of the Board of Directors of Royal Bank of Canada (Suisse) SA. Since 2012 Pierre-Alain Bracher is member of the Board of Directors of BJSS and JSSH.

Philippe Dupont
Born in 1961; Luxembourg national; lives in Luxembourg
Master's Degree in Law – University of Paris, France; Master of Laws (LL.M.) – London School of Economics and Political Science, UK; Member of the Luxembourg Bar

Philippe Dupont began his professional career as a lawyer in 1986. He is a founding partner of Arendt & Medernach where he serves as head of the firm's Banking and Finance industry group. Philippe Dupont is a member of the Board of Directors of Pictet & Cie (Europe) SA, Luxembourg, and a member of the Permanent Court of Arbitration. He further acts as conciliator and arbitrator at the International Centre for Settlement of Investment Disputes of the International Bank for Reconstruction and Development. Since 2012, Philippe Dupont is member of the Board of Directors of BJSS and JSSH.

Ilan Hayim
Born in 1951; Swiss national; lives in Switzerland
Master Degree in Economics (MBA) – University of Geneva

Ilan Hayim has extensive experience in the banking sector both at the operational level and as a member of the Board of Directors. He started his professional career at Paribas (from 1975 until 1988) where he was a member of the Executive Committee. Between 1988 and 2006, he held the CEO position in several banking institutions (Banque Unigestion, UBP Ltd, HSBC Guyerzeller Bank SA). In 2007, Ilan Hayim was elected member of the Board of Directors of Unigestion Holding SA, a position he held until 2010. Since 2013, Ilan Hayim is Chairman of the Board of Directors of BJSS and a member of the Board of Directors of JSSH.

Jorge A. Kininsberg
Born in 1950, Brazilian national, lives in Luxembourg
Bachelor in Business Management – Mackenzie University, Faculty of Economics / Accounting and Administrative Science, São Paulo, Brazil

During his professional career, Jorge A. Kininsberg collected extensive experience in the banking sector both at the managerial level and as a member of Board of Directors. Jorge A. Kininsberg held various leading managing positions amongst others at Banco Safra de Investimento SA and Banco Safra SA, São Paulo, Brazil. In 1982, he became CEO of Trade Development Bank (Uruguay) S.A., Montevideo, Uruguay. Between 1985 and 1989, he was CEO of Safra National Bank of New York, USA. In 1990, Jorge A. Kininsberg moved to Luxembourg taking the positon as CEO and member of the Board of Directors of Banque J. Safra Sarasin (Luxembourg) SA, Luxembourg, positions he held until early 2017. Between 2008 and 2015, he was member of the Board of Directors of Bank J. Safra Sarasin (Bahamas) Ltd., Bahamas. In 2017, Jorge A. Kininsberg was elected as a member of the Board of Directors of BJSS.

Audit & Risk Committee
The Board has set up an Audit & Risk Committee (ARC).
As of 31 December 2017, the ARC was composed of the following members:

• Pierre-Alain Bracher	Chairman
• Philippe Dupont	Member
• Ilan Hayim	Member

Collectively, the members of the ARC have a thorough understanding of all entities of the JSS Group worldwide and the international banking industry and its regulation. The ARC maintains regular contact with the audit committees of the individual companies of the JSS Group. It receives copies of minutes of such committees and ensures consistent implementation of its own decisions within the JSS Group.

The ARC is responsible for the definition of general guidelines on internal audit and financial reporting, the monitoring and assessment of financial reporting and the integrity of the annual financial statements before they are presented to the Board for approval.

The ARC receives regularly information regarding compliance with legal and regulatory obligations by Group Companies as well as with regard to the existence of adequate and effective internal controls on financial reporting.

The ARC is also responsible for monitoring and assessing the effectiveness of the internal control systems, specifically risk control and compliance and internal audit. The committee sets down the standards and methodologies for risk control with regard to all types of risk (including legal and regulatory risks) in order to ensure compliance with the principles of the risk policy adopted by the competent supervisory authority, the Board or management bodies within the JSS Group.

The ARC reviews and proposes to the Board the JSS Group-wide framework for risk management and its guiding principles. It controls and assesses them periodically (at least annually), making recommendations of any required changes to that framework.

The ARC assesses the regulatory audit plan, audit rhythm and audit results produced by Group Internal Audit and the external auditors. It also ensures contact with the external auditors at the level of the Board and monitors their performance and independence as well as their cooperation with Group Internal Audit. The Chairman of the ARC regularly reports its activities and findings to the Board. The Chairman of the Board of BJSS is also a member of the ARC.

External audit firm
Deloitte Ltd has been appointed as external auditor of J. Safra Sarasin Holding Ltd. and all relevant JSS

Group Companies in 2013. For 2017, the audit firm and its affiliated companies were appointed by the General Assembly of J. Safra Sarasin Holding Ltd. and all relevant Group Companies for a one-year term for the financial and the regulatory audits. Re-election is possible.

Alexandre Buga is the responsible partner leading the audit activities. He holds this function since 2013.

Auditing fees
The JSS Group paid Deloitte Ltd and its affiliated companies fees totalling CHF 3.450,000 for services connected with the financial and regulatory audit for the year 2017.

Additional fees
The JSS Group paid Deloitte Ltd and its affiliated companies fees totalling CHF 294,000 for services not connected with the financial and regulatory audit for the year 2017.

Information instruments pertaining to external audit
The ARC holds regular discussions with representatives of the external audit firm regarding the audit planning, the results of the audit activity in relation to supervisory controls and the preparation of financial statements, as well as the adequacy of internal control systems, in light of the Group's risk profile.

During 2017, representatives of Deloitte Ltd attended six meetings of the ARC and one meeting of the Board for specific agenda items.

The ARC monitors the scope and organisation of the audit activity and evaluates the performance of the external audit firm. The audit firm and its affiliated companies must be independent from J. Safra Sarasin Holding Ltd. and its Group Companies.

Representatives of the external audit firm have direct access to the ARC at all times.

Group Internal Audit (GIA)

GIA is the internal audit function responsible for the entire JSS Group.

The Board has issued regulations for GIA setting out its tasks, duties and responsibilities. GIA prepares its audit reports without instructions from any other party.

GIA reports to the Boards of BJSS and JSSH and to the ARC. In addition, GIA representatives also report to the respective board of directors and audit committees of the Group Companies for their related matters.

GIA has an independent and objective monitoring and consulting role designed to add value and improve BJSS's and JSS Group's operations. It helps each Group Company to accomplish their objectives by bringing a focused and systematic approach to evaluating and improving the effectiveness of risk management, control processes and Group governance by systematically assessing:

i. the effectiveness of processes implemented to define strategy and risk tolerance, as well as the adherence to the strategy approved by the Board;
ii. effectiveness of governance processes;
iii. effectiveness of risk management, including whether risks are appropriately identified and controlled;
iv. effectiveness of internal controls, specifically whether they are commensurate with the risks taken;
v. effectiveness and sustainability of the implementation of remedial actions;
vi. reliability and integrity of financial and operational information, i.e. whether activities are properly, accurately and completely recorded, including the quality of underlying data and models; and
vii. compliance with legal and regulatory requirements, as well as with internal directives and contractual obligations.

GIA representatives have an unlimited right to see and examine documents, to the extent necessary for them to fulfil their tasks and auditing duties.

GIA reports in a timely manner on all material findings to the Board, the ARC and/or the GEB. GIA publishes at least annually a report describing the key audit findings and important activities during the audit period and submits this report with any corresponding conclusions to the ARC, the GEB and the external audit firm.

Group Executive Board

In April 2017, BJSS established a Group Executive Board (GEB) as the new executive management body of the Group.

Under the leadership of the CEO, the GEB has executive management responsibility for the steering of the JSS Group and its business in line with the direction given by the Board. The GEB is entitled to delegate certain responsibilities and authorities to other management bodies such as the Executive Committee or other operational committees according to the relevant Organisational Regulations of BJSS and Allocation of

Competencies of JSSH. In his capacity as Chairman of the GEB, the CEO provides the Board with all information it requires to carry out its supervisory and control functions and requests the approval of the Board for matters which are in the competence of the Board according to relevant internal regulations.

The following individuals are members of the GEB:

Stephane Astruc
Born in 1969; French national; lives in Switzerland
Master's Degree in Private Law – University of Nice Sophia Antipolis
Qualified French Lawyer – Bar of Paris

Stephane Astruc began his professional career in 1993 at HSBC Private Bank (Monaco) SA where his main responsibilities were Head of the Legal and Compliance department, Member of General Management and Corporate Secretary. In 2005, he moved to Geneva (Switzerland) and joined Banque J. Safra (Suisse) SA as Head Legal and Compliance. Since 2013, Stephane Astruc is General Counsel of BJSS and since April 2017, member of the GEB.

Daniel Belfer
Born in 1975; Brazilian national; lives in Switzerland
Bachelor of Science in Business Administration – Boston University, Boston, USA; CFA Charterholder

Daniel Belfer began his professional career in 1997 at BancBoston Robertson Stephens Inc. in Boston, USA, in the Emerging Markets Sales, Trading & Research department. In 2000, he joined Safra National Bank of New York where he was responsible for Fixed Income Trading and Structured Products. In 2004, he was promoted to Head of Trading. From 2008 to 2010, he was CEO and member of the Board of Directors of Bank J. Safra Sarasin (Bahamas) Ltd. In 2010, he moved to Geneva (Switzerland) where he joined Banque J. Safra (Suisse) SA. In 2012, he became Head of Treasury, Trading & ALM and Head of Credit of JSSH. Daniel Belfer is member of the GEB.

Edmond Michaan
Born in 1970; Brazilian national; lives in Switzerland
Bachelor of Arts in Political Science and International Relations – Bar Ilan University, Israel and Master of Science in Management – Boston University, Boston, USA

Edmond Michaan began his professional career in 1991 in First International Bank of Israel. In 1995, he moved to Brazil and started at Safra Leasing S.A. in São Paulo. In 1997, he joined Banco Safra SA in São Paulo first as senior account officer and then as general manager of a local Branch. In 2001, he relocated to Geneva (Switzerland) and joined Banque J. Safra (Suisse) SA where he was active in various management functions in the Private Banking division and after 2012 as CEO. Since 2013, Edmond Michaan is CEO of BJSS. He chairs the GEB.

Elie Sassoon
Born in 1954; Swiss and Brazilian national; lives in Switzerland
Studied Economics at the Pontificia Universidade Católica São Paulo, Brazil

Elie Sassoon began his professional career in 1977 at Banco Safra SA in São Paulo where he was active in various functions in the back and front office. In 1985, he joined Banque Safra (Luxembourg) SA in Luxembourg first as director of Private Banking and then as managing director responsible for the operation. In 2000, he moved to Geneva (Switzerland) where he joined Banque J. Safra (Suisse) SA where he was active in various management functions in the Private Banking division and since 2012 as Deputy CEO. Since 2013, Elie Sassoon is Head of the division Private Banking Region II & EXAM of BJSS. He is member of the GEB.

Marcelo Szerman
Born in 1977; Brazilian national; lives in Switzerland
Bachelor in Business Administration – Finance – EAESP – Fundação Getulio Vargas (FGV), São Paulo, Brazil

Marcelo Szerman began his professional career in 1999 at Brascan S.A. CTV (Brascan Holdings/Mellon Bank) in São Paulo as International Equities and Futures Sales trader. In 2000, he joined Safra National Bank of New York where he acted as Vice President in the Investment Advisory Group. In 2005, he moved to Geneva (Switzerland) where he joined Banque J. Safra (Suisse) SA in the Trading & Treasury department and from 2008 as CEO. From 2012 to 2013, he was CEO of JSSH. Since 2013, Marcelo Szerman is the COO of the JSS Group. He is a member of the GEB.

Remuneration

Basic principles

JSS Group's compensation principles are issued by the Board of BJSS and govern the fundamentals of the compensation systems for the entire JSS Group.

The compensation philosophy of the JSS Group is based on a transparent and sustainable approach to operating a performance-related compensation system.

Compensation is based on quantitative and qualitative performance measurement criteria which are as objective as possible. Such criteria are graded according to specific responsibilities and positions held, with the aim to align reward closely with performance and conduct of the JSS Group, the Group Company concerned and the individual employee.

Any performance measurement criteria shall in particular foster ongoing compliance with all applicable laws, rules and internal regulations and promote the general risk awareness of employees as well as encourage them to perform their business activities in a sustainable client-orientated manner.

Elements of remuneration

The JSS Group aims to offer competitive remuneration aligned with the market in order to attract, develop and retain employees for the long term.

Total remuneration generally consists of fixed and variable remuneration and applicable fringe benefits.

The elements of compensation are communicated to employees in a transparent manner and form an integral part of their employment contracts.

Procedure for determining compensation

Certain members of the Board receive Board member fees, graded according to position held and membership of committees.

The Board periodically reviews the Compensation Rules and obtains information each year on the operational implementation of and trends in the compensation systems. In accordance with the Allocation of Competencies, the Board approves the annual total pool for all variable pay and the annual salary increase, including the GEB.

The payment of variable remuneration is at the discretion of management and is in principle contingent on the fulfilment of certain conditions, including performance and conduct.

Employees and senior executives who hold controlling, auditing, legal, compliance and risk management functions are generally paid a fixed salary in line with the market and the calculation of variable remuneration is not directly dependent on the performance of the business units, specific products or transactions.

Risk strategy and risk profile

Private banking and asset management are business activities which inevitably entail inherent direct and indirect risks.

The main risks are:

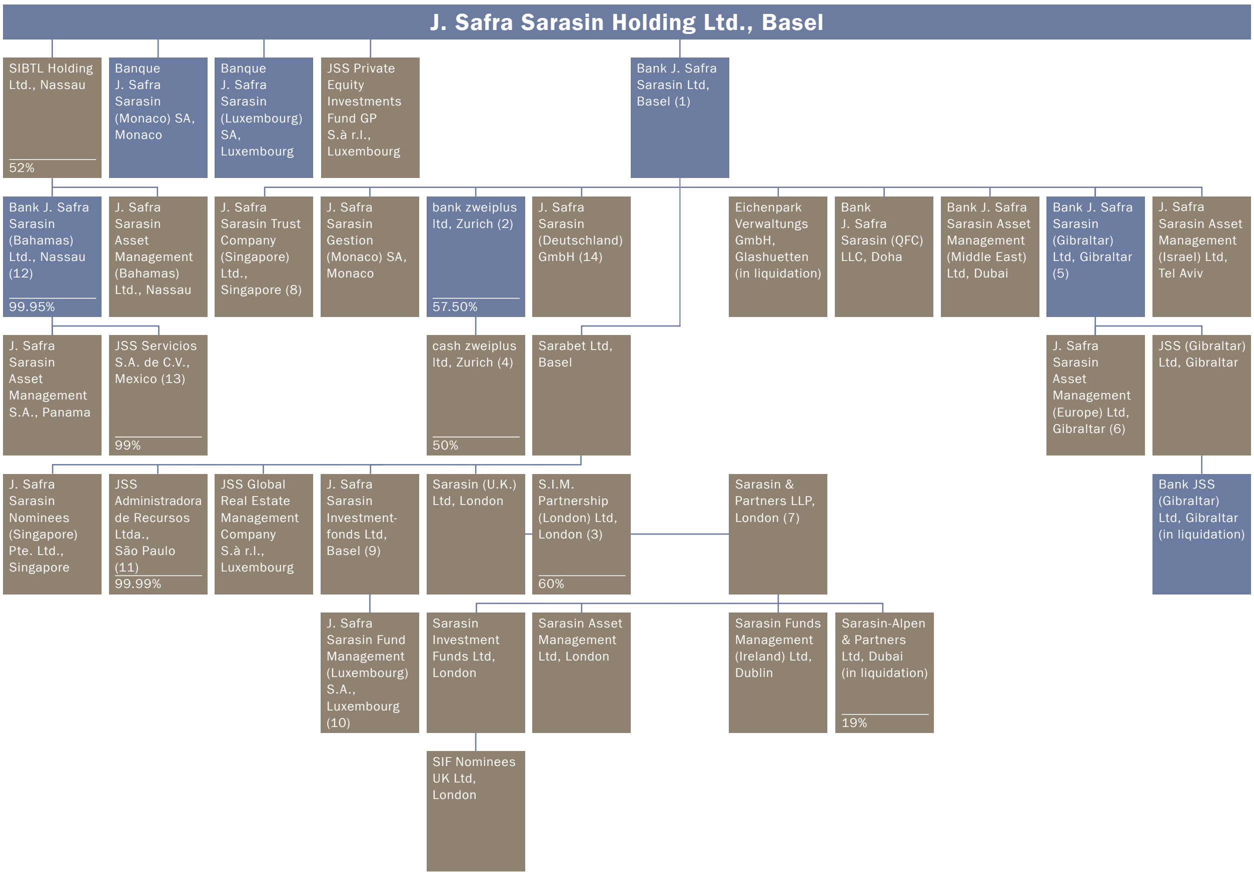
- Market, liquidity and financing risk
- Credit risk
- Operational risk
- Legal conduct and compliance risk
- Business and strategic risk

The section on Risk Management (page 53) describes in details the main risks to which JSS Group is exposed. The Group considers that its risk management framework is a central component of its strategy, and maintaining it constantly adequate to the regulatory environment, to the business evolution, and to the customer needs is an absolute condition for a sustainable and long-term success.

The Board defines the risk strategy by which certain risks will be avoided, mitigated or transferred, and the residual risks will be assigned a level of appetite and tolerance. The strategy is implemented by the GEB, who will ensure that the controls and processes are in place and efficiently performed. A sound monitoring and accurate reporting with a fast escalation process complete the risk management framework.

By complementing the expertise of the front units with a strong risk culture and adequate levels of controls, the JSS Group strives to preserve its client assets, keep a solid capital base and maintain its reputation in the long run.

Legal structure as at 31. 12. 2017



■ Banking licence

Except as indicated, 100% ownership.

(1) Branches in Berne, Geneva, Lugano, Lucerne, Zurich
Branches abroad: Guernsey, Hong Kong, Singapore
Representative office: Warsaw (including an office in Poznan)
(2) 42.5% with Falcon Private Bank AG
(3) 40% with Management
(4) 50% with Ringier AG
(5) Head Office: Gibraltar – Branch: London
(6) Head Office: Gibraltar – Branch: London
(7) Head Office: London – Branch: Dublin
(8) The Company owns the following subsidiaries: Asia Square Holdings Ltd. (BVI), Edinburgh Management Ltd. (BVI), Shenton Management Ltd. (BVI)
(9) Head Office: Basel – Branches: Geneva, Zurich
(10) Head Office: Luxembourg – Branch: Vienna
(11) The remaining 0.01% of the shares are held by Bank J. Safra Sarasin Ltd
(12) The remaining 0.05% of the shares are held by Fiduciary
(13) The remaining 1% of the shares are held by SIBTL Holding Ltd.
(14) Former “Bank J. Safra Sarasin (Deutschland) AG” surrendered its banking license with effect on 31.12.2017 and was subsequently renamed

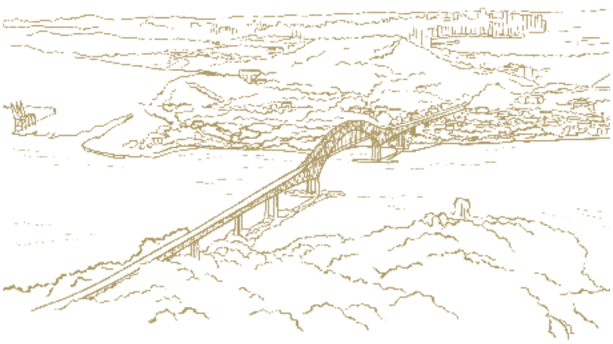
Group Companies

Panama | Panama Canal

Group Companies

Private banking is a global growth market, presenting opportunities that the J. Safra Sarasin Group actively seeks to exploit. The Group is represented in more than 25 locations in Europe, Asia, the Middle East, Latin America and the Caribbean.

