

# Pension Fund of Bank J. Safra Sarasin AG

## Short Annual Report 2023



**J. Safra Sarasin**

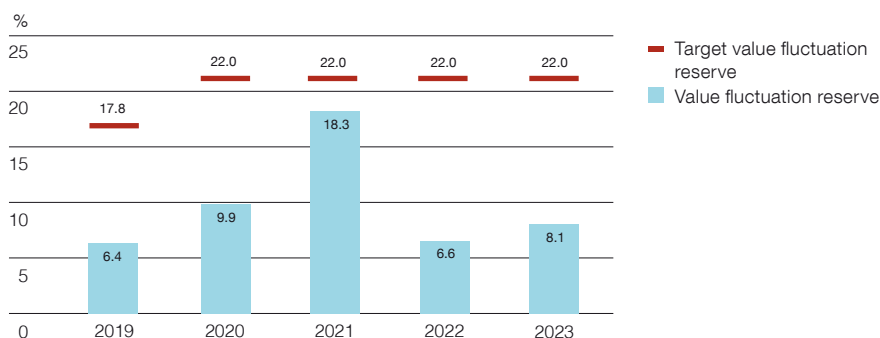
| Key figures  | 2023        | 2022        |
|--|-------------|-------------|
| Capital investments in CHF   | 891 328 679 | 826 980 311 |
| Income (+) / expenditure (-) surplus before constitution / dissolution in value fluctuation reserve in CHF | 15 656 850  | -88 462 102 |
| Employer contributions in CHF  | 23 339 410  | 22 189 342  |
| Employee contributions in CHF  | 14 180 853  | 13 403 975  |
| Pension benefits in CHF  | 17 296 062  | 17 308 927  |
| Capital benefits in CHF  | 1 874 563   | 7 521 176   |
| Return on capital investments in %   | 2.68        | -10.21      |
| Coverage ratio in %  | 108.1       | 106.6       |
| Value fluctuation reserve in % <sup>1)</sup>   | 8.1         | 6.6         |
| Target value fluctuation reserve in % <sup>1)</sup>  | 22.0        | 22.0        |
| Asset management costs in %  | 0.69        | 0.87        |

<sup>1)</sup> As % of pension capital (savings and covering capital) and actuarial reserves

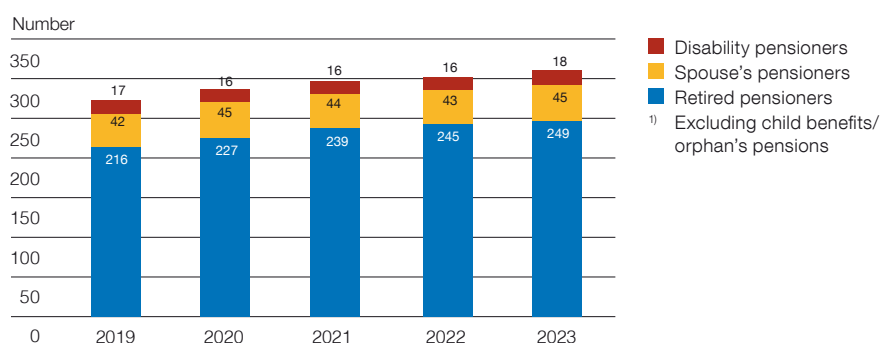
| Population   | 2023         | %  | 2022         | %  |
|--------------|--------------|----|--------------|----|
| Members      | 1 193        | 79 | 1 136        | 78 |
| Pensioners   | 320          | 21 | 313          | 22 |
| <b>Total</b> | <b>1 513</b> |    | <b>1 449</b> |    |

| Benefits                         | 2023 | 2022 |
|----------------------------------|------|------|
| Pension increase in CHF          | -    | -    |
| Conversion rate at 65 in %       | 4.80 | 4.80 |
| Interest on savings capital in % | 1.50 | 1.50 |
| Actuarial interest rate in %     | 1.00 | 1.00 |

