



# Julius Bär

## 2008 Results and Review

Presentation for Media and Analysts/Investors

Zurich, 6 February 2009

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These factors include among other things, but not limited to, risks relating to general market, macroeconomic, governmental, legislative and regulatory developments, market fluctuations and volatility, significant interest rate changes, credit exposures, technological developments, cross border transactions and foreign exchange fluctuations, impaired liquidity, personnel and operational risks, competition and legal liability.

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## Programme and Content

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### Financial Results 2008

Dieter A. Enkelmann, Group CFO

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#### Asset Management

David M. Solo, CEO Asset Management

#### Bank Julius Baer

Johannes A. de Gier, CEO Bank Julius Baer

#### Q&A Session

#### Appendix

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## Unchanged Wealth Management Strategy

Based on

- the continued exclusive focus on wealth management
- the distinct client dedication and sophisticated service offering
- the solid balance sheet and the strong capital base with a Tier 1 ratio of 13.6%
- the avoidance of the market's major casualties (no investment banking)

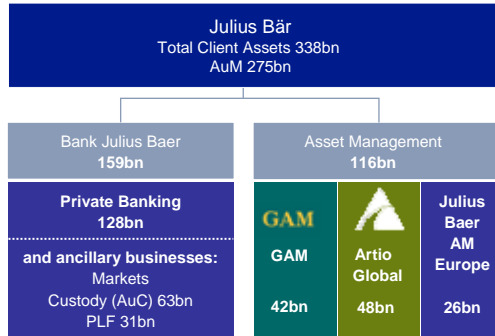
the Julius Baer Group

- further strengthened the franchise of its brands Julius Baer, GAM and Artio Global
- achieved record inflows in its core business Private Banking
- achieved a good result given the difficult business environment

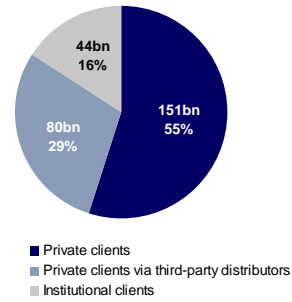
**→ Julius Baer is well positioned to successfully take advantage of its current strong market position and to further expand in attractive wealth management areas**

## Leading Dedicated Wealth Manager in Switzerland

By brands and businesses



By client segments



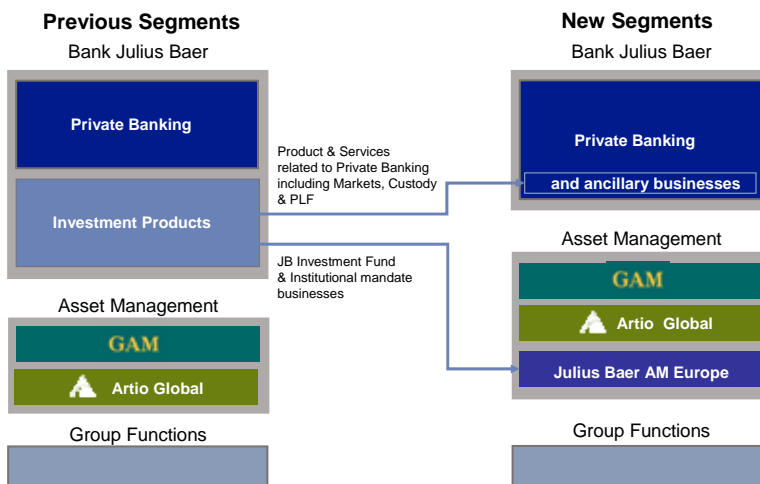
All figures in CHF as of 31 December 2008

- To further sharpen the private client focus, all client-oriented wealth and relationship management functions were realigned in Bank Julius Baer
- while Julius Baer Asset Management Europe, comprising the Julius Baer branded investment fund and institutional businesses, was transferred to Asset Management

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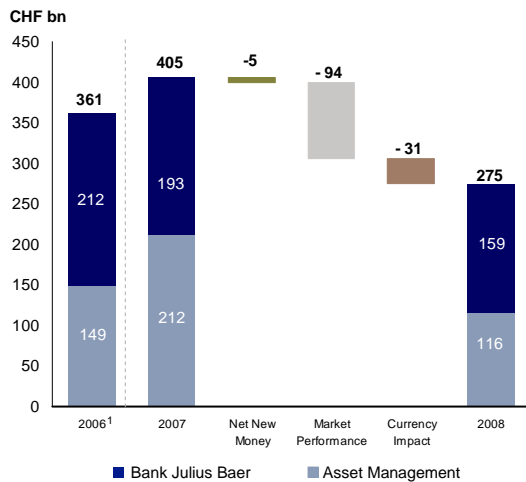
## Qualitative Reconciliation to New Segmental Reporting