The companies described in this chapter are the main operating companies of J. Safra Sarasin Group. For a complete list of all companies being consolidated under J. Safra Sarasin Holding Ltd., please see the notes to the consolidated financial statements on page 65. A chart showing the legal structure of the Group is available as part of the chapter on corporate governance on page 35. All subsidiaries of J. Safra Sarasin Holding Ltd. are subject to consolidated supervision by FINMA.



Bank J. Safra Sarasin Ltd

Bank J. Safra Sarasin Ltd was founded in 1841. As a leading Swiss private bank, its many years of banking experience have made it consciously opt for sustainability as a key component of its corporate philosophy.

Within Switzerland, Bank J. Safra Sarasin has offices in Basel (head office), Berne, Geneva, Lucerne, Lugano and Zurich. It also has a representative office in Poland and branches in Hong Kong, Singapore and Guernsey.

Bank J. Safra Sarasin is recognised as a leader among full-service banks in the private banking segment, offering all the advantages of the Swiss banking environment together with dynamic and personalised asset management and advisory services focusing on opportunities in international financial markets. Its team of highly experienced professionals develops tailor-made products to meet the needs of clients, as well as offering a comprehensive array of financial services. Financial strength, excellent client service and outstanding quality are the key elements of its philosophy. It provides a high level of service and expertise when acting as investment advisor and asset manager for private and institutional clients.

Bank J. Safra Sarasin (Bahamas) Ltd.

Incorporated in 1983 under the laws of the Bahamas, Bank J. Safra Sarasin (Bahamas) Ltd. focuses on asset management services as well as portfolio management for private clients. Its private banking operations have expanded strongly in recent years, alongside successful forays in the wider international markets.

Banque J. Safra Sarasin (Monaco) SA

Acquired in 2006, Banque J. Safra Sarasin (Monaco) SA is one of the largest banks in the Principality of Monaco. Banque J. Safra Sarasin (Monaco) SA delivers the services of a global bank with the flexibility and the agility of a private bank. With its trading desk, the Bank has direct and immediate access to the major international financial markets.

Basel

Bank J. Safra Sarasin (Gibraltar) Ltd
Incorporated in 2001 with a full banking licence, Bank J. Safra Sarasin (Gibraltar) Ltd offers private banking services and accepts deposits both from individual clients and other banking institutions. From inception, Bank J. Safra Sarasin (Gibraltar) Ltd has maintained its growth strategy and strong capitalisation.

Bank J. Safra Sarasin (Gibraltar) Ltd, London Branch
Bank J. Safra Sarasin (Gibraltar) Ltd, London Branch, started operating in 2007. It offers UK residents and international clients based in London access to one of the world's most important financial centres. Its staff develops comprehensive and flexible private banking services to individuals and families, as well as the full array of financial services to corporate clients.

Bank J. Safra Sarasin Ltd, Guernsey Branch
The Bank established a presence in Guernsey in 1992, and in 2011, it was converted from a subsidiary into a branch. The branch accepts deposits from other banking institutions and institutional clients as well as offering a discretionary investment management service, principally to private clients, in conjunction with Sarasin & Partners LLP, London. The branch is licensed and regulated by the Guernsey Financial Services Commission.

Bank J. Safra Sarasin Ltd, Hong Kong Branch
Bank J. Safra Sarasin Ltd, Hong Kong Branch, was established in 2010 by conversion from a Hong Kong-based investment services subsidiary and is an authorised institution licensed by the Hong Kong Monetary Authority. The branch offers private banking services and accepts deposits both from individual and corporate clients.

Bank J. Safra Sarasin Ltd, Singapore Branch
Bank J. Safra Sarasin Ltd, Singapore Branch, was established in 2012 by conversion from a Singapore-based banking subsidiary and operates under a

Bern

Geneva

Lucerne

Lugano

Zurich

wholesale bank licence granted by the Monetary Authority of Singapore. The branch offers private banking services and accepts deposits from both individual and corporate clients.

Banque J. Safra Sarasin (Luxembourg) SA
Established in 1985, Banque J. Safra Sarasin (Luxembourg) SA focuses on private and commercial banking, offering an array of products and personalised services tailored to the needs of customers. Thanks to the expertise in the banking sector, Banque J. Safra Sarasin (Luxembourg) SA meets its customers' expectations by developing financial strategies to achieve their targets in accordance with their investment profiles.

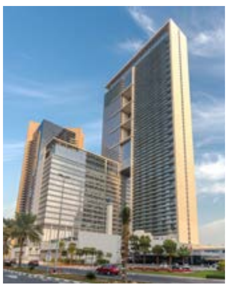
J. Safra Sarasin Asset Management (Europe) Ltd
J. Safra Sarasin Asset Management (Europe) Ltd is a subsidiary of Bank J. Safra Sarasin (Gibraltar) Ltd. It opened its London Branch in 2010 with the objective of focusing its offerings of services on investment funds, thus being attractive to wealth managers who want to invest across a wide range of asset classes.

Bank J. Safra Sarasin Asset Management (Middle East) Ltd
Bank J. Safra Sarasin Asset Management (Middle East) Ltd has been incorporated in 2013 and is a wholly owned subsidiary of Bank J. Safra Sarasin Ltd, located in the Dubai International Financial Centre (DIFC), Dubai, and operating under a licence from the Dubai Financial Services Authority. It offers residents of the UAE and other international clients based in the Middle East and Africa comprehensive and bespoke advisory services.

Bank J. Safra Sarasin (QFC) LLC
Bank J. Safra Sarasin (QFC) LLC has been incorporated in 2014 and is a wholly owned subsidiary of Bank J. Safra Sarasin Ltd, located in the Qatar Financial Centre (QFC), Doha, and operating under a licence from the QFC Regulatory Authority. It offers residents of the UAE and other international clients based in the Middle East and Africa comprehensive and bespoke advisory services.

J. Safra Sarasin Asset Management S.A.
Incorporated in 2008 under Panamanian laws, the wholly owned subsidiary of Bank J. Safra Sarasin (Bahamas) Ltd. provides investment advisory services and operates as a broker. J. Safra Sarasin Asset Management S.A. is licensed by the National Security Commission of Panama.

Doha



Dubai

Frankfurt

Gibraltar

Hong Kong

J. Safra Sarasin Asset Management (Bahamas) Ltd.
Incorporated in 2014 under the laws of the Bahamas, J. Safra Sarasin Asset Management (Bahamas) Ltd. focuses on asset management services as well as administration and advisory services for in-house funds.

J. Safra Sarasin (Deutschland) GmbH
J. Safra Sarasin (Deutschland) GmbH is licensed under § 34f German Trade Act and supervised by the Chamber of Commerce. It provides investment advice and/or investment broking services in relation to domestic or foreign open/closed-ended investment funds, which may be marketed in accordance with the German Capital Investment Code.

JSS Administradora de Recursos Ltda.
Incorporated under the laws of Brazil, it commenced business in 2017 and operates under a portfolio manager license of the Brazilian Securities and Exchange Commission (CVM). JSS Administradora de Recursos Ltda. offers investment advisory and discretionary asset management services mainly to private clients.

J. Safra Sarasin Asset Management (Israel) Ltd
Established in November 2017 in Tel Aviv, J. Safra Sarasin Asset Management (Israel) Ltd is in the process of applying for the necessary licenses for investment marketing and portfolio management with the Israel Securities Authority (ISA), with the aim to provide investment services mainly to private clients.

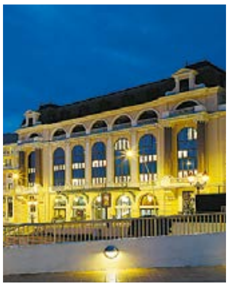
J. Safra Sarasin Trust Company (Singapore) Ltd.
Incorporated under the laws of Singapore, J. Safra Sarasin Trust Company (Singapore) Ltd. obtained its licence from the Monetary Authority of Singapore under the Trust Companies Act 2004 and commenced business in December 2010. It offers tailored trust and company management services to take care of the wealth protection and succession planning needs of its clients.

Sarasin & Partners LLP
Sarasin & Partners LLP is a London-based asset management group that manages investments on behalf of charities, institutions, pension funds and private clients, from the UK and around the world. Sarasin & Partners is known both as a leader in thematic investment and for long-term income and dividend management across multi-asset and equity mandates. Consistent with a longer-term approach is a commitment to “stewardship” principles, embedding environmental, social and governance considerations into the investment process. Sarasin & Partners is 60% owned by Bank J. Safra Sarasin Ltd and 40% owned by its partners.

Bank zweiplus ltd
Incorporated in 2008 in Switzerland, it offers custody services to clients of financial services providers, independent asset managers and insurance companies and in so doing supports these financial intermediaries in servicing their clients. bank zweiplus also has a sophisticated product offering specifically tailored to clients of financial services providers, independent asset managers and insurance companies.

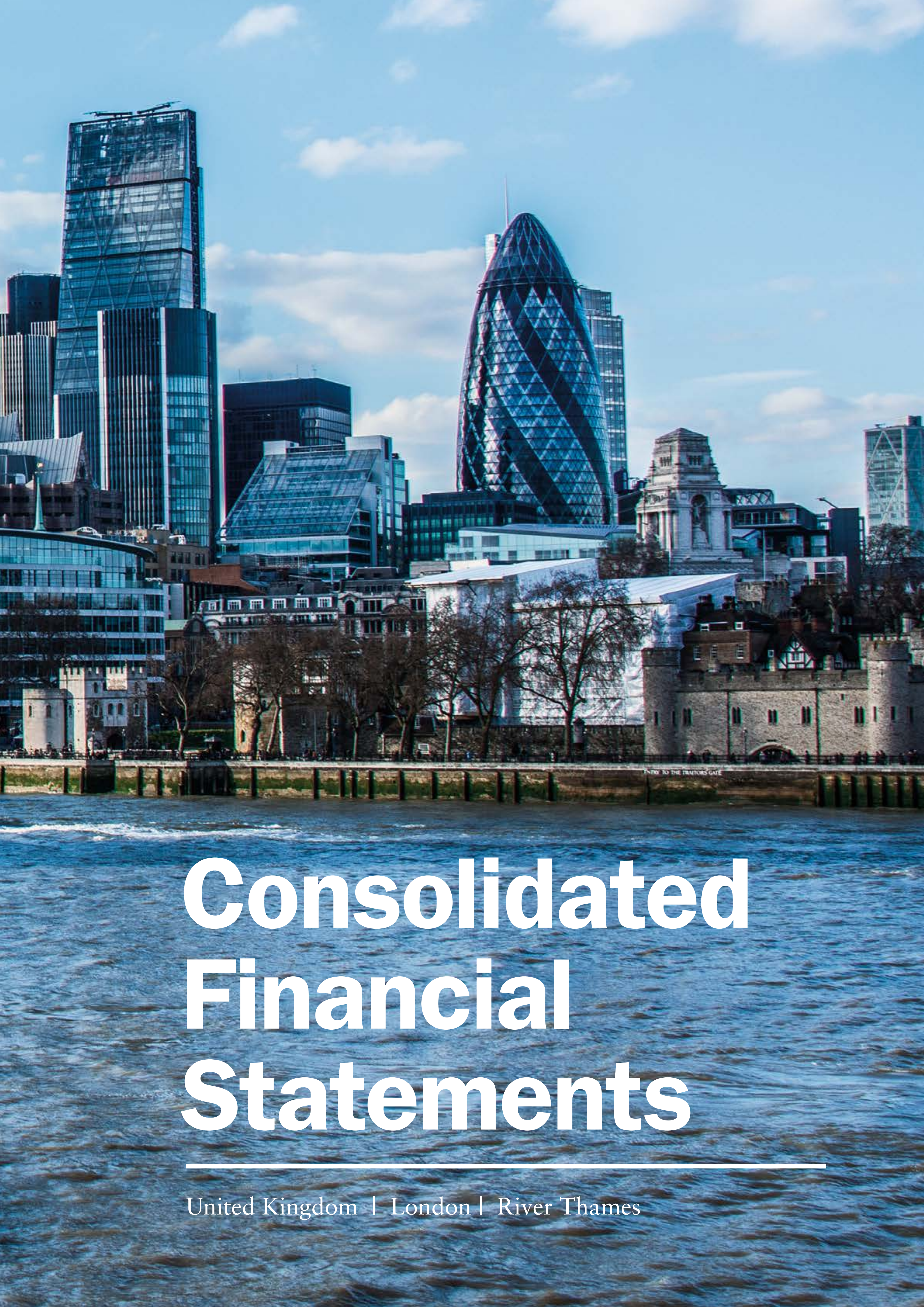

London


Luxembourg


Monaco


Panama


Singapore



Consolidated Financial Statements

United Kingdom | London | River Thames

Consolidated balance sheet

Assets	**31.12.2017 CHF 000**	31.12.2016 CHF 000
Liquid assets	6,812,453	5,933,048
Amounts due from banks	1,226,028	1,465,543
Amounts due from securities financing transactions	210,079	287,870
Amounts due from customers	10,554,066	9,200,046
Mortgage loans	3,133,288	2,759,182
Trading portfolio assets	1,144,188	977,504
Positive replacement values of derivative financial instruments	866,505	706,813
Other financial instruments at fair value	1,317,015	1,484,847
Financial investments	8,610,233	8,275,312
Accrued income and prepaid expenses	183,320	170,945
Non-consolidated participations	20,230	20,229
Tangible fixed assets	322,088	256,464
Intangible assets	470,682	458,671
Other assets	299,860	340,377
Total assets	**35,170,035**	**32,336,851**
Total subordinated claims	135,566	30,205
of which subject to mandatory conversion and/or debt waiver	–	–

Liabilities		
Amounts due to banks	948,333	1,017,223
Liabilities from securities financing transactions	151,609	0
Amounts due in respect of customer deposits	26,107,696	24,192,797
Negative replacement values of derivative financial instruments	804,477	604,458
Liabilities from other financial instruments at fair value	1,230,926	1,281,586
Bond issues and central mortgage institution loans	453,372	300,957
Accrued expenses and deferred income	394,540	309,072
Other liabilities	217,296	193,899
Provisions	69,673	39,152
Reserves for general banking risks	360,742	283,742
Share capital	848,245	848,245
Capital reserve	1,745,862	1,745,862
Retained earnings reserve	852,811	690,757
Currency translation reserve	87,156	50,973
Minority interests in equity	582,036	526,060
Consolidated profit	315,261	252,068
of which minority interests in consolidated profit	107,082	90,051
Total liabilities	**35,170,035**	**32,336,851**
Total subordinated liabilities	3,600	3,600
of which subject to mandatory conversion and/or debt waiver	–	–

Consolidated off-balance sheet

CHF 000	**31.12.2017**	31.12.2016
Contingent liabilities	738,821	343,672
Irrevocable commitments	17,919	53,266
Obligations to pay up shares and make further contributions	1,487	1,487
Credit commitments	0	0

Consolidated income statement

CHF 000	**2017**	2016
Interest and discount income	356,914	297,523
Interest and dividend income from trading portfolios	0	0
Interest and dividend income from financial investments	161,681	166,850
Interest expense	–115,243	–71,503
Gross result from interest operations	403,352	392,870
Changes in value adjustments for default risks and losses from interest operations	–13,008	285
Subtotal net result from interest operations	390,344	393,155
Commission income from securities trading and investment activities	576,638	542,547
Commission income from lending activities	4,079	3,814
Commission income from other services	59,834	52,785
Commission expense	–74,477	–67,464
Subtotal result from commission business and services	566,074	531,682
Result from trading activities and the fair value option	205,107	108,322
Result from the disposal of financial investments	9,832	10,284
Income from participations	3,755	2,998
of which, participations recognised using the equity method	0	0
of which, from other non–consolidated participations	3,755	2,998
Result from real estate	651	407
Other ordinary income	12,410	4,455
Other ordinary expenses	–888	–3,428
Subtotal other result from ordinary activities	25,760	14,716
Operating income	**1,187,285**	**1,047,875**
Personnel expenses	–494,046	–483,433
General and administrative expenses	–156,751	–145,375
Operating expenses	**–650,797**	**–628,808**
Depreciation and amortisation of tangible fixed assets and intangible assets and value adjustments on participations	–67,144	–58,089
Changes to provisions and other value adjustments, and losses	–36,972	1,215
Operating result	**432,372**	**362,193**
Extraordinary income	232	4
Extraordinary expenses	–25	–2
Changes in reserves for general banking risks	–77,000	–80,000
Taxes	–40,318	–30,127
Consolidated profit	**315,261**	**252,068**
of which minority interests in consolidated profit	107,082	90,051

Consolidated cash flow statement

	31.12.2017		31.12.2016	
CHF 000	**Source of funds**	**Use of funds**	Source of funds	Use of funds
Consolidated profit	315,261	0	252,068	0
Change in reserves for general banking risks	77,000	0	80,000	0
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	67,144	0	58,089	0
Provisions and other value adjustments	15,974	0	0	–6,879
Change in value adjustments for default risks and losses	39,125	0	24,537	0
Accrued income and prepaid expenses	0	–9,880	20,903	0
Accrued expenses and deferred income	59,221	0	46,420	0
Other items	0	0	0	0
Previous year's dividend	0	0	0	0
Cash flow from operating activities	**563,845**		**475,138**	
Share capital	0	0	0	0
Capital reserves	0	0	0	0
Retained earnings reserve	0	0	0	0
Minority interests in equity	0	–10,847	0	–12,348
Cash flow from equity transactions		**–10,847**		**–12,348**
Participating interests	87,825	0	0	–59,766
Bank building	0	–80,598	0	0
Other fixed assets	0	–7,263	0	–9,738
Intangible assets	0	0	0	–3,146
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets		**–36**		**–72,650**

Consolidated cash flow statement

	31.12.2017		31.12.2016	
CHF 000	**Source of funds**	**Use of funds**	Source of funds	Use of funds
Medium and long-term business (>1 year)				
Amounts due to banks	0	–27,149	0	–4,161
Amounts due in respect of customer deposits	0	–418,956	445,592	0
Liabilities from other financial instruments at fair value	396,125	0	224,330	0
Bonds	0	0	0	0
Central mortgage institution loans	198,343	0	1,277	0
Loans of central issuing institutions	0	–52,841	0	–25,012
Other liabilities	20,461	0	51,817	0
Amounts due from banks	0	–96,229	0	–41,329
Amounts due from customers	0	–123,402	0	–825,280
Mortgage loans	0	–83,895	0	–409,842
Other financial instruments at fair value	219,593	0	0	–352,309
Financial investments	0	–38,158	0	–500,098
Other accounts receivable	422,915	0	0	–305,402
Short-term business				
Amounts due to banks	0	–66,766	260,362	0
Liabilities from securities financing transactions	151,609	0	0	–295,649
Amounts due in respect of customer deposits	252,062	0	815,596	0
Trading portfolio liabilities	0	0	0	0
Negative replacement values of derivative financial instruments	182,312	0	125,391	0
Liabilities from other financial instruments at fair value	0	–427,272	374,611	0
Amounts due from banks	1,395,136	0	284,571	0
Amounts due from securities financing transactions	74,009	0	214,795	0
Amounts due from customers	0	–1,017,774	1,220,626	0
Trading portfolio assets	0	–184,741	0	–182,356
Positive replacement values of derivative financial instruments	0	–143,853	0	–227,676
Other financial instruments at fair value	0	–73,106	0	–434,546
Financial investments	0	–307,508	0	–386,496
Cash flow from banking operations	**250,915**		**28,812**	
Conversion differences	**75,528**	**0**	**0**	**–8,137**
Change in liquid assets	**879,405**	**0**	**410’815**	**0**

CHF 000	**31.12.2017**	**31.12.2016**
Liquid assets at beginning of the year (cash)	**5,933,048**	**5,522,233**
Liquid assets at the end of the year (cash)	**6,812,453**	**5,933,048**
Change in liquid assets	**879,405**	**410,815**

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 01.01.2017	**848,245**	**1,745,862**	**852,774**	**283,742**	**50,973**	**616,111**		**4,397,707**
Currency translation differences			37		36,183	–23,191		13,029
Dividends and other distributions						–10,884		–10,884
Reserves for general banking risks				77,000				77,000
Consolidated profit						107,082	208,179	315,261
Equity on 31.12.2017	**848,245**	**1,745,862**	**852,811**	**360,742**	**87,156**	**689,118**	**208,179**	**4,792,113**

Share capital structure and disclosure of shareholders holding more than 5% of voting rights

	31.12.2017				31.12.2016			
CHF 000	Total nominal value	Number of units	Dividend bearing capital	%	Total nominal value	Number of units	Dividend bearing capital	%
J. Safra Holdings International (Luxembourg) S.A.								
Share capital	848,245	848,245	848,245	100%	848,245	848,245	848,245	100%

J. Safra Holdings International (Luxembourg) S.A., Luxembourg, holds the entire share capital and the voting rights of J. Safra Sarasin Holding Ltd. JSSH is ultimately owned by Mr. Joseph Y. Safra and his family.

