Julius Bär

BANK JULIUS BAER & CO. LTD.
CONSOLIDATED BALANCE SHEET

	31.12.2023 CHF m	31.12.2022 CHF m
Assets		
Cash and balances at central banks	**7,019.7**	8,236.4
Due from banks	**3,664.9**	4,382.6
Receivables from securities financing transactions	**1,774.9**	1,300.0
Loans	**35,794.2**	40,979.2
Financial assets measured at FVTPL	**12,042.4**	12,919.9
Derivative financial instruments	**2,331.0**	2,860.8
Financial assets designated at fair value	**188.9**	277.7
Financial assets measured at FVOCI	**12,736.6**	13,349.9
Other financial assets measured at amortised cost	**5,532.1**	3,802.3
Property and equipment	**531.9**	513.2
Goodwill and other intangible assets	**2,300.0**	2,263.6
Accrued income and prepaid expenses	**677.8**	455.2
Deferred tax assets	**16.9**	25.5
Other assets	**5,317.6**	6,480.6
Total assets	**89,928.9**	97,846.9

	31.12.2023 CHF m	31.12.2022 CHF m
Liabilities and equity		
Due to banks	**3,870.8**	5,762.4
Payables from securities financing transactions	**5,873.1**	339.6
Due to customers	**58,242.1**	68,900.0
Financial liabilities measured at FVTPL	**795.5**	601.8
Derivative financial instruments	**2,815.4**	3,047.5
Financial liabilities designated at fair value	**10,187.4**	11,571.4
Debt issued	**1,070.5**	724.2
Accrued expenses and deferred income	**914.2**	656.7
Current tax liabilities	**210.6**	252.2
Deferred tax liabilities	**52.3**	53.7
Provisions	**34.4**	42.5
Other liabilities	**385.9**	336.2
Total liabilities	**84,452.2**	92,288.2
Share capital	**575.0**	575.0
Capital reserves	**1,931.1**	1,931.1
Retained earnings	**3,289.9**	3,526.8
Other components of equity	**-319.3**	-474.2
Total equity attributable to shareholder of Bank Julius Baer & Co. Ltd.	**5,476.7**	5,558.7
Total liabilities and equity	**89,928.9**	97,846.9

BANK JULIUS BAER & CO. LTD.
CONSOLIDATED INCOME STATEMENT

	2023 *CHF m*	2022 *CHF m*
Interest income on financial instruments measured at amortised cost or FVOCI	**2,245.0**	1128.4
Interest expense on financial instruments measured at amortised cost	**1,606.5**	397.4
Net interest income	**638.5**	731.0
Commission and fee income	**1,777.1**	1800.7
Commission expense	**547.2**	509.0
Net commission and fee income	**1,229.9**	1291.7
Net income from financial instruments measured at FVTPL	**975.6**	941.5
Net credit losses/(recoveries) on financial instruments	**622.5**	21.1
Other ordinary results	**104.7**	95.2
Operating income	**2,326.2**	3,038.3
Personnel expenses	**1,268.0**	1,243.9
General expenses	**663.7**	764.0
Depreciation of property and equipment	**74.8**	65.8
Amortisation of customer relationships	**4.9**	21.9
Amortisation and impairment of intangible assets	**124.6**	104.8
Operating expenses	**2,136.0**	2,200.4
Profit before taxes	**190.2**	837.9
Income taxes	**-5.8**	110.2
Net profit attributable to the shareholder of Bank Julius Baer & Co. Ltd.	**196.0**	727.7

Julius Baer Group Ltd.

Consolidated Key Figures	**2023**	2022
Net Profit (CHF mn)	**453.4**	949.1
Assets under management (CHF bn)	**427.4**	424.1
Number of employees	**7,425**	6,891
CET1 capital ratio (%)	**14.6**	14.0
Tier 1 capital ratio (%)	**23.6**	21.2
Total capital ratio (%)	**24.0**	21.7
Market capitalisation (CHF mn)	**9,713**	11,515

Bank Julius Baer & Co Ltd enjoys a solid A1 rating from Moody's

Notes to the financial statements form an integral part of the audited financial statements and a full understanding of the statements and the state of affairs of the Bank cannot be achieved without reference to the complete set of the Bank's audited financial statements.
A complete set of the audited financial statements, list of directors of the Bank and list of subsidiaries is available upon request from the Singapore Branch.
In accordance with MAS Notice 608, Bank Julius Baer & Co. Ltd. Zurich understands that in the event of receivership, winding up proceedings or equivalent proceedings of the head office Bank Julius Baer & Co. Ltd. Zurich, the relevant authority in the home country of the head office (FINMA) or laws of the country of incorporation of the head office (e.g. Swiss Banking Act) does not require the head office to confer lower priority to depositors of its foreign offices of the head office, including those of the Branch, vis-à-vis the home country depositors, in the repayment of deposits. Should such a situation happen, FINMA has broad discretion and will primarily also liaise with relevant regulatory authorities of countries where the head office has a branch.