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## Development of Group Assets under Management



- Client assets of CHF 338bn at December 2008, of which AuC CHF 63bn
- Assets under management at CHF 275bn, down 32% from 12/2007
- This decrease in assets is almost entirely attributable to
  - negative development of most asset classes in 2008, eroding CHF 94bn and
  - negative impact of CHF 31bn from the strengthening Swiss franc
- Net outflows amounted to CHF 5bn, of which
  - Bank Julius Baer CHF + 22bn
  - Asset Management CHF - 27bn

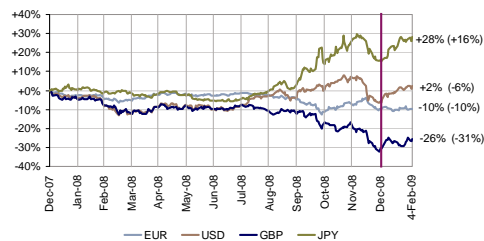
<sup>1</sup> Under old segmental structure

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## Group AuM: Currency Translation Impact

% change of value of key currencies vs. CHF, 31 December 2007 to 4 February 2009  
(in brackets: 2008 development)



Asset breakdown of Julius Baer Group

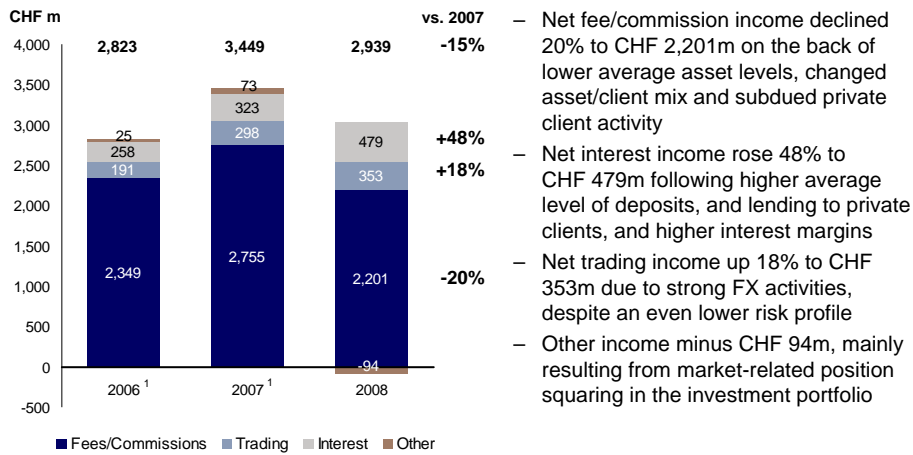
Currency mix	31.12.07	31.12.08
CHF	19%	23%
EUR	32%	34%
GBP	8%	6%
USD	28%	27%
JPY	3%	4%
Other	10%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

For breakdown of Group and Private Banking AuM by asset classes and currencies see slide 57 and 58

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## Operating Income CHF 2,939m, down 15%



2006 results excluding impact of sale of US Private Banking

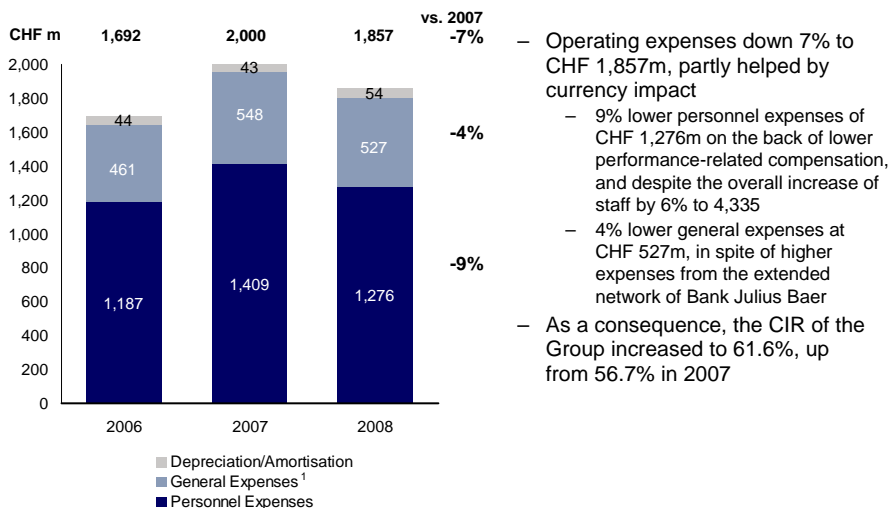
Average group assets under management for 2008 amounted to CHF 351.8bn, down by 11% from 2007