Consolidated notes

Name, legal form and domicile
The J. Safra Sarasin Holding Ltd. (the "Group" or the "Holding") is a global banking group in private banking services and asset management. As an international group committed to sustainability and well established in more than 25 locations in Europe, Asia, the Middle East, Latin America and the Caribbean, the Group is a global symbol of private banking tradition, emphasising security and well-managed conservative growth for clients.

J. Safra Sarasin Holding Ltd. is headquartered in Basel.

Accounting and valuation principles
The Group's financial statements are presented in accordance with Swiss accounting principles applicable for Banks (Swiss Financial Market Supervisory Authority FINMA Circular 2015/1), the Swiss Banking Act and the Swiss Code of Obligations.

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 J. Safra Sarasin Holding Ltd., Basel, as well as those of its subsidiaries and branches listed on page 65. 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. Main exchange rates ruling at the balance sheet dates are as follows:

Currency	31.12.2017	31.12.2016
USD/CHF	0.975	1.016
EUR/CHF	1.170	1.072

Outright forward exchange contracts are translated at the residual exchange rate ruling 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 Holding has delegated to the Bank's governing bodies all duties, responsibilities and competences 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 J. Safra Sarasin Holding Ltd. are not deemed representative of the banking activities of the Group and are therefore not published.

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". 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 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" at marked-to-market. The assets held for hedging purpose of the certificates (e.g. stocks, bonds, etc.) are recorded in the balance sheet position "other financial instruments at fair value" at 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:

	2017	2016
Fixed assets		
Bank premises & 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
Intangible assets		
Goodwill	5–20 years	5–20 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 Comparable; and
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 for due from banks, due from customers, mortgages and bonds intended to be held until maturity date are deducted from the corresponding asset in the balance sheet.

Reserves for general banking risks

Reserves for general banking risks can be accounted for at consolidated financial statements level only or at 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 individual account level have not been 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 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 standard of risk management is not simply a question of compliance with formalised internal and external rules. Moreover, quantitative criteria are only one component of comprehensive risk management systems. 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 ultimate responsibility in the Group's business strategy and principles for the corporate culture. It is responsible for establishing the business organisation, for issuing the necessary rules and regulations, and ensuring that the Group has the adequate level of 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 for 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 the 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 of first, second and third level of defence are assessed and revised if necessary. These controls, together with other mitigating factors, will serve to derive the residual risks which in turn are classified in the corresponding principal risk categories.

Risk tolerance, defined as the level of risk that the Group is prepared to assume to achieve its business objectives, is determined by risk category. Corresponding limits 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 in internal regulations, directives and policies which govern the activities performed within the Group and contribute to enforcing the risk culture. Those policies and related documents define the operating limits and describe the procedures to follow in case of breaches. A programme of training and e-learning is also designed to educate and inform personnel on risks and restrictions 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 which 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 control, the compliance function and internal audit. It monitors the implementation of risk strategies and ensures that they are in line with the defined risk tolerance and risk limits. In addition, the ARC assesses 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 reassessing the Group's risk profile. When evaluating risk, the Risk Committee takes into consideration the findings and measures of other committees.

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 utilizations and for the review of the Group's credit policy.

The **Treasury Committee** is responsible for the consolidated supervision of the treasury, liquidity, 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 interestbearing products and accounts.

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

All operational committees are made up of representatives from different divisions and meet at regular intervals, 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. The second line is assured by an independent control unit, with unlimited access to information. The third level of defence is provided by the Internal Audit function.

Independent controls are executed by Risk Office, the Credit department and the Legal & Compliance departments which, from an organisational perspective, are all independent from the first level of defence units. This separation of functions ensures that the business units taking decisions on the level and extent of risk exposure act independently of the departments that analyse the risks assumed and monitor adherence to limits and other competencies. 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. It 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 analysis of the Group's exposure to market, treasury, non-client credit, operational and other risk. It anticipates risk and takes necessary measures to adjust to the Group's risk profile. It is responsible for ensuring compliance with the risk management process. Risk Office has developed its own risk 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, to the Group Executive Board and to business units.

The Credit department analyses, grants, records and monitors client credits and if necessary initiates measures to prevent credit losses for the Group. Client credits include cash loans, contingent liabilities and transactions with initial margin requirement 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.

The Legal & Compliance function supports the Group Executive Board and the management of JSSH 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 second line of defence. Other controls such as suitability and cross-border compliance are performed by the Business Development department. The Legal function guarantees that the Group structure and business processes adhere to a legally abiding format, particularly in the areas of service provision to clients and product marketing. Regular and comprehensive risk reporting on compliance and legal risk is provided to the Audit and Risk Committee and the Group Executive Board.

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 new 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 comprehensive, cross-discipline assessment of every new business transaction or process and its associated risks.

Forms of risk assessment

In-depth risk profiling will result in defining 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 context of the "appetite statement" 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: capital adequacy, liquidity, interest rate sensitivity and collateral value of the credit portfolios. In order to estimate the financial impacts on capital adequacy, different scenarios are considered that can be systemic or idiosyncratic. Several scenarios occur yearly while others are defined on an ad-hoc basis. The recurrent themes are the effects of a global recession and a local recession, the impact of a significant change of foreign exchange rates and interest rates and reputational damage. For each scenario, all possible direct and indirect consequences on the profit and loss and on the equity of the Group are considered. A detailed three-year schedule for capital planning and development describes the impact of each scenario on capital adequacy over several years. The ARC assesses the Group's capital and liquidity planning and reports them to 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 risk of concentration
- Operational and reputation risk, including IT and information security risk

- Legal and compliance risk
- Business and strategic risk

Market risk

Market risk refers to the risk of a loss due to changes in risk parameters (share 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 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. 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 on the projected interest income for the following twelve months.

Liquidity risk

The 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. 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. Stress testing allows for the impact of larger outflows combined with the deterioration of Group assets on the liquidity indicators to be assessed.

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 to an individual Group company. Such potential counterparty failures may result in financial loss for the Group.

Lending business with clients

Lending activities are mainly limited to private client loans which are secured against 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 policy defined. Client loans and mortgages are classified by risk classes through an internal rating system, which considers the applied lending value, the average daily turnover and dynamic weightings.

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 Swiss banking industry common 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 quarterly 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 testing 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 analysis 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 lending is provided against collateral (repo transaction) whenever appropriate.

The country risk is monitored via a set framework and 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. It includes IT and information security risks.

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 issue the necessary 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. On-going 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.

Business Continuity Management (BCM) is designed to maintain or restore critical business functions as quickly as possible in the event of internal or external incidents. BCM aims to minimise financial impact, and protect client assets as well as the Group's reputation. The BCM plan is reviewed yearly by the BCM Board. Regular crisis management exercises are conducted to validate the efficiency of the plan.

In addition to the BCM and the operation risk framework, the Group mitigates potential consequences of risk with tailored insurance solutions. These solutions are regularly reassessed to comply with new emerging risks (fraud, information security) and new regulations.

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.

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 to reputation the Group may suffer as a result of its failure to comply with 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 the cross-border rules, conduct risks including suitability and appropriateness of products and investments, or market conduct rules.

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.

Treatment of structured products

Self-issued structured products containing option components shall be separated in 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 recognized 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", respectively. 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 followed by means of a constant monitoring of the adherence to the credit approval and the Group's credit policy. 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, the lending values are periodically reviewed and set by the Group's Central Credit Committee on an asset-by-asset basis. 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, country concentration imbedded within the portfolios on which the Group lends is also reviewed periodically, as necessary. Lombard loans are monitored daily for margin purposes, and in relevant periodic intervals for repayment purposes. At each such monitoring interval, the CRC of a Lombard facility or group of facilities are continuously reassessed. Any adverse change in the Group's outlook with respect to the collateral shall, 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 statistic. 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 facility/ties 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 case of a Lombard loans the collateral is accepted at a percentage of its market value according 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 derivatives 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. In order to avoid asymmetric profit and loss recognition, the Group may apply hedge accounting if possible. Interest rate risk 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. In order to hedge the counterparty risk of financial investments the Group can buy credit default swap (CDS) protection. 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, 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 2017.

Consolidated notes – Information on the balance sheet

Breakdown of securities financing transactions (assets and liabilities)

CHF 000	**2017**	2016
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions (before netting agreements)	210,079	287,870
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions (before netting agreements)	151,609	0
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	276,713	114,223
with unrestricted right to resell or pledge	125,105	114,223
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	588,487	584,866
of which, repledged securities	1,930	3,535
of which, resold securities	0	0

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	259,600	10,533,361	34,587	10,827,548
Mortgages loans				
Residential property	1,263,224	0	0	1,263,224
Office and business premises	1,532,601	0	0	1,532,601
Trade and industry	332,928	0	0	332,928
Others	4,553	0	0	4,553
Total loans (before netting with value adjustments)				
Current year	**3,392,906**	**10,533,361**	**34,587**	**13,960,854**
Previous year	3,213,258	8,977,557	25,415	12,216,230
Total loans (after netting with value adjustments)				
Current year	**3,272,667**	**10,413,348**	**1,339**	**13,687,354**
Previous year	3,116,306	8,840,941	1,981	11,959,228
Off-balance-sheet transactions				
Contingent liabilities	0	737,743	1,078	738,821
Irrevocable commitments	0	17,919	0	17,919
Obligations to pay up shares and make further contributions	0	0	1,487	1,487
Total current year	**0**	**755,662**	**2,565**	**758,227**
Previous year	0	389,189	9,236	398,425

Impaired loans

CHF 000	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Current year	**414,923**	**141,423**	**273,500**	**273,500**
Previous year	402,156	145,152	257,004	257,004

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

CHF 000	31.12.2017	31.12.2016
Assets		
Trading portfolios		
Debt securities, money market securities/transactions	358,817	345,013
of which, listed	257,302	244,991
Equity securities	316,436	263,526
Precious metals and commodities	468,935	368,965
Other trading portfolio assets	0	0
Other financial instruments at fair value		
Debt securities	496,470	691,854
Structured products	0	0
Other	820,545	792,993
Total assets	**2,461,203**	**2,462,351**
of which, determined using a valuation model	0	0
of which, securities eligible for repo transactions in accordance with liquidity requirements	0	645
Liabilities		
Trading portfolios		
Debt securities, money market securities/transactions	0	0
of which, listed	0	0
Equity securities	0	0
Precious metals and commodities	0	0
Other trading portfolio liabilities	0	0
Other financial instruments at fair value		
Debt securities	501,999	691,515
Structured products	0	0
Other	728,927	590,071
Total liabilities	**1,230,926**	**1,281,586**
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	230	228	19,226
Swaps	58,054	113,319	8,198,808
Futures	97,962	0	1,798,243
Total interest rate instruments	**156,246**	**113,547**	**10,016,277**
Foreign exchange			
Forward agreements	199,123	184,147	14,742,979
Combined interest/currency swaps	327,742	334,369	30,204,614
Options (OTC)	74,336	82,653	13,099,363
Total foreign exchange	**601,201**	**601,169**	**58,046,956**
Equity securities/indices			
Forward agreements	263	238	121,296
Futures	936	9	2,168
Options (OTC)	54,804	41,744	2,361,902
Options (exchange traded)	34,831	29,007	1,148,631
Total equity securities/indices	**90,834**	**70,998**	**3,633,997**
Precious metals			
Forward agreements	227	295	37,538
Swaps	2,895	2,798	130,607
Options (OTC)	10,143	9,403	741,115
Total precious metals	**13,265**	**12,496**	**909,260**
Credit derivatives			
Credit default swaps	0	24	975
Total credit derivatives	**0**	**24**	**975**
Other			
Forward agreements	103	83	31,133
Total other	**103**	**83**	**31,133**
Total trading instruments before netting agreements on 31.12.2017	**861,649**	**798,317**	**72,638,598**
Total trading instruments before netting agreements on 31.12.2016	699,452	596,206	61,547,225
Hedge instruments			
Interest rate instruments			
Swaps	4,856	6,160	278,885
Total hedge instruments on 31.12.2017	**4,856**	**6,160**	**278,885**
Total hedge instruments on 31.12.2016	7,361	8,252	283,809
Total before netting agreements on 31.12.2017	**866,505**	**804,477**	**72,917,483**
of which, determined using a valuation model	0	0	–
Total before netting agreements on 31.12.2016	706,813	604,458	61,831,033
of which, determined using a valuation model	0	0	–
Total after netting agreements on 31.12.2017	**164,517**	**277,544**	
Total after netting agreements on 31.12.2016	466,152	382,788	

Breakdown by counterparty	Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreements) on 31.12.2017	**7,676**	**142,420**	**14,421**
Positive replacement values (after netting agreements) on 31.12.2016	79,579	226,070	160,503

Financial investments

CHF 000	**Book value 31.12.2017**	**Fair value 31.12.2017**	Book value 31.12.2016	Fair value 31.12.2016
Debt securities	7,731,115	7,970,107	7,436,679	7,548,204
of which, intended to be held until maturity	6,503,229	6,594,669	6,554,102	6,630,902
of which, not intended to be held to maturity (available for sale)	1,227,886	1,375,438	882,577	917,302
Equity securities	833,823	965,934	830,932	925,613
of which, qualified participations	0	0	0	0
Precious metals	0	0	0	0
Real estate	45,295	45,295	7,701	7,701
Total financial investments	**8,610,233**	**8,981,336**	**8,275,312**	**8,481,518**
of which, securities eligible for repo transactions in accordance with liquidity regulations	**226,644**		333,115	

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 31.12.2017	**1,811,256**	**2,396,013**	**1,093,291**	**1,985,873**	**5,985**	**438,697**
Book value on 31.12.2016	1,814,233	1,879,657	1,387,287	1,974,801	18,674	362,027

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

Participations

CHF 000	Acquisition costs	Accumulated value adjustments	Book value as at 31.12.2016	Reclassi-fications	Additions	Disposals	Value adjustments	**Book value as at 31.12.2017**	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	0
Other participations									
with market value	20,494	–265	20,229	0	0	1	0	20,230	59,409
without market value	0	0	0	0	0	0	0	0	0
Total participations	**20,494**	**–265**	**20,229**	**0**	**0**	**1**	**0**	**20,230**	**59,409**

Significant participating interests

	Place of incorporation	Activity	Currency	Share capital ’000s	% of equity/ votes	Direct/ indirect ownership
Bank J. Safra Sarasin Ltd	Basel	Bank	CHF	22,015	100.00%	direct
Bank J. Safra Sarasin (Gibraltar) Ltd	Gibraltar	Bank	CHF	1,000	100.00%	indirect
J. Safra Sarasin Asset Management (Europe) Ltd	Gibraltar	Advisory	CHF	4,000	100.00%	indirect
JSS (Gibraltar) Ltd	Gibraltar	Holding	GBP	2	100.00%	indirect
Bank JSS (Gibraltar) Ltd	Gibraltar	Bank	GBP	5,000	100.00%	indirect
Banque J. Safra Sarasin (Monaco) SA	Monaco	Bank	EUR	40,000	100.00%	direct
J. Safra Sarasin Gestion (Monaco) SA	Monaco	Advisory	EUR	160	100.00%	indirect
Banque J. Safra Sarasin (Luxembourg) SA	Luxembourg	Bank	EUR	8,800	100.00%	direct
JSS Private Equity Investments Fund GP S.à r.l.[1]	Luxembourg	Fund Management	EUR	12	100.00%	direct
SIBTL Holding Ltd.	Bahamas	Holding	USD	460,932	52.00%	direct
J. Safra Sarasin Asset Management (Bahamas) Ltd.	Bahamas	Fund Management	USD	50	52.00%	indirect
Bank J. Safra Sarasin (Bahamas) Ltd.	Bahamas	Bank	USD	18,000	51.97%	indirect
J. Safra Sarasin Asset Management S.A.	Panama	Advisory	USD	3,250	51.97%	indirect
JSS Servicios S.A. de C.V.	Mexico D.F.	Advisory	USD	3	51.97%	indirect
Bank J. Safra Sarasin Asset Management (Middle East) Ltd	Dubai	Asset Management	USD	22,000	100.00%	indirect
Bank J. Safra Sarasin (QFC) LLC	Doha	Asset Management	USD	2,000	100.00%	indirect
J. Safra Sarasin Asset Management (Israel) Ltd[1]	Tel Aviv	Advisory	ILS	350	100.00%	indirect
Eichenpark Verwaltungs GmbH	Glashuetten	Holding	EUR	25	100.00%	indirect
bank zweiplus ltd	Zurich	Bank	CHF	35,000	57.50%	indirect
cash zweiplus ltd[2]	Zurich	Information	CHF	1,000	28.75%	indirect
J. Safra Sarasin (Deutschland) GmbH[3]	Frankfurt	Advisory	EUR	1,000	100.00%	indirect
J. Safra Sarasin Trust Company (Singapore) Ltd.	Singapore	Trust Company	USD	1,000	100.00%	indirect
Sarabet Ltd	Basel	Holding	CHF	3,250	100.00%	indirect
Sarasin (U.K.) Ltd	London	Holding	GBP	17,900	100.00%	indirect
S.I.M. Partnership (London) Ltd	London	Holding	GBP	727	60.00%	indirect
Sarasin & Partners LLP	London	Asset Management	GBP	15,051	60.00%	indirect
Sarasin Asset Management Ltd	London	Asset Management	GBP	250	60.00%	indirect
Sarasin Investment Funds Ltd	London	Fund Management	GBP	250	60.00%	indirect
Sarasin Funds Management (Ireland) Ltd	Dublin	Fund Management	GBP	500	60.00%	indirect
JSS Administradora de Recursos Ltda.	São Paulo	Advisory	BRL	1,711	100.00%	indirect
JSS Global Real Estate Management Co 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

1) Fully consolidated for the first time.

2) The shareholders in cash zweiplus ltd have put options in respect of the shares in cash zweiplus ltd.

3) Former “Bank J. Safra Sarasin (Deutschland) AG” surrendered its banking license with effect on 31.12.2017 and was subsequently renamed.