### Value fluctuation reserve



### Breakdown by pensioner category <sup>1)</sup>



<sup>1)</sup> Excluding child benefits/ orphan's pensions

### Foreword by the President

2023 was another volatile and challenging year on financial markets. Investors went into 2023 worried about inflation, anticipating interest rate hikes and many expecting a recession. The Economic cycle model used by our Asset Management Division also switched into indicating a recession in November 2022. Instead, inflation cooled and the economy remained solid despite the regional banking crisis in the US in the first quarter, which temporarily sparked fears of a credit crunch. Based on the recession scenario the tactical view of the Pension Fund was a defensive one. The Pension Fund closed the year with an investment performance of 2.68%. The underperformance over its benchmark resulted from both; a too cautious asset allocation and therefore an underweighting of risky assets as well as a lack of mega-caps in the selection. The asset management costs decreased from 0.87% in 2022 to 0.69% in 2023. The Board of Trustees decided to keep the interest rate on the retirement assets unchanged at 1.50%, slightly above the minimum interest rate of 1.00%. As per 31. December 2023, the Pension Fund's coverage ratio amounted to 108.1%, showing an improvement of 1.5% versus the 106.6% as per end of 2022. It is important to build up the required fluctuation reserve of the Pension Fund in order to have the necessary risk-taking abilities to achieve its long-term performance potential. In line with its prudent approach the Board of Trustees also decided not to adjust the current pensions as of 1. January 2024.

With an estimated Performance of 3.05% as of 5. April 2024 the Pension Fund is off to a good start into 2024 in absolute, as well as in relative numbers.

The Board of Directors of Bank J. Safra Sarasin Ltd. appointed Markus Pfäffli as the new employer representative substituting Bas Rijke in the Board of Trustees. The Board of Trustees of the pension fund unanimously elected Markus Pfäffli as the new President as per 6. July 2023. We would like to take this opportunity to thank Bas Rijke for his years of service as Chairman of the Pension Fund. Other than that, there were no changes in the composition of the Board of Trustees, nor in the management of the PFBJSS.

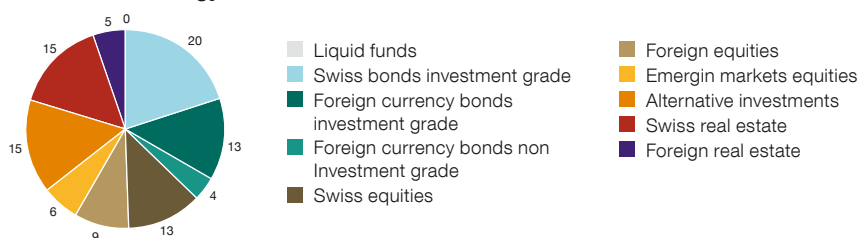
We would also like to thank all members for the ongoing trust placed in our governing bodies and supporting specialists.

**Markus Pfäffli**  
President of the Board of Trustees

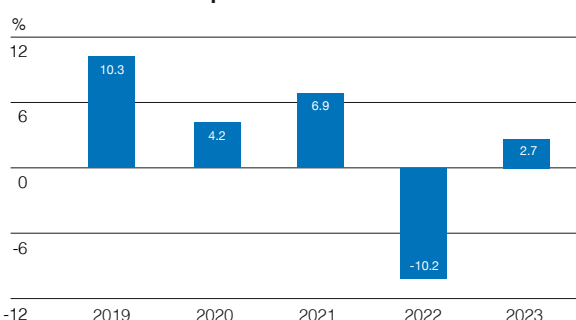
| Balance sheet                                       | 31.12.2023<br>CHF  | 31.12.2022<br>CHF  |
|---|--------------------|--------------------|
| <b>Assets</b>                                       |                    |                    |
| Capital investments                                 | 891 328 679        | 826 980 311        |
| Other assets  | 1 992 354          | 2 920 372          |
| <b>Total assets</b>                                 | <b>893 321 033</b> | <b>829 900 683</b> |
| <b>Liabilities</b>                                  |                    |                    |
| Liabilities and accruals                            | 8 988 596          | 10 646 949         |
| Employer contributions reserve                      | 96 984             | 96 984             |
| Active members' liabilities (savings capital)       | 515 128 936        | 457 193 285        |
| Disability pensioners liabilities (savings capital) | 6 455 708          | 5 327 930          |
| Pensioners' liabilities (covering capital)          | 274 175 785        | 281 830 761        |
| Actuarial reserves                                  | 22 012 200         | 23 998 800         |
| Value fluctuation reserve                           | 66 462 825         | 50 805 975         |
| Foundation capital and disposable assets            | 0                  | 0                  |
| <b>Total liabilities</b>                            | <b>893 321 033</b> | <b>829 900 683</b> |