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<sup>1</sup> 2006/2007 figures restated on lines "Trading" and "Net Interest Income" according to changes in IFRS rules

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## Operating Expenses CHF 1,857m, down 7%



Excluding amortisation of intangible assets, integration and restructuring costs (and impact of sale of US PB in 2006)

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<sup>1</sup> Including valuation adjustments, provisions and losses

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## Net Profit down 25% - EPS down 22% ...

... as a consequence of the share buybacks

(CHF m)	2006	2007	2008	Change 07/08
Bank Julius Baer	-	701	629	-10%
Asset Management	-	783	527	-33%
Group Functions	-	-36	-73	-
<b>Group profit before taxes</b>	<b>1,131</b>	<b>1,449</b>	<b>1,082</b>	-25%
<b>Group pre-tax margin (bps)</b>	<b>34.2</b>	<b>36.8</b>	<b>30.8</b>	-6 bps
Taxes	263	312	230	-26%
Tax rate (%)	23.3	21.5	21.2	-
<b>Net profit</b>	<b>868</b>	<b>1,137</b>	<b>852</b>	-25%
<b>Weighted average number of shares (in m)</b>	<b>221</b>	<b>215</b>	<b>207</b>	-4%
<b>EPS (in CHF)</b>	<b>3.93</b>	<b>5.28</b>	<b>4.12</b>	-22%
<b>Return on Equity (%)</b> <sup>1</sup>	<b>24.3</b>	<b>31.7</b>	<b>24.0</b>	-7.7% points

- Excluding integration and restructuring expenses as well as amortisation of intangible assets related to the 2005 transaction
- Including these positions, the net profit for 2008 amounted to CHF 661m, after CHF 940m in 2007. See detailed reconciliation on slide 55

<sup>1</sup> Net profit over average equity less goodwill

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## Group Result 2008: Second Half vs. First Half

Respectable H2 result despite unprecedented market turmoil

(CHF m)	H2 2007	H1 2008	H2 2008	Change H1/H2 08
Operating income	1,815	1,602	1,336	-17%
Operating expenses	1,040	949	907	-4%
<b>Group Profit before Taxes</b>	<b>774</b>	<b>653</b>	<b>429</b>	-34%
Taxes	156	143	87	-39%
<b>Net Profit</b>	<b>619</b>	<b>510</b>	<b>342</b>	-33%
Assets under management (CHF bn)	405.1	363.9	274.5	-25%
Average assets under management (CHF bn)	407.2	375.9	329.5	-12%
Net new money (CHF bn)	15.5	10.3	-15.7	-
Return on assets excl. performance fees (bps)	84.3	85.0	81.0	-4.0 bps
Cost/income ratio (%) <sup>1</sup>	56.0	58.5	65.3	+6.8% points

H2 2008 net profit fell by 33% compared to H1, on the back of lower average asset levels, subdued private client activity as well as market-related position squaring in the investment portfolio. Partly compensated by growing net interest income and lowered performance-related compensation accruals.