Non-consolidated investments in subsidiary companies

	Place of incorporation	Activity	Currency	Share capital ‘000s	% of equity/ votes	Direct/ indirect ownership
SIX Group AG	Zurich	Stock exchange	CHF	19,522	2.24%	indirect
PFBK Schweizerische Hypothekarinstitute AG	Zurich	Mortgage company	CHF	900,000	0.33%	indirect

Tangible fixed assets

CHF 000	Acquisition costs	Accumulated depreciation	Book value as at 31.12.2016	Change in scope of consolidation	Reclassi-fications	Additions	Disposals	Depreciation	**Book value as at 31.12.2017**
Real estate: bank buildings	261,363	–76,905	184,458	0	0	80,598	–75	–5,462	259,519
Real estate: other real estate	4,985	–1,746	3,239	0	0	0	0	–83	3,156
Proprietary or separately acquired software	61,394	–54,105	7,289	0	0	2,012	28	–3,332	5,997
Other fixed assets	152,985	–91,507	61,478	0	0	4,128	1,121	–13,311	53,416
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	**480,727**	**–224,263**	**256,464**	**0**	**0**	**86,738**	**1,074**	**–22,188**	**322,088**

Operating leases

CHF 000	**31.12.2017**	31.12.2016
Remaining maturity <1 year	16,732	16,921
Remaining maturity 1–5 years	34,131	36,758
Remaining maturity >5 years	18,629	21,688
Total liabilities from operating lease	**69,492**	**75,367**
of which, remaining maturity <1 year that can be terminated within one year	261	253

Intangible assets

CHF 000	Acquisition costs	Accumulated amortisation	Book value as at 31.12.2016	Reclassi-fications	Additions	Disposals	Amortisation	**Book value as at 31.12.2017**
Goodwill	554,097	–116,943	437,154	0	14,236	0	–30,782	420,608
Patents	0	0	0	0	0	0	0	0
Licences	0	0	0	0	0	0	0	0
Other intangible assets	38,109	–16,592	21,517	0	40,857	1,874	–14,174	50,074
Total intangible assets	**592,206**	**–133,535**	**458,671**	**0**	**55,093**	**1,874**	**–44,956**	**470,682**

Other assets/Other liabilities

CHF 000	**31.12.2017**	31.12.2016
Other assets		
Compensation account	52,734	49,821
Deferred income taxes recognised as assets	59,467	61,481
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	187,659	229,075
Total	**299,860**	**340,377**
Other liabilities		
Compensation account	11,969	13,889
Others	205,327	180,010
Total	**217,296**	**193,899**

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

		Effective		Effective
	Book value	**commitment**	Book value	commitment
CHF 000	**31.12.2017**	**31.12.2017**	31.12.2016	31.12.2016
Financial instruments	719,948	558,311	610,116	375,232
Other assets	137,470	130,344	29,329	29,329
Total pledged assets	**857,418**	**688,655**	**639,445**	**404,561**

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	**31.12.2017**	31.12.2016
Liabilities to own pension plans	**35,840**	**38,195**

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 Ltd 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 31.12.2017**	**Renunciation of use 31.12.2017**	**Creation 2017**	**Balance sheet 31.12.2017**	Balance sheet 31.12.2016	**Result from ECR in personnel expenses 2017**	Result from ECR in personnel expenses 2016
Patronage funds/pension schemes	**0**	**0**	**0**	**0**	0	**0**	0

Economic benefit / economic obligation and pension benefit expenses

CHF 000	**Surplus/ (deficit) 31.12.2017**[1]	**Economical part of the organisation 31.12.2017**	Economical part of the organisation 31.12.2016	**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 2017**	Pension benefit expenses within personnel expenses 2016
Pension schemes							
with surplus	**14,905**	**0**	0	**0**	**23,113**	**23,113**	23,787
without surplus/(deficit)	**0**	**0**	0	**0**	**9,459**	**9,459**	8,455
Total	**14,905**	**0**	0	**0**	**32,572**	**32,572**	32,242

[1] At the publication date the final financial statements of the pension schemes were not available. Therefore the figures are based on the financial statements of the pension schemes 2016.

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	Value of the derivative	Total 31.12.2017	Valued separately: Value of the host instrument	Value of the derivative	Total 31.12.2016
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)	**791,548**	**–18,316**	**773,232**	666,521	–29,082	637,439
Without oDC	**0**	**0**	**0**	0	0	0
Foreign currencies						
With own debenture component (oDC)	**31,253**	**–157**	**31,096**	67,764	–756	67,008
Without oDC	**0**	**0**	**0**	0	0	0
Commodities/precious metals						
With own debenture component (oDC)	**1,007**	**41**	**1,048**	4,754	–260	4,494
Without oDC	**0**	**0**	**0**	0	0	0
Total	**823,808**	**–18,432**	**805,376**	**739,039**	**–30,098**	**708,941**

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	2014	no	1%	28.05.2020	154,500
Bank J. Safra Sarasin Ltd	Non-subordinated	2017	no	0%	01.02.2018	205,256
Bank J. Safra Sarasin Ltd	Non-subordinated mortgage-backed bonds	2012–2013	no	0.93%	2018–2024	93,616

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	222,256	49,208	174,903	2,997	0	4,008	**453,372**

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

CHF 000	Balance as at 31.12.2016	Use in conformity with designated purpose	Change in scope of consolidation	Reclassifications	Currency differences	Past due interest, recoveries	New creations charged to income	Release to income	**Balance as at 31.12.2017**
Provisions for deferred taxes	17,001	0	11,844	0	1,243	0	2,915	–14,192	18,811
Provisions for pension benefit obligations	0	0	0	0	0	0	0	0	0
Provisions for default risks (off-balance sheet)	0	0	0	0	0	0	0	0	0
Provisions for other business risks	10,610	–7,056	0	0	436	0	322	–1,292	3,020
Provisions for restructuring	0	0	0	0	0	0	0	0	0
Other provisions	11,541	–2	668	0	356	0	35,279	0	47,842
Total provisions	**39,152**	**–7,058**	**12,512**	**0**	**2,035**	**0**	**38,516**	**–15,484**	**69,673**
Reserves for general banking risks	**283,742**	**0**	**0**	**0**	**0**	**0**	**77,000**	**0**	**360,742**
Value adjustments for default and country risks	**287,365**	**–40,729**	**0**	**0**	**4,963**	**26,116**	**16,349**	**–3,341**	**290,723**
of which, value adjustments for default risks in respect of impaired loans/receivables	257,004	–26,797	0	0	5,490	26,498	11,305	0	273,500
of which, value adjustments for latent risks	0	0	0	0	0	0	0	0	0

Disclosure of amounts due from/to related parties

	Amounts due from		Amounts due to	
CHF 000	**31.12.2017**	31.12.2016	**31.12.2017**	31.12.2016
Holders of qualified participations	–	–	–	2,115
Group Companies	–	–	–	–
Linked companies	1,570,871	1,486,526	749,364	189,172
Transactions with members of governing bodies	14,817	11,245	14,025	9,209
Other related parties	32,396	30,921	1,246,753	1,528,311

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	6,812,453	0	0	0	0	0	0	6,812,453
Amounts due from banks	880,413	0	180,486	18,954	146,175	0	0	1,226,028
Amounts due from securities financing transactions	0	0	210,079	0	0	0	0	210,079
Amounts due from customers	1,312,818	379,334	6,398,480	621,590	1,447,296	394,548	0	10,554,066
Mortgage loans	5,244	0	624,512	280,582	1,743,640	479,310	0	3,133,288
Trading portfolio assets	1,144,188	0	0	0	0	0	0	1,144,188
Positive replacement values of derivative financial instruments	866,505	0	0	0	0	0	0	866,505
Other financial instruments at fair value	1,317,015	0	0	0	0	0	0	1,317,015
Financial investments	879,118	0	1,338,946	979,483	3,945,295	1,467,391	0	8,610,233
Total 31.12.2017	**13,217,754**	**379,334**	**8,752,503**	**1,900,609**	**7,282,406**	**2,341,249**	**0**	**33,873,855**
Total 31.12.2016	12,152,047	267,105	7,560,216	1,931,837	6,939,890	2,239,070	0	31,090,165
Due to banks	479,532	28,914	407,547	32,340	0	0	0	948,333
Liabilities from securities financing transactions	0	0	151,609	0	0	0	0	151,609
Amounts due in respect of customer deposits	15,471,169	2,586,158	6,477,575	857,707	715,087	0	0	26,107,696
Negative replacement values of derivative financial instruments	804,477	0	0	0	0	0	0	804,477
Liabilities from other financial instruments at fair value	1,230,926	0	0	0	0	0	0	1,230,926
Bond issues and central mortgage institution loans	0	0	216,257	5,999	227,108	4,008	0	453,372
Total 31.12.2017	**17,986,104**	**2,615,072**	**7,252,988**	**896,046**	**942,195**	**4,008**	**0**	**29,696,413**
Total 31.12.2016	17,790,472	2,263,149	5,170,749	855,961	1,228,540	88,150	0	27,397,021

Assets and liabilities by domestic and foreign origin

	31.12.2017		31.12.2016	
CHF 000	**Swiss**	**Foreign**	Swiss	Foreign
Assets				
Liquid assets	6,516,667	295,786	5,702,957	230,091
Amounts due from banks	198,137	1,027,891	358,345	1,107,198
Amounts due from securities financing transactions	0	210,079	20,000	267,870
Amounts due from customers	833,361	9,720,705	687,156	8,512,890
Mortgage loans	590,982	2,542,306	675,271	2,083,911
Trading portfolio assets	643,549	500,639	482,976	494,528
Positive replacement values of derivative financial instruments	97,430	769,075	100,962	605,851
Other financial instruments at fair value	422,360	894,655	519,424	965,423
Financial investments	392,606	8,217,627	302,411	7,972,901
Accrued income and prepaid expenses	47,048	136,272	43,964	126,981
Non-consolidated participations	20,096	134	20,097	132
Tangible fixed assets	311,286	10,802	242,454	14,010
Intangible assets	433,813	36,869	456,014	2,657
Other assets	116,476	183,384	138,743	201,634
Total assets	**10,623,811**	**24,546,224**	**9,750,774**	**22,586,077**
Liabilities				
Amounts due to banks	364,440	583,893	320,758	696,465
Liabilities from securities financing transactions	0	151,609	0	0
Amounts due in respect of customer deposits	6,900,261	19,207,435	6,392,430	17,800,367
Negative replacement values of derivative financial instruments	90,498	713,979	109,662	494,796
Liabilities from other financial instruments at fair value	528,202	702,724	590,071	691,515
Bond issues and central mortgage institution loans	453,372	0	300,957	0
Accrued expenses and deferred income	152,097	242,443	151,980	157,092
Other liabilities	108,220	109,076	79,755	114,144
Provisions	49,817	19,856	30,436	8,716
Reserves for general banking risks	297,911	62,831	273,971	9,771
Share capital	848,245	0	848,245	0
Capital reserve	1,745,862	0	1,745,862	0
Retained earnings reserve	–280,401	1,133,212	–371,628	1,062,385
Currency translation reserve	138,873	–51,717	138,873	–87,900
Minority interests in equity	18,842	563,194	19,206	506,854
Consolidated profit	–104,857	420,118	–53,318	305,386
Total liabilities	**11,311,382**	**23,858,653**	**10,577,260**	**21,759,591**

Assets by countries/country groups

	31.12.2017		31.12.2016	
CHF 000	**Total**	**Part as a %**	Total	Part as a %
Europe	7,578,284	21.5%	6,495,222	20.1%
Americas	11,871,697	33.8%	11,479,256	35.5%
Asia	4,706,517	13.4%	4,181,728	12.9%
Others	389,726	1.1%	429,871	1.3%
Total foreign assets	**24,546,224**	**69.8%**	**22,586,077**	**69.8%**
Switzerland	10,623,811	30.2%	9,750,774	30.2%
Total assets	**35,170,035**	**100.0%**	**32,336,851**	**100.0%**

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

	31.12.2017		31.12.2016	
	Net foreign exposure CHF 000	Part as a %	Net foreign exposure CHF 000	Part as a %
Standard & Poor's				
AAA to AA–	7,051,379	89.5%	7,960,785	86.8%
A+ to A–	831,404	10.5%	1,207,880	13.2%
BBB+ to B–	0	–	0	–
Total net foreign assets	**7,882,783**	**100.0%**	**9,168,665**	**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	6,516,658	282,924	541	12,330	6,812,453
Amounts due from banks	185,693	151,686	653,459	235,190	1,226,028
Amounts due from securities financing transactions	0	0	210,079	0	210,079
Amounts due from customers	993,640	1,846,236	6,011,311	1,702,879	10,554,066
Mortgage loans	639,537	527,996	668,688	1,297,067	3,133,288
Trading portfolio assets	315,176	15,238	380,369	433,405	1,144,188
Positive replacement values of derivative financial instruments	403,822	130,203	289,205	43,275	866,505
Other financial instruments at fair value	396,444	157,114	334,356	429,101	1,317,015
Financial investments	888,183	1,926,035	4,432,027	1,363,988	8,610,233
Accrued income and prepaid expenses	21,913	28,749	101,924	30,734	183,320
Non-consolidated participations	20,212	18	0	0	20,230
Tangible fixed assets	309,129	1,108	8,724	3,127	322,088
Intangible assets	422,706	47,976	0	0	470,682
Other assets	80,804	109,218	96,273	13,565	299,860
Total balance sheet assets	**11,193,917**	**5,224,501**	**13,186,956**	**5,564,661**	**35,170,035**
Delivery entitlements from spot exchange, forward forex and forex options transactions	3,067,926	12,143,199	28,485,832	15,259,259	58,956,216
Total assets 31.12.2017	**14,261,843**	**17,367,700**	**41,672,788**	**20,823,920**	**94,126,251**
Liabilities					
Amounts due to banks	114,833	141,719	431,266	260,515	948,333
Liabilities from securities financing transactions	0	0	151,609	0	151,609
Amounts due in respect of customer deposits	2,532,626	4,916,777	14,847,689	3,810,604	26,107,696
Negative replacement values of derivative financial instruments	358,998	278,994	124,690	41,795	804,477
Liabilities from other financial instruments at fair value	216,813	245,036	402,777	366,300	1,230,926
Bond issues and central mortgage institution loans	453,372	0	0	0	453,372
Accrued expenses and deferred income	98,106	182,303	72,695	41,436	394,540
Other liabilities	41,329	57,534	102,907	15,526	217,296
Provisions	45,555	24,117	0	1	69,673
Reserves for general banking risks	350,971	9,771	0	0	360,742
Share capital	848,245	0	0	0	848,245
Capital reserve	1,745,862	0	0	0	1,745,862
Retained earnings reserve	298,959	176,127	363,527	14,198	852,811
Currency translation reserve	138,873	–40,192	6,678	–18,203	87,156
Minority interests in equity	18,843	0	549,525	13,668	582,036
Consolidated profit	–90,862	148,064	222,416	35,643	315,261
Total balance sheet liabilities	**7,172,523**	**6,140,250**	**17,275,779**	**4,581,483**	**35,170,035**
Delivery obligations from spot exchange, forward forex and forex options transactions	7,819,670	10,852,696	24,103,830	16,173,336	58,949,532
Total liabilities 31.12.2017	**14,992,193**	**16,992,946**	**41,379,609**	**20,754,819**	**94,119,567**
Net currency positions 31.12.2017	**–730,350**	**374,754**	**293,179**	**69,101**	**6,684**

Consolidated notes – Information on off-balance-sheet transactions

Breakdown and explanation of contingent assets and liabilities

CHF 000	**31.12.2017**	31.12.2016
Guarantees to secure credits and similar	297,545	207,785
Performance guarantees and similar	323,352	101,485
Irrevocable commitments arising from documentary letters of credit	0	0
Others	117,924	34,402
Total contingent liabilities	**738,821**	**343,672**
Contingent assets arising from tax losses carried forward	22,965	18,606
Other contingent assets	0	0
Total contingent assets	**22,965**	**18,606**

Breakdown of credit commitments

CHF 000	**31.12.2017**	31.12.2016
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	**31.12.2017**	31.12.2016
Fiduciary investments with third-party banks	883,163	585,364
Fiduciary investments with linked companies	320,829	0
Fiduciary loans	5,552	250,679
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	**1,209,544**	**836,043**

Breakdown of managed assets and presentation of their development

CHF million	**2017**	2016
Type of managed assets		
Assets in collective investment schemes by the Group	18,673	15,006
Assets under discretionary asset management agreements	26,739	27,456
Other managed assets	124,608	105,999
Total managed assets (including double-counting)	**170,019**	**148,461**
of which double-counted items	16,645	14,357

Development of managed assets		
Total managed assets (including double-counting) at beginning	148,461	144,039
+/− net new money inflow or net new money outflow	4,592	908
+/− price gains/losses, interest, dividends and currency gains/losses	15,179	3,589
+/− other effects	1,787	–74
Total managed assets (including double-counting) at end	**170,019**	**148,461**

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 of the income statement

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

CHF 000	**2017**	2016
Breakdown by business area		
Trading profit with market risk	49,729	42,446
Trading profit without market risk	102,083	81,044
Trading profit from treasury activities	53,295	–15,168
Total	**205,107**	**108,322**
Breakdown by underlying risk and based on the use of the fair value option		
Result from trading activities from:		
Interest rate instruments	14,338	–5,028
Equity securities (including funds)	95,383	38,251
Foreign currencies	91,730	70,233
Commodities/precious metals	3,656	4,866
Total result from trading activities	**205,107**	**108,322**
of which, from fair value option	27,349	–1,286

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

CHF 000	**2017**	2016
Material refinancing income in the item “Interest and discount income”	0	0
Material negative interest	31,947	27,599

Breakdown of personnel expenses

CHF 000	**2017**	2016
Salaries	407,519	398,937
of which, expenses relating to share-based compensation and alternative forms of variable compensation	94,053	101,360
Social charges	68,220	64,515
Changes in book value for economic benefits and obligations arising from pension schemes	0	0
Other personnel expenses	18,307	19,981
Total	**494,046**	**483,433**

Breakdown of general and administrative expenses

CHF 000	**2017**	2016
Office space expenses	36,083	30,607
Expenses for information and communications technology	18,761	17,598
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	794	849
Fees of audit firm	3,744	3,714
of which, for financial and regulatory audits	3,450	3,390
of which, for other services	294	324
Other operating expenses	97,369	92,607
of which, compensation for any cantonal guarantee	0	0
Total	**160'495**	**145,375**

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

Extraordinary expenses reflect the creation of additional reserves for general banking risks recognized at consolidated level.

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 acquistion cost have taken place.

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

	2017			2016		
CHF 000	**Swiss**	**Foreign**	**Total**	Swiss	Foreign	Total
Net result from interest operations	177,982	212,362	390,344	109,766	283,389	393,155
Subtotal result from commission business and services	264,771	301,303	566,074	248,520	283,162	531,682
Result from trading activities and the fair value option	111,328	93,779	205,107	82,374	25,948	108,322
Subtotal other result from ordinary activities	15,278	10,482	25,760	5,676	9,040	14,716
Operating income	**569,359**	**617,926**	**1,187,285**	**446,336**	**601,539**	**1,047,875**
Personnel expenses	–276,307	–217,739	–494,046	–282,780	–200,653	–483,433
General and administrative expenses	–72,717	–84,034	–156,751	–73,155	–72,220	–145,375
Subtotal operating expenses	**–349,024**	**–301,773**	**–650,797**	**–355,934**	**–272,874**	**–628,808**
Depreciation and amortisation of tangible fixed assets and intangible assets and value adjustments on participations	–49,217	–17,927	–67,144	–51,283	–6,806	–58,089
Changes to provisions and other value adjustments, and losses	–30,481	–6,491	–36,972	–2,453	3,668	1,215
Operating result	**140,637**	**291,735**	**432,372**	**36,666**	**325,527**	**362,193**

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

CHF 000	**2017**	2016
Current income and capital tax expenses	48,822	49,935
Allocation to provisions for deferred taxes	–11,278	–12,782
Recognition of deferred income taxes	2,774	–7,026
Total	**40,318**	**30,127**

In anticipation of the planned reduction of corporate income tax rates in Switzerland, the expected tax rates used for the calculation of deferred tax assets were lowered accordingly.

The weighted average tax rate amounts to 9.2% (2016: 8.0%).

In 2017, the ordinary net tax expense effect of the use of losses carried forward was CHF 1.6 million (2016: CHF 9 million).

Deloitte.