| Operating account  | 2023<br>CHF        | 2022<br>CHF        |
|--|--------------------|--------------------|
| Regulatory benefits  | 37 520 262         | 35 593 317         |
| Vested benefits, purchase amounts and one-time payments                        | 52 137 139         | 40 191 188         |
| <b>Inflow from contributions and entry lump sum benefits</b>                   | <b>89 657 401</b>  | <b>75 784 505</b>  |
| Retirement, survivors' and disability pensions                                 | -17 296 062        | -17 308 927        |
| Capital benefits   | -1 874 563         | -7 521 176         |
| Termination benefits   | -23 530 386        | -34 344 216        |
| Withdrawals for home ownership/divorce   | -2 082 433         | -3 836 130         |
| <b>Outflow for benefits and withdrawals</b>                                    | <b>-44 783 444</b> | <b>-63 010 449</b> |
| Constitution (-) / dissolution (+) in pension liability and actuarial reserves | -49 421 853        | -8 227 789         |
| Surplus share from insurance operations  | 8 103              | 90 639             |
| Insurance premiums   | -1 873 416         | -486 150           |
| Contribution to security fund  | -98 061            | -109 018           |
| <b>Net result of insurance activities</b>                                      | <b>-6 511 271</b>  | <b>4 041 739</b>   |
| Net return on investments  | 22 775 948         | -91 875 549        |
| Other income   | 4 248              | 808                |
| Other expenses   | -18 120            | -3 385             |
| Administration expenses  | -593 956           | -625 715           |
| Constitution (-) / dissolution (+) in value fluctuation reserve                | -15 656 850        | 88 462 102         |
| <b>Income (+) / expenditure (-) surplus</b>                                    | <b>0</b>           | <b>0</b>           |

#### Investment strategy in %



#### Performance on capital investments



## Official bodies

### Board of Trustees

(Term of office 2022–2025)

### Employer representative (ERR)

Bas Rijke (President), until 05.07.2023  
Markus Pfäffli (President), since 06.07.2023  
Daniel Belfer  
Christian Younes

### Employee representative (EER)

Zurich constituency: Paul Würmli  
(Vice-President)  
Basel constituency: Katalin Williams  
Geneva constituency: Jean-Bernard Crelier

The employer representatives have joint signatory power together with an employee representative, and vice versa. The managing director has joint signatory power together with a second individual.

### Investment Committee (IC)

Alexandre Treveza, Chairman IC  
Christian Younes, Board of Trustees ERR  
Jean-Bernard Crelier, Board of Trustees EER  
Philipp Bärtschi  
David Rey  
Nicolas Walon

### Management

Bojana Vukasin

### Occupational benefits expert

Contractor: Toptima AG, Aarau  
Acting expert: Pascal Renaud

### Auditor

Copartner Revision AG, Basel

### Investment Controlling

PPCmetrics AG, Zurich

### Supervisory authority

BSABB BVG- und Stiftungsaufsicht beider Basel

### Further information

The German full annual report is binding. You can order it from the management of the Pension Fund of Bank J. Safra Sarasin AG.

### Pension Fund of Bank J. Safra Sarasin AG

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