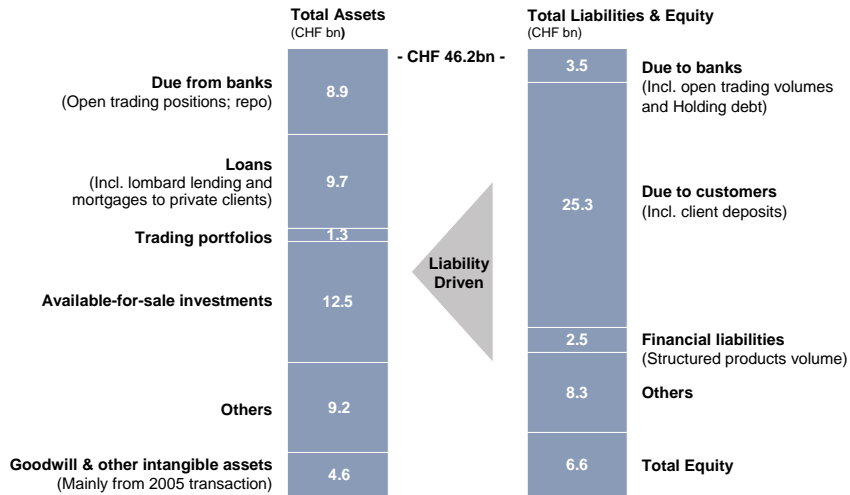
<sup>1</sup> Calculated excluding valuation adjustments, provisions and losses

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## Solid Balance Sheet - Low Risk Profile

Very comfortable loan-to-deposit ratio of 0.38



Figures as of 31 December 2008, summarised and regrouped from Financial Statements

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## Strong Capital Base

Development of Equity and Tier 1 Capital

(CHF m)	2007	2008	Change 07/08
<b>Equity at the beginning of the year</b>	6,854	6,419 <sup>1</sup>	-
Julius Baer Holding Ltd. dividend	-112	-106	-
Net profit (IFRS) see slide 55	940	661	-
Change in treasury shares	-1,201	-149	-
Other components of equity	-83	-232	-
Financial investments available-for-sale	-50	-140	-
Hedging reserve for cash flow hedges	1	-5	-
FX translation differences	-33	-87	-
Others	21	-20	-
<b>Equity at the end of the year</b>	<b>6,419<sup>1</sup></b>	<b>6,573<sup>2</sup></b>	2%
- Goodwill & intangible assets (as per capital adequacy rules)	4,630	4,446	-
- Other deductions	53	231	-
<b>= Core capital</b>	<b>1,736</b>	<b>1,896</b>	9%
+ Tier 1 instrument (hybrid capital)	225	225	-
<b>= Tier 1 capital</b>	<b>1,961</b>	<b>2,121</b>	8%
Shares repurchased	12,222,222	4,403,500	

<sup>1</sup> Including non-controlling interests of CHF 145,000

<sup>2</sup> Including non-controlling interests of CHF 1,415,000

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## 13.6% Tier 1 Ratio - Low Leverage

(CHF m)	31.12.2007 Basel I	31.12.2008 Basel II
<b>Risk-weighted assets</b>		
Credit risk	13,923	9,473
Non-counterparty-related risk	430	498
Market risk	876	781
Operational risk	-	4,791
<b>Total risk-weighted positions</b>	<b>15,229</b>	<b>15,543</b>
BIS tier 1 capital <sup>1</sup>	1,961	2,121
<b>BIS tier 1 ratio <sup>1</sup></b>	<b>12.9%</b>	<b>13.6%</b>
Core capital	1,736	1,896
Core capital ratio	11.4%	12.2%
Tangible equity in % of total assets	3.7%	4.3%
Leverage ratio (total assets / tangible equity)	27.4	23.2

<sup>1</sup> After dividend

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## Sustained Capital Management Policy

- Based on the good result and strong capitalisation, the Board of Directors proposes to the AGM on 8 April 2009 an unchanged dividend of CHF 0.50 per registered share
- The share buyback programme 2008 – 2010 of up to CHF 2bn will be continued, taking account of the targeted BIS Tier 1 ratio of 12% and the market environment
- As previously announced, we intend to proceed with the public listing of Artio Global Investors in 2009, subject to market conditions

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## Programme and Content

Financial Results 2008

Dieter A. Enkelmann, Group CFO

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### Asset Management

[David M. Solo, CEO Asset Management](#)

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Bank Julius Baer

Johannes A. de Gier, CEO Bank Julius Baer

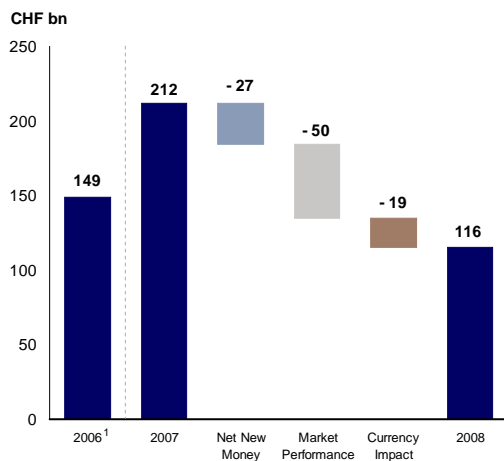
Q&A Session

Appendix

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## Asset Management Division – AuM