Deloitte AG
General-Guisan-Quai 38
8022 Zurich
Switzerland

Phone: +41 (0)58 279 6000
Fax: +41 (0)58 279 6600
www.deloitte.ch

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

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements (pages 44 to 79) of J. Safra Sarasin Holding Ltd., which comprise the consolidated balance sheet as at December 31, 2017, and the consolidated statement of income, consolidated statement of cash flows, consolidated statement of changes in equity, and notes to the consolidated financial statements for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with Swiss accounting principles applicable for banks and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

J. Safra Sarasin Holding Ltd.
Report of the statutory auditor
on the consolidated financial statements
for the year ended
December 31, 2017

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2017 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss accounting principles applicable for Banks and comply with Swiss law.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 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

Alexandre Buga
Licensed Audit Expert
Auditor in Charge

Sandro Schönenberger
Licensed Audit Expert

Zurich, February 28, 2018

Sustainability Report

Luxembourg | Alzette River

Sustainability Report 2017

In the Sustainability Report 2017, J. Safra Sarasin Group documents how forward-looking decisions help to guarantee commercial success. This is achieved thanks to a first-class team of employees and the Group's sustainable corporate policy, which strives for an acceptable ecological footprint.

The information provided in this Sustainability Report is selected and presented according to its relevance in a sustainability context and to principles of completeness, balance, accuracy, timeliness, clarity and reliability. In general, the figures published in the Sustainability Report cover the J. Safra Sarasin Group as a whole, including branches and consolidated affiliates. As a rule, all offices with more than 15 employees are integrated into the environmental indicator reporting system. At a local level, we use estimates if no exact figures are available.

Figure: The meaning of Corporate Sustainability for J. Safra Sarasin

The meaning of Corporate Sustainability for J. Safra Sarasin

For J. Safra Sarasin, Corporate Sustainability means responsible and proactive governance, considering and integrating the interests of all the Group's stakeholders into its decision-making process.

Focusing on its clients, while balancing the needs of its employees as well as the requirements of the society for long-term prosperity and the integrity of the environment, is paramount for the long-term strategy of the Group.

From this understanding, J. Safra Sarasin has developed five strategic Corporate Sustainability objectives. The Sustainability Report is structured in accordance with these objectives.

1. We embed sustainability in our corporate strategy and governance
2. We incorporate sustainability considerations in our core investment offering
3. We live a sustainable corporate culture
4. We are part of the society
5. We manage resources efficiently

This report demonstrates the progress achieved in 2017.

Corporate Sustainability at a glance

Bank J. Safra Sarasin's Corporate Sustainability Manager serves as "shareholder ownership & control rights" a facilitator and catalyst for embedding sustainability in the Group's corporate strategy (objective 1). The Corporate Sustainability Board (CSB), which reports directly to the Group Executive Board, has rallied all major decision-makers of the Group behind this single goal throughout the year 2017. Once again, Bank J. Safra Sarasin's Asset Management division offered its expertise to clients and launched four new sustainable investment strategies (objective 2). In order to foster a sustainable corporate culture (objective 3), the Bank has chosen a two-pronged approach: first, by further deepening the knowledge of its employees regarding compliant and competitive banking services, and second, by strengthening employee relations by organising employee events and awarding prizes to its loyal and highly motivated workforce. J. Safra Sarasin has once again also been an active sponsor in its social environment (objective 4). Besides sponsoring projects in the field of philanthropy, arts and sports, the Bank sponsors an award that fosters best practice in responsible investment reporting by asset owners. Several energy-efficiency-enhancing projects have been launched in order to steadily reduce the carbon footprint of the Group (objective 5).

Objective 1: We embed sustainability in our corporate strategy and governance

Commitment to Sustainability – since 1841

Sustainability has been a firm component of J. Safra Sarasin's identity and stability as a Swiss private banking group for over 175 years. J. Safra Sarasin does not view sustainability as an end in itself, but rather as a key factor in its success. Sustainability enables the Group to project a distinctive image on the market and creates continuity across time and generations. J. Safra Sarasin is committed to operating its core business in a consistently sustainable manner. This

Table: J. Safra Sarasin Group's sustainability indicators 2017 at a glance

	2017	2016	2015
Financial			
CET1 ratio (%)	28.8	28.1	27.0
Total assets under management (billion CHF)	170.0	148.4	144.0
Sustainably managed assets (billion CHF)	11.5	10.9	11.3
Responsibly managed assets (billion CHF)	17.5	16.1	17.7
Volume of J. Safra Sarasin sustainable investment funds (billion CHF)	3.0	2.4	3.1
Volume of J. Safra Sarasin responsible investment funds (billion CHF)	2.0	1.0	1.5
Social			
Total number of employees (FTEs [1])	2,155	2,095	2,022
Part-time jobs	177	190	212
Proportion of women (%)	35.4	36.1	36.0
Proportion of women in management positions (%)	13.7	12.8	13.0
Fluctuation rate (%)	16.8	12.4	15.0
Environmental*			
Electricity consumption (kWh per employee)	4,631	4,662	5,946
Proportion of energy from renewable sources (%)	58	64	41
Heating energy consumption (kWh per employee)	466	862	723
Paper consumption (kg per employee)	63	64	63
Proportion of recycled paper (%)	86	80	84
Greenhouse gas emissions (kg CO_2 per employee)	1,719	2,334	2,603

* Revision of calculation and data collection methodology.

is a commitment for the future. The associated principles and rules of corporate governance provide the framework for every aspect of our business activity. The sustainability strategy is strictly implemented at management and operational levels in order to ensure credibility and reliability.

Figure: Pyramid of sustainability strategy

The sustainability strategy of J. Safra Sarasin

The mission statement of the J. Safra Sarasin Group, the mission statement of the Corporate Sustainability Board, the Group's strategic goals as well as its annual objectives and operational actions constitute the pyramid that demonstrates how J. Safra Sarasin organises its sustainability strategy.

The Corporate Sustainability Board (CSB)

To ensure that high sustainability standards are firmly embedded in the core business strategy, the Group Executive Board set up the internal Corporate Sustainability Board, comprising members of the Group Executive Board, the Executive Committee and top managers from different divisions across the entire Bank. Annually, there are several meetings to define and monitor progress against defined strategic objectives. The corporate Sustainability Board's responsibilities are to develop the sustainability strategy as part of the Group's overall business strategy, identify strategically relevant sustainability themes and monitor the operational im-

[1] FTE stands for full-time equivalent.

plementation of the strategically developed initiatives and measures based on Key Performance Indicators (KPIs).

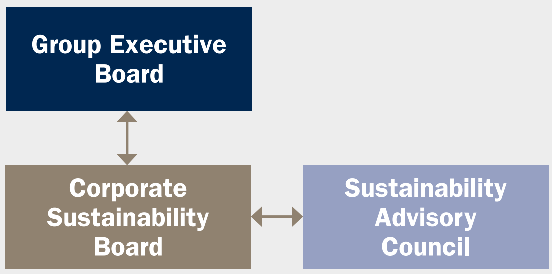
The mission statement of the Corporate Sustainability Board is derived from the Group's Mission Statement. It summarises how the J. Safra Sarasin Group regards itself in the context of sustainability, how it sets out its goals and how these are to be achieved. The mission statement consists of the five strategic Corporate Sustainability objectives mentioned above.

The Corporate Sustainability Board was responsible for the implementation of the "Controversial Weapon Guidelines of J. Safra Sarasin Group" that belong to effective risk management, where all risks and the relevant risk drivers are accurately identified, measured and assessed. The quality of risk management is not merely a question of adhering to formal internal and external regulations. The risk awareness of decision makers is just as important. Quantitative approaches represent only one component of a comprehensive risk management system. The development of an appropriate risk culture as part of the Group's corporate culture is of equal significance.

The Sustainability Advisory Council (SAC)

The Corporate Sustainability Board is advised by the external Sustainability Advisory Council. It has been set up to ensure that the investment division receives regular guidance and advice relating to recent development in sustainable investment of experienced international experts. There are two to three formal meetings every year. The SAC provides access to the latest academic research in the field of sustainable investing. Joint presentations at internal educational sessions and external client events are also part of the SAC's responsibilities. Furthermore, joint investment research projects are conducted in order to further improve the investment approach and benefit from external specialist know-how and experience.

Figure: The interaction between the Group Executive Board, the Corporate Sustainability Board and the Sustainability Advisory Council



Legal & Compliance

J. Safra Sarasin conducts its business activities within the scope of the applicable statutory and regulatory provisions and in compliance with rules of business conduct for the banking industry. The Group Executive Board and the management of the business divisions and branches/affiliates are responsible for compliance with all legal and regulatory provisions. Legal & Compliance provides support to the management in meeting this responsibility. Legal & Compliance units report to the General Counsel, thereby ensuring their independence from the operating business.

The Group's Code of Compliance defines the key principles and rules of conduct which lay the foundation for irreproachable business activity that demonstrates integrity and complies with the relevant regulations. Every member of staff is required to meet the standards set out in the Code of Compliance. Employees joining J. Safra Sarasin are obliged to submit written confirmation in this regard. All the key business pro-

Controversial Weapon Guidelines of J. Safra Sarasin Group

J. Safra Sarasin actively meets its responsibility when it comes to controversial weapons, and has therefore implemented a policy outlining the Group's principles in this area. Controversial weapons are those types of weapons that have become controversial because of their humanitarian impact and/or the large numbers of civilian casualties they cause, often for many years after the conflicts in which they were deployed have ended. They include biological, chemical and nuclear weapons, cluster munitions and anti-personnel mines. J. Safra Sarasin has committed itself not to invest its treasury money in securities of companies that are active in the domain of controversial weapons.

cesses are governed by internal Group provisions and directives and are conducted in a standardised form. In the 2017 reporting year, there were no incidents of corruption and no legal actions on the basis of anticompetitive conduct or the formation of cartels or monopolies.

Changes in the regulatory environment

The rapid pace of change in the regulation of the financial services industry has an impact on internal corporate processes, control and monitoring systems and on the development and introduction of new products and services. Projects involving all stakeholders were implemented to tackle such changes. The Group has also put in place a training concept to ensure the required education and ongoing training of staff, for example in the area of money-laundering prevention.

oekom Prime Rating

Once again, the Bank was awarded the oekom Prime Status. The sustainability rating agency oekom research AG assesses the companies' responsibility towards persons affected by corporate activities and the natural environment. Out of a pool of 700 indicators, an average of 100 indicators is selected for each company from this pool on an industry-specific basis so that a targeted evaluation of the problems specific to that company can be carried out. oekom research awards Prime Status to those companies that are among the leaders in their industry and which meet industry-specific minimum requirements.

Corporate Responsibility Prime rated by oekom research

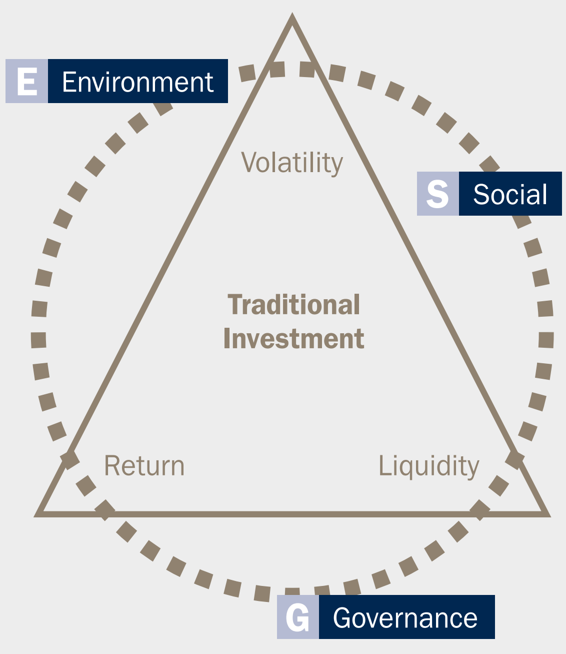
Objective 2: We incorporate sustainability considerations in our core investment activities

The basis of J. Safra Sarasin's success is also founded on its sustainable investment strategy and its solid, sustainable know-how gleaned from close to 30 years of experience. Bank J. Safra Sarasin believes that the identification, analysis and management of company- and sector-specific environmental, social, and governance (ESG) risks and opportunities enhance its investment decisions. This forms an integral part of its fiduciary duty vis-à-vis its advised clients as well as the discretionarily managed assets.

In order to further strengthen the pioneer role and become an internationally respected innovation and thought leader, Bank J. Safra Sarasin has completed the transition from Sustainable Investing 1.0 to 2.0. In this transition, Bank J. Safra Sarasin strives to demonstrate added value to clients in each step of the investment process: from macro research to constructing the investment universe, through to stock selection and client portfolio reporting. Embedding sustainability has the clear objective to improve investment decisions and results, reduce the adverse environmental and social footprint of clients' portfolios and promote sustainable financial markets.

Besides incorporating sustainability into every stage of the investment process, Bank J. Safra Sarasin has further developed investment-supporting activities such as the exercising of voting rights (also by retaining specialised firms) and engaging in a strategic dialogue with decision makers of invested companies. One key aspect of the Bank's offering is the ability to discuss with clients their specific requirements across a broad spectrum of sustainable investing approaches and criteria, which enables it to provide customised client solutions.

Figure: Integration of Environmental, Social and Governance (ESG) aspects in traditional investment analysis



Sustainable Investing 2.0

- We integrate sustainability into each step of our Sustainable Investment Process and take the United Nations supported Principles for Responsible Investment (UN PRI) literally
- We are able to customise sustainable investment solutions to the client's needs
- We achieve Sustainable Alpha by identifying financially material aspects of sustainability
- Our proprietary Sarasin Sustainability Matrix® reduces reputational risks and creates Sustainable Beta
- We reduce the environmental and social footprint of our clients' investment portfolios
- We promote sustainable financial markets

J. Safra Sarasin's Sustainable Investment Process

The investment process comprises the following five steps:

1. Industry Analysis

The Industry Analysis identifies long-term investment drivers, which differ between industries. It focuses on understanding how industry structure and demand or supply dynamics drive competitiveness, assessing the industry's drivers of profitability and identifying the key industry metrics. These include sustainability mega trends such as climate change or demographical change. Among the ESG key issues of each industry, we identify those that are potentially financially material.

2. Sustainability Analysis

The Sustainability Analysis assesses and compares a company's ability to manage its ESG risks and opportunities relative to its industry peers. Several ESG key issues are common to all industries: in particular the governance issues such as board structure, remuneration, shareholder ownership & control rights. Other key issues are more important in some industries and/or specific to only a few industries (e.g. carbon footprint or water risk). The methodology takes these differences into account by selecting and weighting key issues by sector on the basis of Bank J. Safra Sarasin's Industry Analysis.

The Sustainability Analysis allows the Bank to produce two scores (company ratings and respective industry ratings) which can be combined and displayed in the Bank's proprietary Sarasin Sustainability Matrix® (see p. 91). In exposed industries with low sustainability ratings, such as oil and gas or materials, companies must achieve a high company rating to be included in the sustainable investment universe, whereas in less-exposed industries (e.g. telecommunication, IT) companies must only achieve an average company score to be included.

The x-axis of the Sarasin Sustainability Matrix® displays the industry rating score between 0 (low) and 5 (high). The y-axis displays the company rating score between 0 (low) and 5 (high).

The shaded area contains Bank J. Safra Sarasin's sustainable investment universe. The white area underneath contains the companies which the Bank excludes from the universe due to insufficient sustainability ratings.

3. Sustainable Beta

Bank J. Safra Sarasin constructs the Sustainable Beta portfolio. The main objective of creating Sustainable Beta is to identify and correct unwanted tilts in the sustainable investment universe. Moreover, Sustainable Beta measures the impact of the factor sustainability on financial performance and helps to separately monitor the different steps of the investment process. As such, Sustainable Beta provides an important input for the fifth step of the investment process: portfolio construction and integrated risk management.

Figure: Bank J. Safra Sarasin's Sustainable Investment Process at a glance

Sustainable Alpha and Sustainable Beta

Bank J. Safra Sarasin's **Sustainable Investment Strategies** combine the concepts of Sustainable Alpha and Sustainable Beta: they focus on the sustainable companies of the benchmark universe, making them suitable for sustainable investors seeking active equity exposures within their asset allocation. Bank J. Safra Sarasin's **Responsible Investment Strategies** contain only Sustainable Alpha and intend to cover the client's entire benchmark universe, making this strategy suitable as a core investment for equity investors.

In sustainable investing, active performance against a classical benchmark may stem from two distinct kinds of investment decisions:

1. From the creation of a (sustainable or ESG-thematic) investment universe that deviates from the benchmark universe. Integrating sustainability in this way (Best-In-Class ESG Approach) creates a new benchmark index or "Beta". Bank J. Safra Sarasin defines this new sustainable index as **Sustainable Beta**.

2. From selecting mispriced companies by considering the fair value after the integration of financially material sustainability aspects into the investment analysis (ESG integration approach). Bank J. Safra Sarasin defines this source of performance as **Sustainable Alpha**.

4. Sustainable Investment Analysis

The fourth step of the investment process, the Sustainable Investment Analysis, draws on the fundamental understanding of the industry which Bank J. Safra Sarasin acquires in the first step "Industry Analysis". In this step, Bank J. Safra Sarasin identifies the industry-specific financially material sustainability aspects which the Bank integrates into its investment analysis. It uses both qualitative and quantitative tools.

5. Portfolio Construction

The Portfolio Construction process relies on a quantitative multifactor risk model to construct portfolios and to control external risks.

List of exclusion criteria

A preliminary step of the Sustainability Analysis is the screening for controversial business activities and practices. Bank J. Safra Sarasin applies several standard criteria in order to exclude business practices which are in breach of global norms and/or highly controversial business activities. The standard set for controversial business activities screening is embedded in all our Sustainable Investment Strategies.

In 2016, Bank J. Safra Sarasin introduced the exclusion criterion "coal". This move is part of the Bank's commitment to address climate change and building on a 2°C scenario as outlined at the Paris Summit on Climate Change (COP21).

In particular, the Bank excludes companies that have a significant involvement in coal-mining or coal-power-generation activities while lacking an appropriate climate and transition strategy.

A list of exclusion criteria is applied to all sustainable and responsible investment strategies. They reflect the relevant ethical and financial risks. Companies with the following activities are excluded from the investment universe:

Criterion	Short description
Nuclear Energy	Companies that own or operate nuclear power plants (utilities) and companies that supply key nuclear-specific products or services to the nuclear power industry (suppliers)
Coal	Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy
GMO – Agriculture	Companies that genetically modify organisms for agricultural use
GMO – Medicine	Human cloning and other manipulations of the human gene line
Defence and Armament	Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems & services (e.g. weapon control systems, target navigation systems, etc.)
Tobacco	Producers of tobacco products
Adult Entertainment	Producers of adult entertainment materials
Violation of Human Rights	Companies involved in severe violations of human rights. This criterion takes into account established international standards and principles (e.g. UN Global Compact)

Case study ABB: A Leading European Clean Tech Player
In an interconnected and energy-intensive world, power networks are the most critical infrastructures.

The future of power grids is defined by key sustainability trends:

- Increasing share of electricity from renewable sources with irregular supply and storage needs
- Electrification of transport and mobility reshaping demand
- Energy efficiency, management of complexity and interconnected objects and services from industrial automation to consumer experience

For electrical equipment companies this implies major technological evolutions and renewed business models with strong services components to address energy management challenges and complex applications. Simultaneously, companies embracing these trends will benefit from increased opportunities, for example with electric mobility: from grids extensions and upgrades to charging stations and services through to demand/ supply management.

To benefit from such opportunities, electrical equipment companies must also address material sustainability risks that are inherent to their business, e.g. by reducing the footprint of the production process from sourcing to waste management. From a social perspective, labour-intensive and relatively hazardous operations require a high level of safety and human resource stewardship to ensure continuity, quality and efficiency of the business while avoiding reputational damage and related (legal) costs. Finally, the companies operate in a global context and also have public entities as clients, and face corruption-related risks. Thorough business ethics rules and implementation mechanisms are therefore critical to develop and maintain the license to operate. These elements are integral to Bank J. Safra Sarasin's sustainability ratings which serve as a basis to define our investment universe.

