Julius Bär

Media Release

from Julius Baer Group Ltd.

Interim Management Statement for the first ten months of 2011

Assets under management CHF 166 billion, unchanged from the end of June 2011 – Continued solid net inflows – Gross margin and cost/income ratio satisfactory in light of current market environment – Restructuring programme initiated

Zurich, 14 November 2011 --- Julius Baer Group's assets under management (AuM) amounted to CHF 166 billion at the end of October 2011, unchanged from the end of June 2011. Total client assets amounted to CHF 259 billion.

The AuM development since the end of June 2011 was driven by continued solid net new money as well as a small positive currency impact, which together cancelled out the negative market performance attributable mainly to overall weaker stock markets, especially in Europe and Asia. Net new money inflows (not including Macquarie Private Wealth Asia) for the first ten months were, on an annualised basis, at the top end of the Group's 4–6% medium-term target range. All regions contributed positively to net new money, with particularly strong contributions from growth markets and the local private banking business in Switzerland and Germany. The positive business momentum is a continued reflection of Julius Baer's unique positioning in the private banking market.

The gross margin in the first ten months of the year is trailing marginally higher than the 105 bps level reported for the first half of the year. The improvement since the end of June 2011 was mainly caused by higher client-driven FX trading volumes which more than offset the impact from the again lower security transaction volumes. All in all, the business continued to be quite volatile. The cost/income ratio for the first ten months of the year was slightly better than the 67.6% reported for the first half of 2011, supported by the higher gross margin since mid-year, the stabilisation of the Swiss franc exchange rate against the euro and the US dollar, and continued cost containment across the Group.

Given the group's structurally high exposure to Swiss franc costs and non-Swiss franc revenues as well as the continued challenging business environment, further cost measures will be implemented. For this reason, Julius Baer is launching a restructuring programme which includes a reduction of around 150 positions in all businesses globally as already reported and a decrease of general expenses like, for instance, in the number of rented properties as well as some IT-related write-downs. The programme will result in cost reductions of approximately CHF 40 million per annum, of which approximately CHF 30 million in personnel expenses and the balance in general expenses. The majority of this targeted cost reduction will be effective by mid-year 2012 at the latest, and all of the targeted cost reduction by 2013. The related one-off charge of approximately CHF 50 million will be booked against the 2011 financial results.

On the regulatory side, Switzerland has successfully reached final withholding tax agreements with Germany as well as the UK (pending ratification) and is discussing similar agreements with other countries. As to the ongoing discussions about tax matters between the US and Switzerland, Julius Baer is actively supporting the efforts of the Swiss government to find a solution for the financial industry whilst also cooperating with the US authorities within the confines of applicable laws. Given the early stage of such negotiations and cooperation, the potential outcome and the financial and business impact is open and at this stage not reliably assessable.

The Julius Baer Group continued to manage its balance sheet conservatively and has no exposure to Greek, Italian, Spanish, Portuguese or Irish sovereign credit. As at the end of September 2011, the Group's BIS total capital ratio was 20.4% and the BIS tier 1 ratio 20.1%. Under the current share buyback programme, 5,624,500 shares have been repurchased as at 31 October 2011. This represents 54% of the maximum number of shares that can be bought back under the programme which was launched on 23 May 2011 and runs until the next Ordinary Annual General Meeting, scheduled for 11 April 2012. The ticker symbol for the buyback programme was recently changed to BAERE.SW (from BAERE.VX).

Julius Baer Group's detailed financial results for the full year 2011 will be published on 6 February 2012.

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About Julius Baer

The Julius Baer Group is the leading Swiss private banking group, with an exclusive focus on servicing and advising private clients. Julius Baer's total client assets amounted to CHF 259 billion at the end of October 2011, with assets under management accounting for CHF 166 billion. 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 form part of the Swiss Market Index (SMI) of the 20 largest and most liquid Swiss stocks.

Julius Baer employs a staff of over 3,600 in more than 20 countries and some 40 locations, including Zurich (head office), Dubai, Frankfurt, Geneva, Guernsey, Hong Kong, London, Lugano, Milan, Monaco, Montevideo, Moscow and Singapore.

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