Including Julius Baer Funds & Institutional



- The segment's Swiss franc measured AuM declined by 45% to CHF 116bn

Attributable to:

- Adverse market performance amounting to CHF 50bn
- Net outflows of CHF 27bn
- Negative translation effects into our reporting currency, the Swiss franc, of CHF 19bn

Therefore actual local currency AuM declined by 36%

<sup>1</sup> Old segmental structure

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## Asset Management 2008 Results

AuM declines leading to fall in profit, but with healthy metrics

(CHF m)	2007	2008	Change 07/08
Operating income	1,649	1,253	-24%
Personnel expenses	637	513	-19%
General expenses <sup>1</sup>	216	196	-9%
Depreciation and amortisation	12	17	42%
Operating expenses	866	726	-16%
<b>Profit before taxes of segment</b>	<b>783</b>	<b>527</b>	<b>-33%</b>
Gross margin (bps) <sup>2</sup>	79.0	73.4	-5.6 bps
Gross margin excl. perf. fees (bps) <sup>2</sup>	74.0	73.0	-1 bps
Cost/income ratio (%) <sup>3</sup>	52.2	57.1	+4.9% points
Pre-tax margin (bps) <sup>2</sup>	37.5	30.9	-6.6 bps
Assets under management (CHF bn)	211.7	115.6	-45%
Net new money (CHF bn)	16.6	-27.2	-
Number of employees (FTE)	1,213	1,261	4%
Valuation adjustment, provisions and losses	3.9	10.7	174%
Average assets under management (CHF bn)	208.8	170.6	-18%

Excluding amortisation of intangible assets, integration and restructuring costs

<sup>1</sup> Including valuation adjustments, provisions and losses and services from/to other segment/divisions

<sup>2</sup> Based on average assets under management

<sup>3</sup> Calculated excluding valuation adjustments, provisions and losses

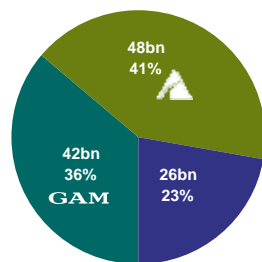
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## Asset Management – AuM Breakdown by Clients

as of 31 December 2008

Total AuM: CHF 116bn

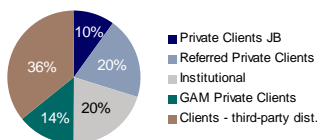


■ GAM  
■ Artio  
■ Julius Baer AM Europe

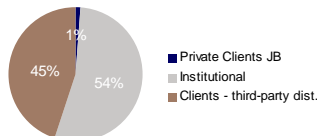
Clients of third-party distributors include other private banks, not including Julius Baer

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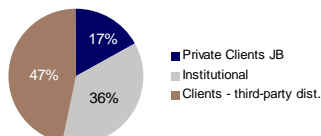
### GAM



### Artio Global



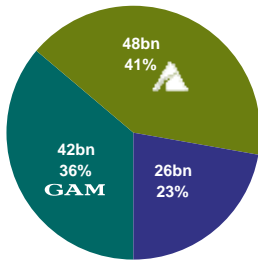
### Julius Baer Asset Management Europe



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## Asset Management – AuM Breakdown by Products as of 31 December 2008

Total AuM: CHF 116bn

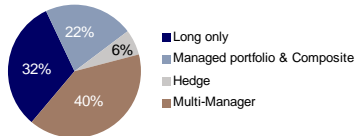


■ GAM  
■ Artio  
■ Julius Baer AM Europe

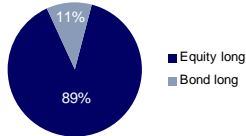
Managed portfolio & Composite include Long only, Hedge and Multi-Manager products.  
Long only includes equity and bond products

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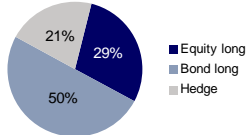
### GAM