For example, ABB, a Swiss-based industrial company, addresses the full scope of sustainability issues typical to its business with convincing measures. Indeed, on the operational side, environmental impact of operations and working safety risks are mitigated through adequate mechanisms including independent external reviews and certifications. Likewise, ABB's broad clean tech positioning, notably around clean mobility and industrial automation, provides significant sustainability opportunities already accounting for half of the company's revenue. Progress is nevertheless possible to better manage operational continuity and quality risks related to labour issues. The company is indeed compliant in this regard but faces higher challenges given its scale (ca. 140,000 employees worldwide). Finally, governance practices are in line with its peers. Overall, and on a relative basis, ABB displays high sustainability credentials and is therefore eligible to the sustainable investment universe.

Figure: Criteria and weightings applied to assess companies in the electrical equipment industry

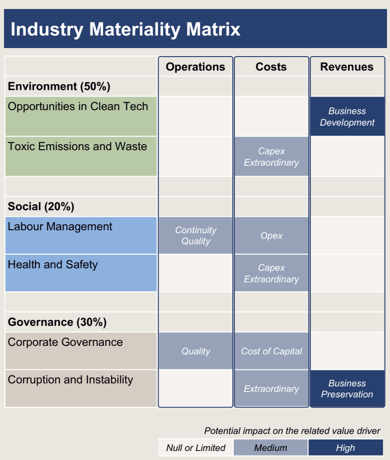
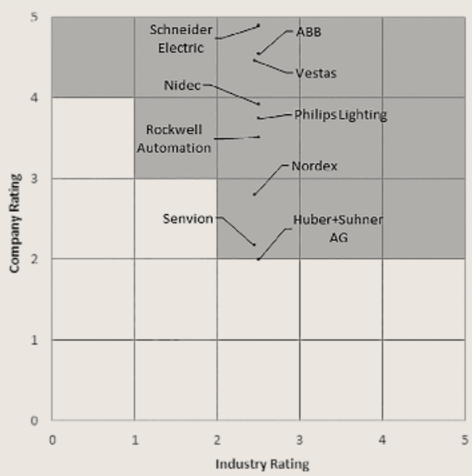


Figure: Sarasin Sustainability Matrix® of the electrical equipment industry



Source: J. Safra Sarasin, 2017

Portfolio Reporting and Portfolio ESG Analysis for institutional and private banking clients

Reporting of the portfolio based on a standard format follows the five-step investment process. Having integrated sustainability and risk management along the entire investment process, Bank J. Safra Sarasin can provide clients with an attribution across the full set of risk factors as well as the factor sustainability. Client reporting is seen as an integral step in the investment process.

In addition, Bank J. Safra Sarasin offers a detailed ESG Analysis for a client's entire portfolio. The analysis provides more concrete ESG insights to clients and holdings profile of their investments from a sustainability point of view. It includes for example the portfolio's carbon footprint compared with a benchmark portfolio, or an aggregated portfolio controversy score that shows the controversy and negative reputational news exposure; or a summary of the active ownership actions performed for the holdings in the specific portfolio. Bank J. Safra Sarasin responds to the trend towards increased disclosure on corporate ESG factors and the strength of voluntary investor initiatives, stock exchange requirements and stricter legal regulations throughout the world. Clients benefit from this service, which provides a complimentary portfolio analysis beyond traditional performance discussions. In addition, it is a good basis for an interactive and strong bank-client relationship.

Country Sustainability Ratings

The fully integrated sustainable investment approach is not limited to corporations, but also extends to countries: as issuers for sovereign bonds, they collectively account for more than a quarter of all debt issued on international capital markets.

Bank J. Safra Sarasin measures the sustainable economic performance of a country based on the availability of natural resources and the efficiency with which these resources are put to use. Here the availability of natural resources provides the foundation for sustained economic growth (illustrated on the horizontal axis in the next figure). These include four key elements:

i. Water: including freshwater availability and water stress
ii. Land: including availability/use of forests and arable land
iii. Energy: including renewable energy quota and energy efficiency
iv. External environmental costs: including biodiversity and air pollution

The other dimension (resource efficiency, illustrated on the vertical axis in the next figure), includes the assessment of economic, social and political aspects and general conditions which, building on the available resources, are required to expedite sustainable development. Resource efficiency covers four key elements:

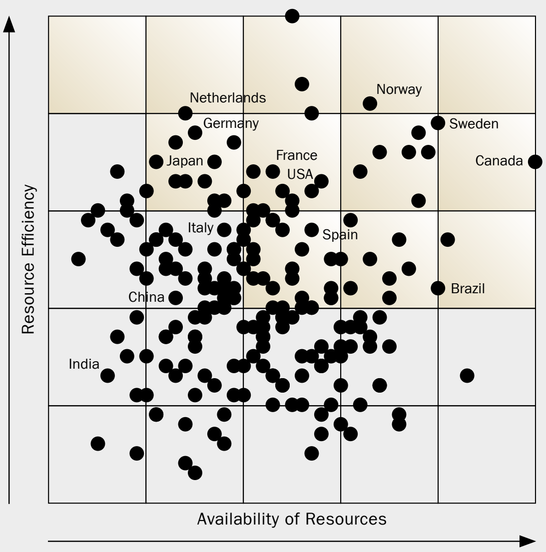
i. Human capital: including population structure and educational qualifications
ii. Overall economic conditions: including distribution of income and business climate
iii. Financial governance: including level of debt and foreign trade
iv. Political governance: including institutions and corruption

Bank J. Safra Sarasin plots the 198 countries analysed across the two dimensions resource availability and resource efficiency on the Sarasin Sustainability Matrix®. The countries in the shaded area are relatively better positioned and can be invested in, while the countries in the white area are not investable (status November 2017).

Bank J. Safra Sarasin's sustainability rating for countries is based upon 98 data points from publicly available sources, including Amnesty International, United Nations, World Bank, Economist Intelligence Unit, Freedom House, IMF, OECD and the US Central Intelligence Agency.

The main benefit of the sustainability rating to the client is the ability to identify structural changes at an early stage. Although the country rating serves as a complimentary tool for credit ratings based on financial criteria, it is not a substitute for them.

Figure: Sarasin Sustainability Matrix® of countries



Source: J. Safra Sarasin, 2017

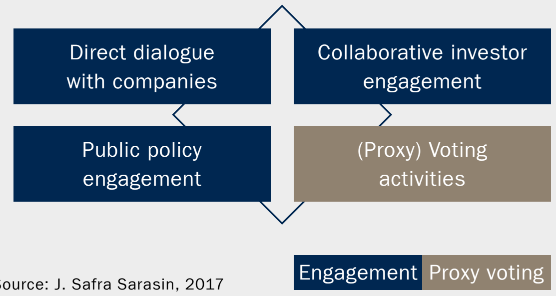
Active Ownership strategy

As far as investors are concerned, Bank J. Safra Sarasin sees its role as a sustainable asset manager with a long-term perspective. Active Ownership, comprising of engagement and proxy voting, is an important component of this process. The Bank's approach is not only designed to encourage robust corporate governance structures but also to ensure that the rights of shareholders are protected. In the same vein, we aim to encourage forceful initiatives in the social and environmental domain, together with greater transparency, so as to produce a positive impact.

In 2017, Active Ownership has gained further prominence among investors and in the media. The 2017 Annual General Meeting (AGM) season has brought new topics to the fore, notably climate risk assessments, more vocal passive investors and the strengthening of shareholder rights. This continued rise of Active Ownership is still partially driven by regulatory requirements, such as the Ordinance Against Excessive Compensation in Public Corporations (VegüV) in response to the "Minder Initiative" in Switzerland. Bank J. Safra Sarasin has its own Active Ownership approach (comprehensively revised in 2016) which includes elements such as the Active Ownership Policy, the operational Proxy Voting Guidelines and client-specific reporting.

The approach is aligned with Bank J. Safra Sarasin's sustainable investment methodology and takes into account numerous international guidelines and standards such as the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises. The Bank's Active Ownership activities can be split into four relevant areas.

Figure: Overview of Active Ownership



Source: J. Safra Sarasin, 2017

Direct dialogue with companies

Every year, Bank J. Safra Sarasin's sustainable investment analysts and portfolio managers meet with the management of around 400 companies to discuss material ESG issues relevant to the specific business case. In addition, there are concrete, more extensive dialogues over a longer period to provide a more detailed understanding of strategically relevant ESG issues or to improve investor communication in the area of sustainability. In cases where companies are not aware of relevant ESG risks and/or manage them insufficiently, Bank J. Safra Sarasin would downgrade their sustainability rating and refrain from an investment as the last step. An example for a recent successful engagement is an industrial company that has adjusted its pay practices significantly throughout 2017 following a vote against the board's recommendation during the company's last AGM. The proposal within the context of the 2018 AGM appears to be in line with Bank J. Safra Sarasin's expectations.

Collaborative investor engagement

Bank J. Safra Sarasin collaborates with other investors in order to maximise the impact of engagement initiatives and is currently active in various initiatives through the Principles for Responsible Investment (PRI) that offers the largest global platform for Collaborative Investor Engagement activities. Bank J. Safra Sarasin is a member of the Carbon Disclosure Project (CDP). These organisations help investors to build up knowledge and skills and give broader access to information. Overall, the Bank was part of the following Collaborative Engagement Activities in 2017:

- Access to Medicine Index
- Carbon Disclosure Project – Non-disclosure engagement
- Chemical Footprint Project
- FAIRR – Global Investor Statement on Antibiotic Use
- PRI – Arctic Shareholder Engagement (Phase III)
- PRI – Engagement Initiative on Water Risks in Agricultural Supply Chains
- PRI – Engagement on Cyber Security
- ShareAction – Workforce Disclosure Initiative

Furthermore, investor letters such as "Banking on a low-carbon future" coordinated by Boston Common Asset Management and Share Action or the PRI-coordinated investor statement "Fiduciary Duty in the 21st Century" were signed.

Public policy engagement

Bank J. Safra Sarasin actively participates in political dialogue in various ways. Through involvement in leading sustainable investment initiatives and organisations such as Eurosif and Swiss Sustainable Finance (SSF), the Bank fosters contacts with politics and other stakeholders to promote the consideration and integration of relevant ESG themes on a regulatory level as well. The Bank is also committed to promoting a better understanding of sustainable investments.

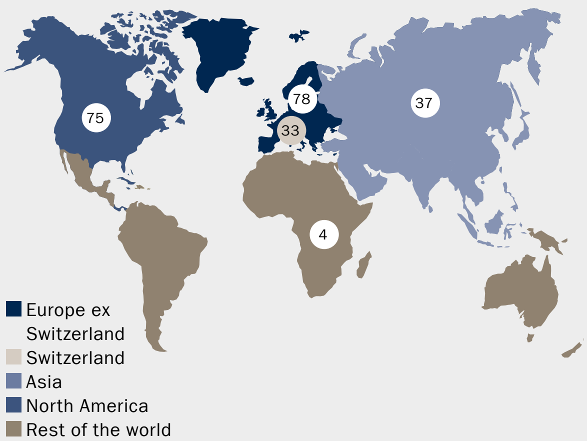
Exercising voting rights at Bank J. Safra Sarasin

For numerous sustainable investment funds as well as for institutional mandates, voting rights are exercised by J. Safra Sarasin taking into account environmental, social and corporate governance criteria. Although the majority of votes concern corporate governance issues, J. Safra Sarasin also considers social and environmental issues. In the year under review J. Safra Sarasin voted for shares equivalent of CHF 13.2 billion. Looking specifically at the results of the asset management of Bank J. Safra Sarasin, 76.3% of the proposals were voted "For" by Bank J. Safra Sarasin.

Table: Overview of voting activity (meetings, ballots, proposals) of Bank J. Safra Sarasin

Number of meetings	227
Number of ballots	334
Number of Proposals	3,346
"Against" the management	23.7%
E and S proposals	21

Figure: Global voting map of Bank J. Safra Sarasin with number of meetings by country



In so doing, the Bank receives operational support from Institutional Shareholder Services (ISS). The votes, however, are always cast in line with the Bank's own customised operational Proxy-voting Guidelines. Based on this document, which has been developed by the Bank to reflect its own sustainable investment approach, the asset management of Bank J. Safra Sarasin has voted on 3,346 agenda items at 227 AGMs on a global level in 2017. At these AGMs, Bank J. Safra Sarasin voted "Against" one or several of the management's recommendations in 23.7% of all cases. Common topics which the Bank voted against management recommendations included executive pay practices or lack of cultural and gender diversity in the composition of the Board.

Launch of Innovative sustainable investment in 2017

In 2017, Bank J. Safra Sarasin made its innovative strength and expertise available to its clients in the form of four distinct new sustainable investment strategies. These were designed to make the very impact clients had been seeking.

1) Sustainable Technology Disruptors Strategy

A series of technological breakthroughs, ranging from big data processing to robotics and automation, are changing current business models and entire industries. The application of technological innovations in many sectors is reaching a tipping point, offering very high economic rewards but also posing substantial risks. The Bank's actively managed, benchmark-agnostic equity strategy with a global scope strikes a sensible balance. It focuses on companies that are either developing or harnessing innovations in information processing, connectivity and high-tech products. Investors gain exposure to emerging and transformational technological trends and benefit from in-depth cross-sector insights of an experienced team of sustainable investment analysts.

2) Swiss Small & Mid Cap Equities Strategy

Small and medium-sized enterprises (SMEs) have a distinct advantage over larger companies when it comes to sustainability. Bank J. Safra Sarasin's research shows that the performance of SMEs is actually much better in terms of ESG criteria. SMEs are good at transferring green technologies from niche markets over to the mass market. Often family-owned, and hence based on family values, SMEs tend to have a more sustainable corporate culture that enhances the motivation, loyalty and productivity of the workforce while at the same time benefitting from a clear corporate governance structure. The new strategy targets Swiss shares of small and medium-sized industry leaders that distinguish themselves through their strategic focus on environmentally friendly, eco-efficient management and proactive relations with key shareholders.

3) Sustainable Green Bonds Strategy

In 2007, the European Investment Bank issued the first green bond for the purpose of financing environmentally friendly infrastructure projects. Since 2012, this market niche has enjoyed impressive percentage growth rates averaging in the high double digits. This trend received a significant boost in 2015 when 195 nations signed an agreement at the UN climate conference in Paris to gradually scale back global greenhouse gas emissions to zero between 2045 and 2060. Green bonds not only give investors access to investments with potentially low volatility and attractive returns, but also allow them to make an active contribution towards financing the energy transition worldwide. The Sustainable Green Bonds Strategy provides an interesting solution for risk-averse, sustainably minded private clients as well as institutional clients looking for impact-investing opportunities.

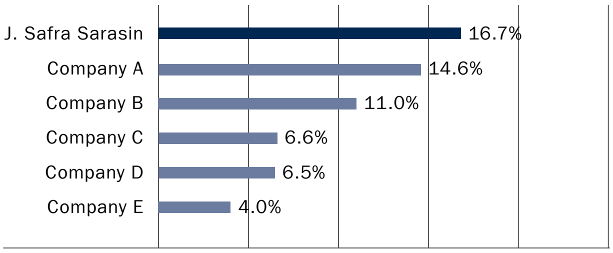
4) Sustainable Global High-Yield Strategy

The global universe of high-yield bonds qualifying as sustainable has achieved higher-than-average growth. In a persisting climate of low interest rates, the realisation of higher yields demands a more comprehensive analysis of the associated risks. A sensible way to reduce potential downside risks is to combine sustainability analysis with fundamental credit analysis. Following these lines, the Sustainable Global High-Yield Strategy targets high-yield bonds of sovereign, private or public-private entities globally. It is suitable for long-term-oriented investors looking to complement their traditional investments.

Bank J. Safra Sarasin continues to reign as market leader in Switzerland

Sustainably managed assets at Bank J. Safra Sarasin reached CHF 11.5 billion as of 31 December 2017, while responsibly managed assets reached CHF 17.5 billion on the same date. The sustainable investment market in Switzerland has continued to develop positively. With a market share of 16.7% in 2017, the Bank continues to reign as market leader in sustainable investments in Switzerland.[2]

Figure: Market shares of the leading Swiss asset managers (in per cent)

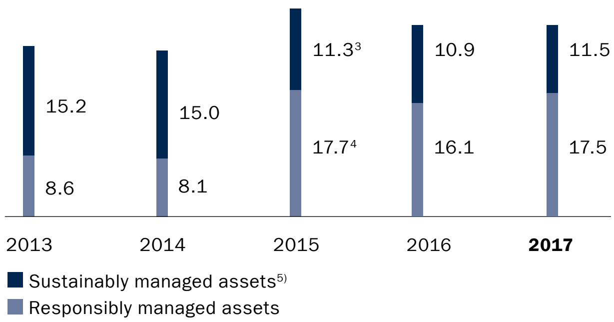


Transparency logo for sustainability funds

Bank J. Safra Sarasin's sustainability funds bear the European Transparency Logo for Sustainability Funds. This label is awarded to the signatories of the European Transparency Code for Sustainability Funds and is intended to enable investors to determine quickly and reliably whether detailed information on the sustainable investment strategy of an investment product is available, and where to find it. The transparency code and transparency logo make the investment strategy of a fund easier to understand for both the general public and also other interested groups such as asset managers and rating agencies.

transparent

Figure: Development of assets managed sustainably and responsibly by J. Safra Sarasin (billion CHF)



Private banking discretionary mandates

Bank J. Safra Sarasin offers not only institutional investors but also private clients an innovative and sustainable product range catered to their individual investment needs while enabling them to benefit from customised management of their assets. In the field of mandates, the offer ranges from pure sustainable mandates to classic sustainable mandates that differentiate between the ratio of fully sustainable investment selection. Clients can also sign up to customised mandates where they freely select asset classes and the respective share of sustainable assets individually.

[2] Source: Forum Nachhaltiger Geldanlagen & Swiss Sustainable Finance, Swiss Sustainable Investment Market Report 2017.
[3] Due to reclassification, the formerly sustainable assets from Sarasin & Partners have been reclassified as "responsible".
[4] Sarasin & Partners have developed a responsible investment approach which integrates ESG factors into their investment process across all assets. Their formerly sustainable mandates have therefore also been reclassified as "responsible".
[5] The assets under management in the private banking classic sustainable mandates are based on the Bank J. Safra Sarasin sustainable investment approach. All direct holdings of equities and bonds have to be rated "sustainable".

Asset management products

		Only sustainable	Sustainable and responsible	Only responsible
Investment funds and securities products	Equity funds	– Theme: renewable energies and energy efficiency – Theme: water – Real Estate/REITS shares – Switzerland – Europe – USA – Emerging markets – Global	– Multi-themes	– Brazil
	Balanced funds	– Neutral asset allocation	– Defensive asset allocation – Flexible asset allocation (also risk-controlled)	
	Bond funds	– Europe – EUR Corporate – EUR High grade	– CHF – EUR – USD	
	Tracker certificates on sustainable indexes[6]	– Sustainable Actively Managed Certificates: Sustainable Technology Disruptors, Sustainable Technology Trends, Sustainable Europe Small Cap, Sustainable Demography Health, Sustainable Entrepreneurial, Sustainable North America, Euro STOXX® Sust. 40 Index, STOXX® Europe Sust. 40 Index		
J. Safra Sarasin Investment Foundation	Equity investment products	– Emerging Markets – International excl. Switzerland	– Switzerland	
	Balanced investment products		– Defensive asset allocation – Neutral asset allocation	
	Bond investment products	– International excl. CHF	– CHF	
	Property investment products	– Swiss Real Estate		
	Alternatives	– Commodities ex. Agro/Livestock		
J. Safra Sarasin Investment Foundation 2	Shares		– International excl. Switzerland	
Mandates	For private clients	– Bond mandates – Defensive asset allocation[7] – Balanced asset allocation[7] – Dynamic asset allocation[7] – Equity mandates	– Premium mandates – Equity mandates with focus on dividends	– Bond mandates Emerging Markets
	For institutional clients		– Bonds – Balanced – Equities	
	Multi-Manager	– Equity mandates – Dynamic asset allocation – Balanced asset allocation – Defensive asset allocation		
Advisory services	Third-party funds and advisory mandates	– Equities (classic and thematic) – Balanced (defensive and defensive with risk limitation) – Real Estate Europe – Convertibles[8]		
	Advisory and joint management	– Different mandates for institutional customers – Portfolio Sustainability Analysis and Reporting		

6) These certificates are approved for distribution in Switzerland.
7) Some of the mandates are managed mainly sustainably due to non-existent or insufficient sustainable alternatives in different asset classes.
8) At least 80% of the fund’s securities must be rated as sustainable.