The Basel III international standard approach requires Common Equity Tier 1 (CET1) equivalent to be at least 4.5% of risk weighted assets, plus a CET1 capital buffer of 2.5%, plus 1.5% of Additional Tier 1 (AT1) capital (or better-quality capital), plus 2% of supplementary tier 2 capital (or better-quality capital). In aggregate, this amounts to an overall capital requirement of at least 10.5% of risk-weighted assets. FINMA minimum capital requirements for the Group are 7.8% for CET1, 1.8% for AT1 and 2.4% for tier 2, which puts its overall minimum capital requirement at 12% of risk-weighted assets. At present, the Group is also required to hold an additional anticyclical CET1 capital buffer. This adds a further 0.5% to its minimum capital requirement of 12% of risk-weighted assets. The capital held by the Group at 31 December 2023 and at 31 December 2022 was sufficient to meet the relevant Bank of International Settlements (BIS) and FINMA requirements as well as internal capital thresholds and buffers set by the Executive Board and Board of Directors.

Report of the Statutory Auditor to the Annual General Meeting of Bank Julius Baer & Co. Ltd., Zurich

KPMG

Statutory Auditor's Report

To the General Meeting of Bank Julius Baer & Co. Ltd., Zurich

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Bank Julius Baer & Co. Ltd. and its subsidiaries (the Bank), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 4 to 100) give a true and fair view of the consolidated financial position of the Bank as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Bank in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters



GOODWILL IMPAIRMENT TESTING



LITIGATION AND REGULATORY PROCEEDINGS



VALUATION OF FINANCIAL INSTRUMENTS



IMPAIRMENT OF LOANS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

GOODWILL IMPAIRMENT TESTING

Key Audit Matter	Our response
As at 31 December 2023, the Bank recognizes goodwill of CHF 1,501.7m arising from a number of acquisitions. Goodwill impairment testing is performed at the level of the cash generating unit ('CGU') and relies on estimates of value-in-use based on discounted future cash flows. Due to the significance of the Bank's recognized goodwill and the inherent uncertainty of forecasting and discounting future cash flows, this is deemed to be a significant area of judgment.	Our procedures included the assessment of the Bank's process and key controls for the testing of goodwill impairment, including the assumptions used. With the assistance of our own valuation specialists, we critically assessed the key assumptions and methodologies used to determine the value-in-use for the CGU. We assessed the reasonableness of cash flow projections, discount rate and growth rates by comparison with the Bank's own historical data and performance and externally available industry, economic and financial data respectively. Additionally, we considered whether the Bank's disclosures of the application of judgment in estimating key assumptions and the sensitivity of the results of those estimates adequately reflect the risk associated with goodwill impairment.

For further information on goodwill impairment testing refer to note 9 to the consolidated financial statements on pages 38 to 39.

LITIGATION AND REGULATORY PROCEEDINGS

Key Audit Matter	Our response
As at 31 December 2023, the Bank recognizes provisions for legal risks of CHF 32.1m arising from litigation and regulatory proceedings (together 'legal and regulatory matters'). The Bank is involved in a number of legal and regulatory matters which could have a material effect on the Bank but do not qualify for the recognition of a provision. These matters are disclosed as contingent liabilities. The recognition and measurement of provisions and the measurement and disclosure of contingent liabilities in respect of legal and regulatory matters requires significant judgment.	Our procedures included the assessment of key controls over the identification, evaluation and measurement of potential obligations arising from legal and regulatory matters. We paid particular attention to significant matters that experienced notable developments or that emerged during the period. For matters identified, we considered whether an obligation exists, the appropriateness of provisioning and/or disclosure based on the facts and circumstances available. In order to assess the facts and circumstances, we obtained and assessed the relevant regulatory and litigation documents and interviewed the Bank's internal and external legal counsels. We also critically assessed the assumptions made and key judgments applied and considered possible alternative outcomes. Additionally, we considered whether the Bank's disclosures of the application of judgment in estimating provisions and contingent liabilities adequately reflected the uncertainties associated with legal and regulatory matters.

For further information on litigation and regulatory proceedings refer to note 11 to the consolidated financial statements on pages 41 to 43.