### Artio Global



### Julius Baer Asset Management Europe



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GAM

GAM

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## GAM

### Differentially solid performance overwhelmed by negative industry factors

- GAM AuM declined to CHF 42bn from year-end 2007, from the combination of negative performance, large currency impact, and significant outflows, particularly in Q4
- Newer institutional client base resilient, with non-JB private client assets declining most
- GAM long standing pricing discipline delivered solid gross margin of 96.2bps in 2008
- Cost/income still very healthy, supported by early cost reduction measures, significant reductions in variable compensation, and currency benefit of GBP and USD costs
- Hedge fund strategies faced extreme conditions:
  - True liquidity crisis – virtual disappearance of finance and market making support
  - Bans on shorting stocks -> essential closing of convertible, ABS, small cap markets
  - 35%-75% drop in equity markets, leading to investor panic, selling regardless of price
- Significantly, client confidence in industry suffered massively from apparent lack of quality risk control, liquidity management, and/or proper due diligence from very many firms
  - Crisis in confidence so broad that clients stopped discriminating between firms
- Expectation that AuM will stabilise, then recover, as clients ultimately focus on performance and risk control, placing GAM in a differentially strong competitive position

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## GAM - Funds of Hedge Funds

### Demonstrated risk control and distinctly strong relative performance

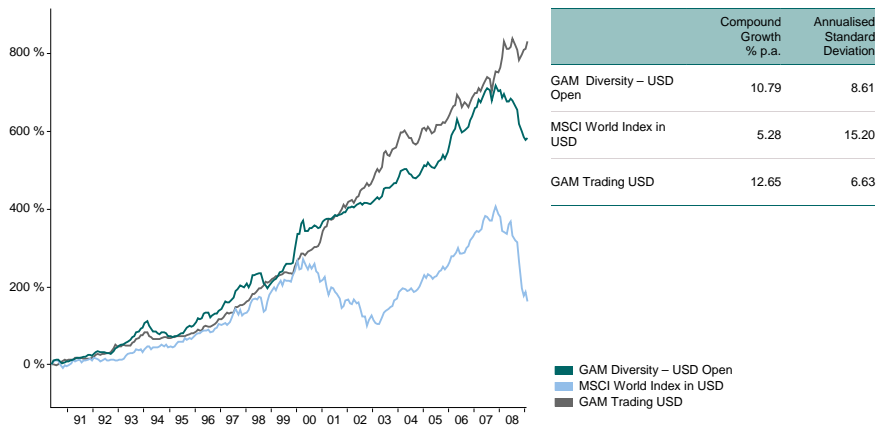
- GAM's extensive, mandatory on-site due-diligence, and continuous risk control focusing on liquidity management proven effective and quite unique within industry
- Near-term industry impact of Madoff scandal highly negative, but ultimately should eliminate large number of competitors offering lower quality, lower cost service
- Our flagship funds of hedge funds have meaningfully outperformed the competition while maintaining client liquidity even through 2008 crisis year:
- Multi-Strategy funds ranged from -11.8% to -15.8% vs. -23.3% for HFRI/HFRX index
- GAM Trading II (USD Open class) produced a positive return of 5.8%
- Relative performance realistically even stronger given large % of competitors' core funds in either full or partial suspension of client redemptions
  - GAM analysis indicates that suspended funds tend to delay full loss realisation
- Early indications from institutional sector confirm enhanced GAM competitive positioning
- Nonetheless, timing of resumption of meaningful investment and AuM growth unclear
  - Though continuing to reduce costs, GAM will maintain its full range of investment and sales capabilities given GAM's differentially strong post-crisis positioning
- 2009 core performance already positive versus markets down 5%-10%

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## GAM Diversity & GAM Trading - USD Open