STOXX® made by Bank J. Safra Sarasin

Since March 2011, Bank J. Safra Sarasin has been responsible for the composition of the STOXX® Sustainability Indices. The constituents of the STOXX® Europe 600 Index are assessed regarding their ESG (environmental, social and governance) opportunities and risks using the Bank J. Safra Sarasin research methodology. If the issuers show a good enough sustainability rating, they are admitted to the STOXX® Sustainability Indices.[9]

J. Safra Sarasin's awards

AUSTRIAN FONDSPREIS 2016 for Bank J. Safra Sarasin Sustainable Equity Water Fund[10]

The AUSTRIAN FONDSPREIS 2016 was awarded to the J. Safra Sarasin Sustainable Water Fund EUR P dist in the category Sustainable Investment. The fund was rated as having "Outstanding" investment results by the independent testers of *FONDS professionell* and its media partner *Die Presse*.

DEUTSCHER FONDSPREIS 2016 for J. Safra Sarasin Sustainable Equity Water Fund[10]

The DEUTSCHER FONDSPREIS 2016 was awarded to the J. Safra Sarasin Sustainable Water Fund EUR P dist in the category Sustainable Investment. The fund was rated as having outstanding investment results by the independent testers of *FONDS professionell* and its media partner *Frankfurter Allgemeine Zeitung*.

Forum Nachhaltige Geldanlagen (FNG) Seal

In November 2017, the FNG Seal, the quality standard for sustainable investment funds, was awarded in Berlin for the third time. Bank J. Safra Sarasin provides its sustainable investment methodology and investment universe to one of its partner firms. We were therefore very pleased that the advised fund obtained this coveted label.

Investment Innovation Benchmark (IIB)

Bank J. Safra Sarasin was awarded by the IIB for its innovative ESG integration process "as an innovative process to construct ESG-focused equity universes using a data-driven calculation engine and the largest sustainable investment analyst team in Europe" (IIB 2016). The Investment Innovation Benchmark project aims to enhance the incentives for innovation among investment professionals and thereby induce the regenerative functions of financial markets to create a more sustainable financial system for the beneficiaries of pension funds and anyone else.

MSCI Fund ESG Quality Score

The MSCI ESG Fund Quality Score measures the overall ESG quality (for example of the holdings of mutual funds) as measured by the ability of constituent companies to manage medium- to long-term risks and opportunities arising from ESG exposures. It assesses funds on a scale from 0 to 10. A score of 10 reflects underlying holdings that rank best-in-class globally based on their exposure to and management of ESG risks and opportunities. A score of 0 reflects holdings that generally rank worst in class globally based on their exposure to similar factors. Since inception in 2016, numerous flagship strategies of Bank J. Safra Sarasin were ranked in the top 10% of funds globally on the basis of their ESG credentials, even more strategies were ranked in the top 10% of their fund peer group.

Sarasin-FairInvest-Universal-Fonds[11] awarded AA+ Rating by TELOS

AA+
09/2017

By awarding their AA+ Rating in 2017, TELOS has certified that the Sarasin-FairInvest-Universal-Fonds meets

9) The STOXX® Sustainability Indices are the intellectual property of STOXX Ltd. STOXX makes no investment recommendations and shall not be held liable for any errors or delays in the index calculation or data distribution.
10) This fund is approved for distribution in Austria, Belgium, Denmark, France, Germany, Great Britain, Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Singapore, Spain, Sweden, Switzerland.
11) This fund is approved for distribution in Austria and Germany.

very high quality standards. In their full rating report, TELOS GmbH appreciates J. Safra Sarasin's "sustainable investment approach" and the fact that sustainability criteria are understood to be a key risk management tool.

Passing on knowledge about sustainability-related investment topics

J. Safra Sarasin compiles and shares leading sustainable investment analysis to clients either in the form of publications or in the form of knowledge-sharing events. In 2017, Bank J. Safra Sarasin's sustainability investment research team released the following publication formats: *Sustainable Investment Spotlight, Sustainable Investment Focus* and *The Sustainable Investments Newsletter*. These publications provide clients, employees and the public with interesting information and deeper knowledge about sustainable issues relevant for asset management.

In 2017, the following publications were released by Bank J. Safra Sarasin's sustainability investment research team:

- *Keep it cool – how to invest in a 2° world*
- *Stricter European regulations favour sustainable investments*
- *Disruptive Technologies pave the way to the Fourth Industrial Revolution*
- *The Mobility (r)EVolution is coming*
- *The Rise of Active Ownership continues*
- *Preliminary end of the shale boom – easy gains are over*

At the same time, different authors made their expertise widely available in various specialist articles. Additionally, J. Safra Sarasin contributed strongly to the new Swiss Sustainable Finance (SSF) Handbook of Sustainable Investments. The Head of Sustainable Investment Research sat on the committee advising the editors while two sustainable investment research analysts contributed to the content as authors. The handbook intends to provide an introduction to sustainable investment for institutional investors especially. It gives a comprehensive and practical overview of existing approaches and current developments in the field of sustainable investments.

Pension Fund of Bank J. Safra Sarasin signs the Principles for Responsible Investment

By signing the internationally recognised and UN-supported Principles for Responsible Investment (PRI), the Pension Fund of Bank J. Safra Sarasin emphasises its long-standing commitment to be an active owner and to integrate environmental, social and governance considerations into its investment decisions. The PRI has grown constantly since it began in spring 2006. Currently, it has more than 1,800 signatories from over 50 countries, representing approximately USD 70 trillion assets under management. Bank J. Safra Sarasin acted as a founding signatory of the initiative back in April 2006.

Responsible Investor (RI) Reporting Awards 2017

Bank J. Safra Sarasin sponsored the RI Reporting Awards 2017 that showcase excellence in responsible investment reporting, encouraging best practice and transparency by recognising the highest standards in the disclosure of responsible investment activities by asset owners globally. Using publicly available information, the judging panel looks for reporting best practice in terms of simplicity, relevance, disclosure and process of the largest institutional investors.

Throughout 2017, several events to share knowledge were organised by Bank J. Safra Sarasin. These events were organised for private clients, institutional clients and professional audiences.

In May two experts from the Bank participated in the institutional investment seminar "Beyond the known", held in Bern, and explained how sustainability can be integrated into an investment strategy. Also in May, the Association of German Foundations Day took place in Osnabrück, Germany: Europe's biggest conference of its kind, with over 1,400 participants. Bank J. Safra Sarasin's contributed with a seminar on the topic "Active Shareholder Engagement". Moreover, experts from the Bank attended four large conferences: the annual Members' Assembly of Swiss Sustainable Finance (SSF) – of which Bank J. Safra Sarasin is a founding member – a progress report was given on the ambitious roadmap for the Proposals Towards a Sustainable Financial System in Switzerland. Also in June, the Bank organised a sustainable investment event at three locations – Basel, Geneva and Zurich – where sustainability analysts presented the latest trends in the area of new technologies. In London, Bank J. Safra Sarasin acted as main sponsor of the RI (Responsible Investor) Reporting Awards 2017, which is the world's biggest conference on sustainable investments (see box). Lastly, at the Geneva Forum for Sustainable Investments (GFSI), participants explored the effects that tighter regulation has on institutional investors who must disclose their climate risks.

Objective 3: We live a sustainable corporate culture

J. Safra Sarasin's most valuable capital is its employees. They are essential to the success of the organisation, now and in the future. Their technical expertise, professional qualifications and social skills are highly valued by the Group's clients and business partners. The success of J. Safra Sarasin depends on the enthusiasm and commitment of every one of its employees worldwide and J. Safra Sarasin is particularly keen to ensure that they are treated in a fair manner. At J. Safra Sarasin, employees are very much aware of their entrepreneurial responsibilities.

The Group is an attractive employer, thanks to its clear positioning. It attracts first-rate applicants both in Switzerland and abroad.

As of 31 December 2017, the headcount increased by 60 full-time equivalent positions (+2.9%) totalling 2,155 full-time equivalent positions, of which 177 employees worked part-time. The proportion of women in management positions (female employees in the two uppermost management levels with the title Managing Director or Executive Director) stood at 13.7%. The percentage of women working in the Group totalled 35.4% in 2017. The employees at J. Safra Sarasin originate from 65 different countries, displaying a high degree of cultural diversity. The majority of employees are between 35 and 45 years old. The table "Headcount by job title" shows the respective splits.

Table: Number of employees as per 31.12.2017 (full-time equivalents)

	31.12.2017	31.12.2016
Total	2,155	2,095
Abroad	1,008	950
Switzerland	1,147	1,145

Table: Age structure of employees (full-time equivalents in %)

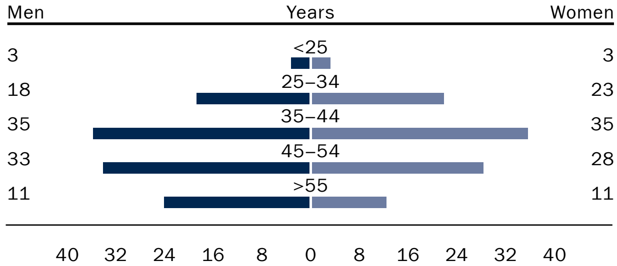
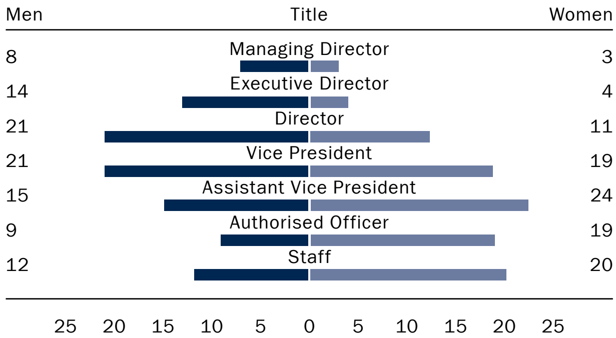


Table: Headcount by job title (full-time equivalent in %)



Code of Business Conduct as a mandatory guide

The foundation for the Group's success is the trust it instils in existing and potential clients. This trust depends on how the Group is experienced on a daily basis. A Group-wide Code of Business Conduct covers the underlying principles, which have to be observed by all the Group's employees as well as by the members of the Board of Directors as part of their business-related activities. These principles set out the daily behaviour in dealing with clients, colleagues and all other stakeholders.

Attractive terms of employment and social benefits

The staff regulations for each J. Safra Sarasin Group company specify employees' rights and obligations, working hours and holiday entitlements as well as social and other fringe benefits. The rules form an integral part of employment contracts and apply to all employment relationships. The employee benefits offered by J. Safra Sarasin Group Companies are at least equivalent to the legal requirements at individual locations, or exceed them. Remuneration within the J. Safra Sarasin Group is determined by the demands of the position, the qualifications and performance of the employee, and the performance of the Group and its subsidiaries.

Respectful working environment

The Group pursues a strict policy of equal opportunities and encourages a working environment characterised by a dignified and respectful atmosphere. The Group relies on the diversity of its employees with their variety of skills and talents. Discrimination or harassment of any kind, for example due to gender, ethnic background, religion, age, nationality, or sexual orientation, is not tolerated. This policy is firmly anchored in the Code of Business Conduct as well as in a directive on sexual harassment and mobbing that are applicable to the whole Group.

Employee representation at Bank J. Safra Sarasin in Switzerland

For the protection of the common interests of employees, Bank J. Safra Sarasin has a Staff Representative Council (Arbeitnehmervertretung, ANV) to represent employees in the Bank's home market. The Regulations on Employee Participation through the Staff Representative Council forms the foundation of the ANV. These regulations are based on the Swiss Federal Act on Information and Consultation of Employees in the Workplace. The members of the ANV are elected for three years. Depending on the respective matter, the ANV has information or consultation rights. The aim of this cooperation is to promote a dialogue between the top management and Bank J. Safra Sarasin's employees and thus contribute to a good working relationship. Well-informed employees tend to identify more closely with the company, which in turn can have positive effects on motivation and productivity.

Learning and development

J. Safra Sarasin emphasises the importance of continuous training and education to realise the full potential of its global staff and to ensure its employees act in a fully compliant way at all times. The Learning Committee, the ongoing enhancement of the Bank's learning curriculum along business-relevant training categories and the successful implementation of a Learning Management System are increasing the Group's ability to deliver online learning programmes, classroom- and blended training opportunities.

Development of young professionals at Bank J. Safra Sarasin in Switzerland

In recent years, the vast majority of our graduating young professionals were offered a job with the Bank. A number of talented university graduates with excellent degrees are also admitted to Bank J. Safra Sarasin's Graduate Trainee Programme (GTP) to gain a comprehensive insight into our business.

Healthy and sustainable employees

J. Safra Sarasin Group views the promotion of health as an important element of its corporate culture. At Bank J. Safra Sarasin in Switzerland, free flu vaccinations are offered every year. Employees in Switzerland have the opportunity to benefit from a group rebate on supplementary insurance cover that exceeds the basic cover required by law. In some locations, fitness studios offer membership discounts to our employees.

With targeted activities, the Group continues to encourage employees to exercise more in everyday life. For example, Bank J. Safra Sarasin in Switzerland took part again in the "bike to work" challenge launched by Pro Velo Schweiz: 36 individual cycling fans from the Swiss locations cycled to their offices and travelled 7,630 kilometres altogether. Employees from the Bank also participated in the nation-wide company run "B2RUN" in Basel. Colleagues from various business areas participated in the six-kilometre run which ended in the St. Jakob Arena.

Unicef's Cycling for Children

In June, 17 staff plus a few family members enjoyed a summer sports day in the mountains around Crans-Montana, cycling on two distinct courses. The J. Safra Sarasin team came second with a contribution to UNICEF of more than CHF 14,000. Overall, more than CHF 450,000 was collected for that specific charity event.

Our involvement will help to save children's lives across the globe and reduce the current childhood mortality rate of 16,000 per day to zero.

In December, 19 employees represented Bank J. Safra Sarasin's colours in the "Course de l'Escalade" in Geneva. In so doing, they not only increased their own fitness, but also sent a positive message on sustainable mobility and showed a strong team spirit.

In Monaco, Banque J. Safra Sarasin (Monaco) SA participated in the "No Finish Line" race organised by the Principality's Children and Future Association. For each kilometre, donations were made in favour of the association's aid projects. In 2017, the J. Safra Sarasin team, with 16 engaged runners, ran over 957 kilometres and transformed those kilometres to donations for the charity.

Annual participation in the Swiss national "Zukunftstag" of Bank J. Safra Sarasin

The "Zukunftstag" (Future Day) is an annual event that allows children of our employees in Switzerland to gain first-hand impressions of the working environment of their parents. This year, 42 boys and girls participated in the event which promotes gender equality at a young age in preparation for career choices and life planning. The "Zukunftstag" builds on collaboration between schools, employers and parents. Bank J. Safra Sarasin takes part in this initiative every year and organises an interesting programme of activities for children of the Bank's employees.

Women network

In 2015, Bank J. Safra Sarasin created the "women@jss" network in Zurich. The aim of the initiative was to create and develop awareness of challenges facing employed women in Switzerland. The focus lies on networking, exchange of knowledge and experiences, and sharing of different perspectives. The founding members continue to organise informative meetings and round tables.

Objective 4: We are part of the society

The entire J. Safra Sarasin Group and its employees have a natural desire to make an active contribution to sustained social development. This can be done by entering into various commitments. It is important for the Group to uphold an ongoing dialogue with all its stakeholders. For business-policy decisions made at corporate management level, management strives to take account the interests of all stakeholders connected with the Group.

Sustainable events and procurement

Bank J. Safra Sarasin has developed and introduced the "Handbook of Sustainability" that includes standards for events and hospitality, donations and sponsorships, procurement and guidelines for suppliers. The handbook ensures that corporate activities do not support projects or partners whose values diverge from those of J. Safra Sarasin Group. The principles set forth therein include, for example, minimum standards for the procurement of paper and wood products as well as office equipment within the scope of building management and in the automotive segment.

Sustainability in sponsoring

The Bank invests in its social environment by engaging in sponsoring partnerships. To ensure that these activities do not support projects or partners whose values diverge from those of the J. Safra Sarasin Group, the "Handbook of Sustainability" was extended to the entire Group.

Philanthropy, art and sports were the main strategic focuses for the Group's sponsoring activities in 2017. These included, for example, financial support for the Esmeralda Charity Golf Cup 2017, organised by the Limmat Foundation in Zurich.

In the UK, the KEEN London charity, providing one-to-one support at free sports and activity sessions for children and young adults with special needs, at no cost to their families and caregivers. Staff from J. Safra Sarasin's London office raised significant sums of money to support a programme allowing disabled children access to personal training with an experienced coach in their favourite sport activity.

As part of its cultural sponsorship of institutions promoting art, Bank J. Safra Sarasin is continuing its long-standing partnership with the Beyeler Foundation in Riehen near Basel in support of Classical Modernism. Additionally, the exhibition on Scanning Sethos at the Antikenmuseum Basel is sponsored. In Monaco, J. Safra Sarasin is the main sponsor of The Monte Carlo Violin Masters which offers talented artists, all previously finalists in an international competition, the opportunity to compete against each other.

In the area of sports, the Bank sponsored the ATP World Tour 500 tennis tournament Swiss Indoors in Basel and the Sky Lounge at the FC Basel Stadium. Bank J. Safra Sarasin was also the sponsor of the Longines CSI Basel horse-riding event in January and the Swiss Open Gstaad tennis event in July.

Children's art competition
For the ninth consecutive year, the Bank supported the children's art competition organised by the Swiss Association for Quality and Management Systems (SQS) in April 2017. The topic of this year's competition was dedicated to recycling: "Handling waste eco-friendly – what are your ideas concerning this subject? Draw a picture."

The Bank supported this competition by offering three special prizes and for the first time created a calendar out of the 12 rewarded paintings. The Bank seeks to encourage the appreciation of art and develop child awareness in environmental and sustainability issues.

Public engagement: Together for more sustainability
J. Safra Sarasin also supports social and environmental concerns through participation in company boards. The members of the Board of Directors and the Group Executive Board hold a number of different mandates and official functions in these organisations. J. Safra Sarasin supports employees who work voluntarily on behalf of the Company.

For many years, J. Safra Sarasin has been actively involved in numerous initiatives and organisations which work for sustainable development. This is another way in which the Bank is fulfilling its responsibility to make a contribution to sustainable development. The Bank participates exclusively in political opinion forming via these initiatives and its membership in various organisations.

Bank J. Safra Sarasin is a founding member of Swiss Sustainable Finance (SSF)
Bank J. Safra Sarasin is a founding member of this relatively new platform set up in Switzerland in 2014. Its mission is to promote Switzerland in the global marketplace as a leading centre for sustainable finance by informing, educating and catalysing growth.

- Business Energy Agency (EnAW)
- Carbon Disclosure Project (CDP)
- CDP Water Disclosure Project
- European Sustainable Investment Forum (Eurosif)
- Forum Nachhaltige Geldanlagen (FNG)
- Global Footprint Network
- öbu – Network for sustainable business
- Swiss Climate Foundation
- Swiss Sustainable Finance (SSF)
- Sustainable Finance Geneva (SFG)
- UN-supported Principles for Responsible Investment (PRI)

Together with other Swiss banks, Bank J. Safra Sarasin is a sponsor of the Swiss Finance Institute (SFI). By establishing this foundation, the Swiss banks, the Swiss Federal government and leading universities have expressed a strong commitment to strengthening research and teaching in the field of banking and finance in Switzerland. The Swiss Finance Institute is active in both research and executive education. Both areas aim to strengthen the attraction of Switzerland to outstanding researchers, teachers, students and participants in executive education programmes.