VALUATION OF FINANCIAL INSTRUMENTS

Key Audit Matter

As at 31 December 2023, the Bank reports financial assets of CHF 27,298.9m and financial liabilities of CHF 13,798.3m measured at fair value representing 30.4% and 15.3% of total assets and total liabilities and equity respectively.

The fair value of financial instruments that are traded in an active market is determined based on quoted market prices. The exercise of judgment and the use of estimates and assumptions is in particular required for instruments where observable market prices or market parameters are not available. For such instruments the fair value is determined through the use of valuation techniques or models applied by the Bank.

Due to the significance of such financial instruments to the balance sheet and the degree of complexity involved, there is estimation uncertainty with regard to the valuation of financial instruments.

Our response

Our procedures included the assessment of key controls over the identification, measurement and management of valuation risk, as well as evaluating the methodologies and input parameters used by the Bank in determining fair values.

For the Bank's fair value models, we involved our own valuation specialists to assess the appropriateness of the models and inputs. We further compared observable inputs against independent sources and externally available market data and re-performed independent valuations for a sample of instruments with the assistance of our own valuation specialists.

Additionally, we assessed whether the fair value determination is appropriately disclosed.

For further information on valuation of financial instruments refer to notes 19A and 19B to the consolidated financial statements on pages 59 to 65.



IMPAIRMENT OF LOANS

Key Audit Matter

As at 31 December 2023, the Bank reports loans of CHF 35'794.2m representing 39.8% of total assets and records a credit loss allowance of CHF 729.3m. Lombard loans represent 32.6% of the loan portfolio (CHF 29,351.3m) including a loss allowance of CHF 717.3m, while mortgage loans represent 7.2% of the loan portfolio (CHF 6,442.9m) including a loss allowance of CHF 12.0m. CHF 700.4m of the loss allowance for lombard loans relates to Stage 3 ECL, primarily due to credit losses on the private debt portfolio.

Loans are measured at amortized cost considering any impairment losses. The impairment of loans is estimated through the application of judgment and use of assumptions. This particularly applies to the specific allowances measured on an individual basis for credit losses established for impaired loan amounts.

The loan portfolios which give rise to the greatest uncertainty are typically those with concentration risks in collaterals that are potentially more sensitive to global economic trends.

Our response

Our procedures included the assessment of key controls over the approval, recording and monitoring of loans and an evaluation of the methodologies, inputs and assumptions used by the Bank to assess the adequacy of impairment allowances for individually assessed loans.

For a sample of loans with specific allowances for credit losses we evaluated the Bank's individual impairment assessment and specifically challenged the Bank's assumptions used, including the value of realizable collateral and the estimated recoverability. Based on a retrospective review, we further critically assessed whether the Bank revised its estimates and assumptions for specific allowances established in prior year.

We also tested a sample of individually significant exposures which had not been identified as potentially impaired by the Bank and assessed whether appropriate consideration was given to the collectability of future cash flows and the valuation of the underlying collaterals.



For further information on impairment of loans refer to note 20A to the consolidated financial statements on pages 67 to 77.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

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

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

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

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

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit 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 Bank's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Bank audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

KPMG AG





Mirko Liberto
Licensed Audit Expert
Auditor in Charge

Corina Wipfler
Licensed Audit Expert

Zurich, 16 February 2024

Julius Baer is the leading Swiss wealth management group and a premium brand in this global sector, with a focus on servicing and advising sophisticated private clients. In all we do, we are inspired by our purpose: creating value beyond wealth. Bank Julius Baer & Co. Ltd., the renowned Swiss private bank with origins dating back to 1890, is the principal operating company of Julius Baer Group Ltd., whose shares are listed on the SIX Swiss Exchange (ticker symbol: BAER) and are included in the Swiss Leader Index (SLI), comprising the 30 largest and most liquid Swiss stocks.

Julius Baer is present in around 25 countries and over 60 locations. Headquartered in Zurich, we have offices in key locations including Bangkok, Dubai, Dublin, Frankfurt, Geneva, Hong Kong, London, Luxembourg, Madrid, Mexico City, Milan, Monaco, Mumbai, Santiago de Chile, São Paulo, Shanghai, Singapore, Tel Aviv, and Tokyo. Our client-centric approach, our objective advice based on the Julius Baer open product platform, our solid financial base, and our entrepreneurial management culture make us the international reference in wealth management.

For more information, please visit our website at www.juliusbaer.com or contact Bank Julius Baer & Co. Ltd., Singapore Branch at +65 6827 1999 or singapore@juliusbaer.com.

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