Objective 5: We manage resources efficiently

Table: Overall table of environmental Key Performance Indicators*

Indicator	2017	2016	2015
Electricity consumption (MJ/FTE)	16,672	16,785	21,407
Fossil fuel energy consumption (MJ/FTE)	1,678	3,104	2,603
Other energy consumption (district heating, MJ/FTE)	1,123	1,204	1,319
Paper (kg/FTE)	63	64	63
Business travel (km/FTE)	6,856	5,306	5,382
Greenhouse gas emissions (kg CO_2-equivalent/FTE)**	1,719	2,334	2,603

FTE = full-time equivalent; MJ = Megajoule (1MJ = 0.278 kWh)

* Revision of calculation and data collection methodology. In 2017 the boundaries of the reporting system were extended to Nassau, Lugano and a third office building in Geneva. Germany and Hong Kong are not included.

** The greenhouse gas emissions are based on the GHG-protocol in 2015.

The Group's fifth objective is to achieve commercial success with an acceptable ecological footprint. It therefore seeks to contain energy consumption and use resources carefully. J. Safra Sarasin uses the SoFi software developed for financial service providers in drawing up its environmental performance report. The software makes it easier to record and analyse the data material and then identify suitable measures to improve performance on an ongoing basis.

Climate protection

Over the course of 2017 total CO2 emissions were reduced to 1,719 kg CO2-equivalent per employee. The average business travel activity per employee was 6,856 kilometres. As in the past, the Group will seek to use ecologically appropriate means of transport for business travel wherever possible (staff commuting to and from work is not included).

Besides the absolute level of energy consumption, the amount of greenhouse gas (GHG) depends crucially on how electricity is generated. In most countries, power generation involves far higher CO2 emissions than in Switzerland. In this regard, we are pleased to register a slight decrease in the total electricity consumption to 16,672 megajoule per employee. Lastly, fossil fuel energy consumption per employee decreased.

Systematic and ongoing promotion of energy efficiency measures

J. Safra Sarasin regularly implements appropriate measures in its efforts to become more energy efficient. In 2017, all Swiss locations participated in our Energy-Saving Campaign. This campaign introduced the automatic switch-off of PC monitors after a certain period of inactivity between 7 p.m. and 7 a.m. This measure is a direct follow-up on the replacement of all PCs by EE Thin-Clients in Switzerland in 2016 which led to a reduction of 281,200 kWh/year.

Energy from renewable resources

As a pioneer in environmental protection, the Bank showed its colours as early as 1993 when it installed its own photovoltaic system on the roof of its Basel head office. Each year, the system produces power for several four-person households. In 2017, the production amounted to 20,743 kWh, an improvement of 13% over 2016. Renewable sources account for 58% of the electricity consumed in the Group. At the Swiss sites, the figure is already 100%. The Basel office uses only district heating as a source of heating energy. This comes from process heat generated by the nearby refuse incineration plant in Basel and is 100% renewable.

Bank J. Safra Sarasin committed to reducing carbon emissions

Bank J. Safra Sarasin has agreed targets with the Business Energy Agency (EnAW) in Switzerland to reduce its carbon emissions by 2022. It intends to achieve this through annual energy efficiency measures and by giving preference to renewable energies. It will liaise with EnAW to regularly monitor the annual measures and their effectiveness.

Bank J. Safra Sarasin supports "The Paris Pledge for Action"

The signatories affirm their strong commitment to a safe and stable climate in which temperature rise is limited to less than two degrees Celsius. Taking strong action to reduce emissions can not only reduce the risks of climate change but also deliver better growth and sustainable development. The greenhouse gas emissions are based on the Greenhouse Gas (GHG) Protocol in 2015.

The Paris Pledge for Action

WE MUST CAN WILL

Increasing share of recycled paper

In 2017, the paper use per employee decreased slightly to 63 kilogrammes, whereby 86% came from recycled sources. To further reduce the absolute paper consumption, duplex printing is the default setting in most offices. Finally, careful management of print runs for internal and external publications pays off both ecologically and economically. Numerous publications are published primarily in electronic format and paper versions are provided to interested parties only upon request.

Participation in the EARTH HOUR initiative in Hong Kong in March 2017

Switching off all lights in the office to be part of the global EARTH HOUR initiative is a strong visual reminder of the globe's determination to tackle the planet's biggest environmental challenge – climate change. Our participation is a gesture highlighting our commitment to sustainability as a key differentiator of J. Safra Sarasin and our pioneering role in the area of Sustainable Research and Investment.

Deloitte.

Deloitte AG
General-Guisan-Quai 38
8022 Zurich
Switzerland

Phone: +41 (0)58 279 6000
Fax: +41 (0)58 279 6600
www.deloitte.ch

To the management of
J. Safra Sarasin Group, Basel

Our engagement

You engaged us to perform a limited review of the following quantitative key performance indicators (KPIs) disclosed in the sustainability report of J. Safra Sarasin Group (comprising J. Safra Sarasin Holding Ltd. and subsidiaries):

- KPIs on sustainable and responsible investments for the reporting period January 1 to December 31, 2017 on pages 86 and 96 of the sustainability report;
- The social KPIs for the reporting period January 1 to December 31, 2017 (pages 86 and 100 of the sustainability report).

Our procedures were planned to obtain limited assurance as a basis for our conclusion. The scope of work to obtain evidence is reduced, compared to the scope required to obtain reasonable assurance (e.g., in an audit of financial statements) such that a lower degree of audit assurance is obtained.

Limitations of the engagement

Our engagement was limited to a review of the KPIs listed above. We have not assessed the following KPIs or information disclosed in the sustainability report:

- KPIs for the reporting period 1 January to 31 December 2017 not explicitly listed;
- KPIs for the previous reporting periods were not reviewed for this engagement;
- All qualitative statements in the sustainability report;
- Our engagement did not include a review of forward-looking statements.

Responsibility of J. Safra Sarasin Group Management

The Management of J. Safra Sarasin Group is responsible for the preparation of the sustainability report and the information contained therein in accordance with the aforementioned criteria. This responsibility includes developing, implementing and safeguarding internal controls of material importance for the preparation of a report that is free of material misstatements. In addition, the responsibility includes selecting and applying suitable reporting standards as well as measurement methods and estimates deemed suitable in view of the circumstances.

Our responsibility

Our responsibility is to express a conclusion on the information disclosed in the sustainability report based on our review to obtain limited assurance. We planned and performed our engagement in accordance with the International Federation of Accountants (IFAC) International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE3000) and the Code of Ethics for Professional Accountants, which includes requirements in relation to our independence. In accordance with the engagement agreement, our duty of care for this engagement only extends to the Management of J. Safra Sarasin Group.

Deloitte.

Our approach

We performed all of the procedures needed to ensure a sufficient and suitable basis for our conclusion. Within the scope of our engagement, we obtained evidence on a sample basis considering materiality and assurance engagement risk to obtain limited assurance on the compliance of the KPIs with the reporting principles and criteria. The nature and scope of our work, including appropriate samples, were based on our professional judgment used in forming our conclusion.

The performance of our engagement included the following procedures:

- Assessment of the suitability of the underlying criteria and their consistent application;
- Interviews with employees responsible for preparing the sustainability report to assess the process of preparing the sustainability report, the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for a review of the sustainability report;
- Review of the documentation of the systems and processes for compiling, analysing and aggregating sustainability data and testing such documentation on a sample basis;
- Analytical considerations, interviews and review of documents on a sample basis with respect to the compilation and reporting of quantitative data;
- Interviews and review of documents on a sample basis relating to the collection and reporting of KPIs during walkthroughs at the site in Basel.

Our conclusion

Based on our review, nothing has come to our attention that causes us to believe that the KPIs do not comply in all material respects with the aforementioned criteria.

Deloitte AG

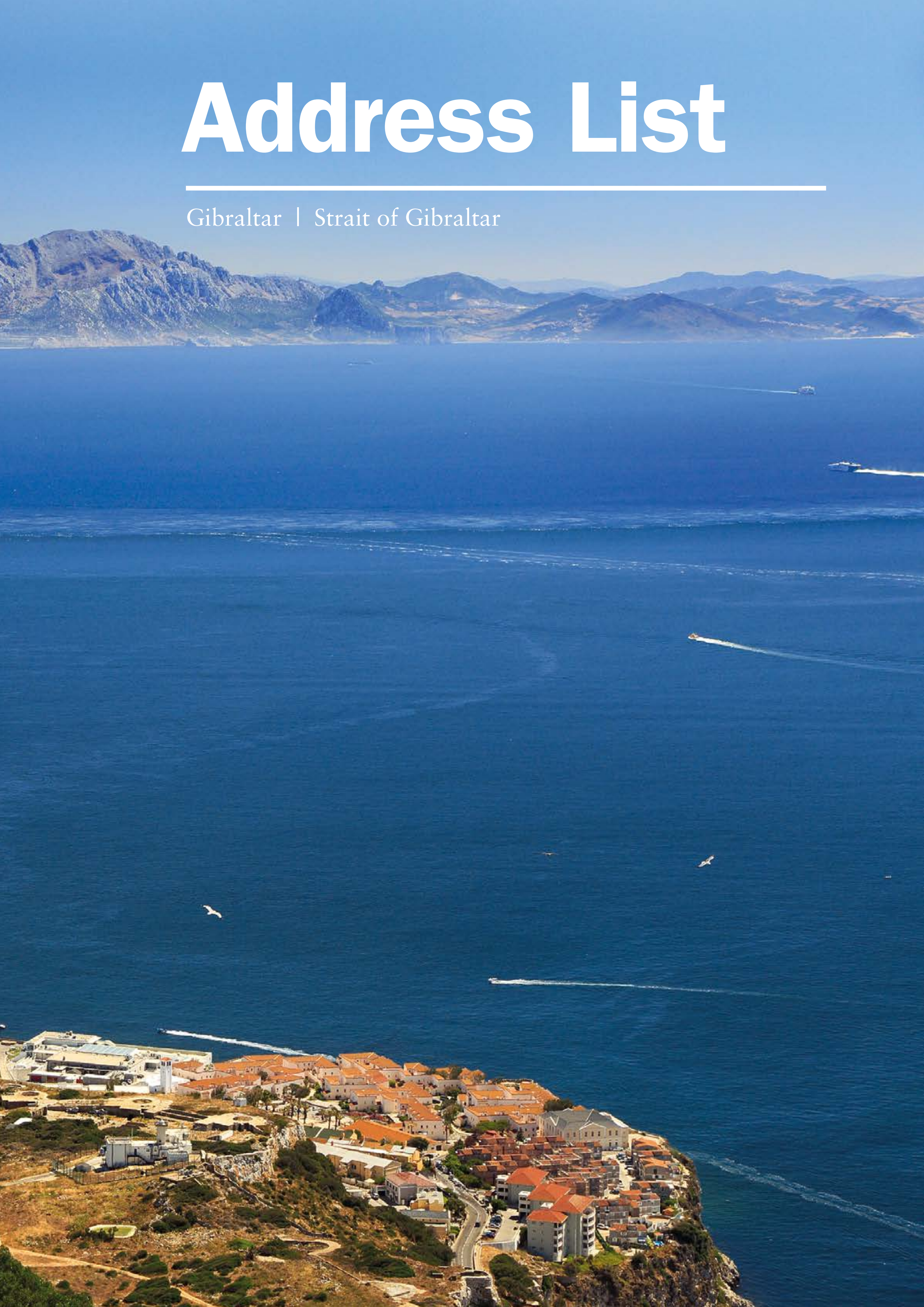
Alexandre Buga
Licensed Audit Expert
Auditor in Charge

Sandro Schönenberger
Licensed Audit Expert

Zurich, February 28, 2018

Address List

Gibraltar | Strait of Gibraltar



Address List

Switzerland (1)

Basel
J. Safra Sarasin Holding Ltd.
Wallstrasse 1
4051 Basel
Schweiz
T: +41 (0) 58 317 44 44
F: +41 (0) 58 317 44 00
www.jsafrasarasin.com

Basel
Bank J. Safra Sarasin AG
Elisabethenstrasse 62
Postfach
4002 Basel
Schweiz
T: +41 (0) 58 317 44 44
F: +41 (0) 58 317 44 00
www.jsafrasarasin.ch

Bern
Bank J. Safra Sarasin AG
Waisenhausplatz 10
Postfach
3001 Bern
Schweiz
T: +41 (0) 58 317 59 59
F: +41 (0) 58 317 59 00
www.jsafrasarasin.ch

Geneva
Banque J. Safra Sarasin SA
3, Quai de l'Ile
Case postale 5809
1211 Genève 11
Suisse
T: +41 (0) 58 317 55 55
F: +41 (0) 58 317 55 00
www.jsafrasarasin.ch

Geneva
Banque J. Safra Sarasin SA
Rue du Rhône 70
Case postale 5809
1211 Genève 11
Suisse
T: +41 (0) 58 317 55 55
F: +41 (0) 58 317 55 00
www.jsafrasarasin.ch

Lucerne
Bank J. Safra Sarasin AG
Schwanenplatz 4
Postfach 2228
6002 Luzern
Schweiz
T: +41 (0) 58 317 50 50
F: +41 (0) 58 317 50 00
www.jsafrasarasin.ch

Lugano
Banca J. Safra Sarasin SA
Via Marconi 2
Casella postale 5846
6901 Lugano
Svizzera
T: +41 (0) 58 317 58 58
F: +41 (0) 58 317 58 00
www.jsafrasarasin.ch

Zurich
Bank J. Safra Sarasin AG
Bleicherweg 1/Paradeplatz
Postfach 2123
8022 Zürich
Schweiz
T: +41 (0) 58 317 51 51
F: +41 (0) 58 317 51 00
www.jsafrasarasin.ch

Zurich
Bank J. Safra Sarasin AG
General Guisan-Quai 26
Postfach 2123
8022 Zürich
Schweiz
T: +41 (0) 58 317 33 33
F: +41 (0) 58 317 33 00
www.jsafrasarasin.ch

International

Doha (2)
Bank J. Safra Sarasin (QFC) LLC
Suite 702, Level 7
Qatar Financial Centre, Tower 1
Ambassadors Street
Al Corniche Area
P.O. Box 22728
Doha
State of Qatar
T: +974 (0) 4 496 8018
F: +974 (0) 4 496 8020
www.jsafrasarasin.com

Dubai (3)
Bank J. Safra Sarasin Asset
Management (Middle East) Ltd
Burj Daman, Level 12
P.O. Box 506774
Dubai International
Financial Center
Dubai
United Arab Emirates
T: +971 (0) 4 381 26 26
F: +971 (0) 4 381 26 00
www.jsafrasarasin.ae

Dublin (4)
Sarasin & Partners LLP
120 St. Stephen's Green
Dublin D02 C858
Ireland
T: +353 (0) 1 424 4004
F: +353 (0) 1 425 1100
www.sarasin.ie

Frankfurt (5)
J. Safra Sarasin (Deutschland)
GmbH
Taunusanlage 17
60325 Frankfurt am Main
Deutschland
T: +49 (0)69 714497 100
F: +49 (0)69 714497 199
www.jsafrasarasin.de

Gibraltar (6)
Bank J. Safra Sarasin
(Gibraltar) Ltd
First Floor, Neptune House,
Marina Bay
P.O. Box 542
Gibraltar GX11 1AA
T: +350 2000 2500
F: +350 2000 2501
www.jsafrasarasin.com.gi

Guernsey (7)
Bank J. Safra Sarasin Ltd
Guernsey Branch
P.O. Box 348
1st Floor, Frances House
Sir William Place
St. Peter Port
Guernsey GY1 3UY
Channel Islands
T: +44 (0) 1481 76 11 11
F: +44 (0) 1481 76 11 00
www.jsafrasarasin.gg

Hong Kong (8)
Bank J. Safra Sarasin Ltd
Hong Kong Branch
40/F Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong
T: +852 2287 9888
F: +852 2501 4001
www.jsafrasarasin.hk

London (9)
Bank J. Safra Sarasin
(Gibraltar) Ltd
London Branch
47 Berkeley Square
London W1J 5AU
United Kingdom
T: +44 (0) 20 7514 1000
F: +44 (0) 20 7514 1001
www.jsafrasarasin.com.gi

London (9)
Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU
United Kingdom
T: +44 (0) 20 7038 7000
F: +44 (0) 20 7038 6850
www.sarasinandpartners.com

Luxembourg (10)
Banque J. Safra Sarasin
(Luxembourg) SA
17-21, Boulevard Joseph II
1840 Luxembourg
T: +352 45 47 81 1
F: +352 45 47 81 555
www.jsafrasarasin.lu

Mexico (11)
JSS Servicios S.A. de C.V.
Edificio Forum
Andres Bello, 19th floor
Polanco
11520 México D.F.
México
T: +52 55 52 946 155
F: +52 55 52 944 000

Monaco (12)
Banque J. Safra Sarasin
(Monaco) SA
La Belle Epoque
15 bis / 17 avenue d'Ostende
MC- 98000 Monaco
Principality of Monaco
T: +377 93 10 66 55
F: +377 93 10 66 00
www.jsafrasarasin.mc

Munich (13)
J. Safra Sarasin (Deutschland)
GmbH
Theatinerstraße, 11/8. Stock
80333 München
Deutschland
T: +49 (0) 89 558 999 497
F: +49 (0) 89 558 999 499

Nassau (14)
Bank J. Safra Sarasin
(Bahamas) Ltd
204 Church Street, Sandyport
CB–10 988 Nassau
The Bahamas
T: +1 242 601 64 00
F: +1 242 601 64 01
www.jsafrasarasin.bs

Panama (15)
J. Safra Sarasin
Asset Management S.A.
Avenida Balboa
Calle Aquilino de La Guardia
BICSA Financial Center, Piso 39
Panamá, Rep. de Panamá
T: +507 380 70 70
www.jsafrasarasin.com.pa

Poznan (16)
Bank J. Safra Sarasin Ltd S. A.
Przedstawicielstwo w Polsce
ul. Śląska 4
60-614 Poznań
Polska
T: +48 (0) 22 596 52 72
F: +48 (0) 22 596 52 80
www.jsafrasarasin.pl

São Paulo (17)
JSS Administradora de
Recursos Ltda.
Avenida Paulista,
2150–15° Andar
Cerqueira Cesar
CEP 01310-300
São Paulo
Brasil
T: +55 11 3262 3214
www.jssadm.com.br

Singapore (18)
Bank J. Safra Sarasin Ltd
Singapore Branch
8 Marina View
#25-01 Asia Square Tower 1
Singapore 018 960
T: +65 6536 6848
F: +65 6536 3866
www.jsafrasarasin.sg

Warsaw (19)
Bank J. Safra Sarasin Ltd S.A.
Przedstawicielstwo w Polsce
ul. Mysia 5
00-496 Warszawa
Polska
T: +48 (0) 22 596 52 72
F: +48 (0) 22 596 52 80
www.jsafrasarasin.pl

Impressum
Concept, design, layout and text: Bank J. Safra Sarasin Ltd, Cabinet Privé De Conseils SA
Photos: J. Safra Sarasin Holding Ltd., iStock, fäm Properties

Links to third-party Internet sites
J. Safra Sarasin Holding Ltd. accepts no responsibility for the information provided on the third-party Internet sites mentioned in this publication and does not endorse their content.

Precautionary notice regarding forward-looking statements
This report contains forward-looking statements. These statements may include specific assumptions about J. Safra Sarasin Group's future business performance and development of income as well as general assumptions underlying such statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific. There is therefore a risk that predictions, forecasts and other expectations described or implied in the forward-looking statements will not be achieved.

A number of factors can lead to actual outcomes and developments that are materially different from those described in the forward-looking statements. These factors include the economic situation, the state of the financial markets worldwide and possible loan losses or potential defaults of trading counterparties.

J. Safra Sarasin Holding Ltd. does not assume any responsibility for updating such forward-looking statements and adapt them to new information or future events.

www.jsafrasarasin.com

J. SAFRA SARASIN

Sustainable Swiss Private Banking since 1841