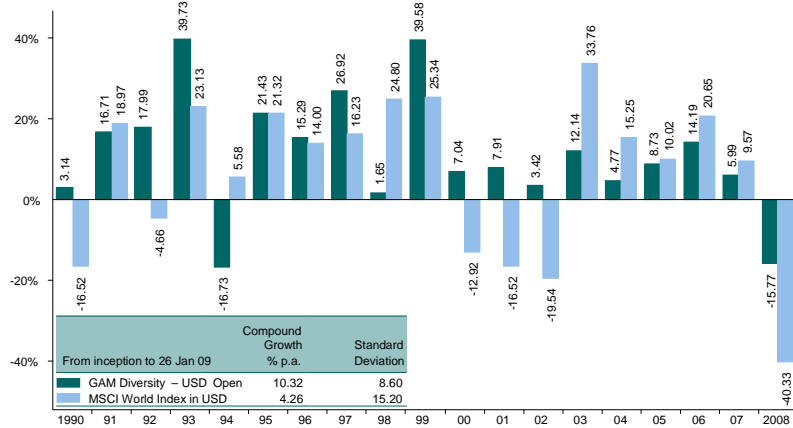
Performance from April 1990 to 29 Jan 2009



Source: GAM, MSCI  
Past performance is not indicative of future performance. Performance is provided net of fees.

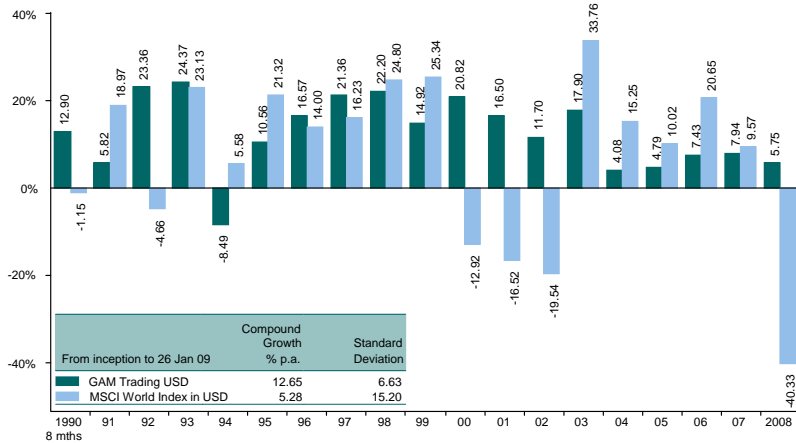
## GAM Diversity - USD Open

Annual net performance since 1990



## GAM Trading - USD Open

Annual net performance since May 1990



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## GAM - Managed Portfolios & In-House Funds

Continuing to differentiate with quality, active internal products

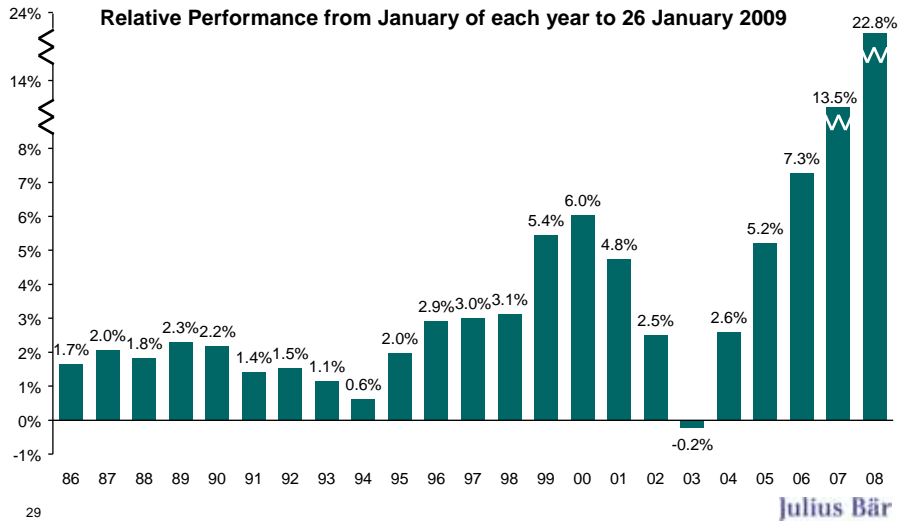
- Managed Portfolios greatly outperformed the markets with much lower volatility but faced a challenging year in absolute terms
  - Yet out-performed equity benchmark from every start date in 20+ year history to today
  - GAM to be further emphasised within JB as a core portfolio offering
  
- Challenging environment for stand-alone or start-up funds enhancing GAM as platform
  - Continuing to expand impressive range of in-house fund managers
  - A number of world leading fund managers recently joined GAM
  - GAM Global Macro Hedge returned over 7% since inception in October 2007
  - Working to add full range of internal fixed income products given interest in asset class

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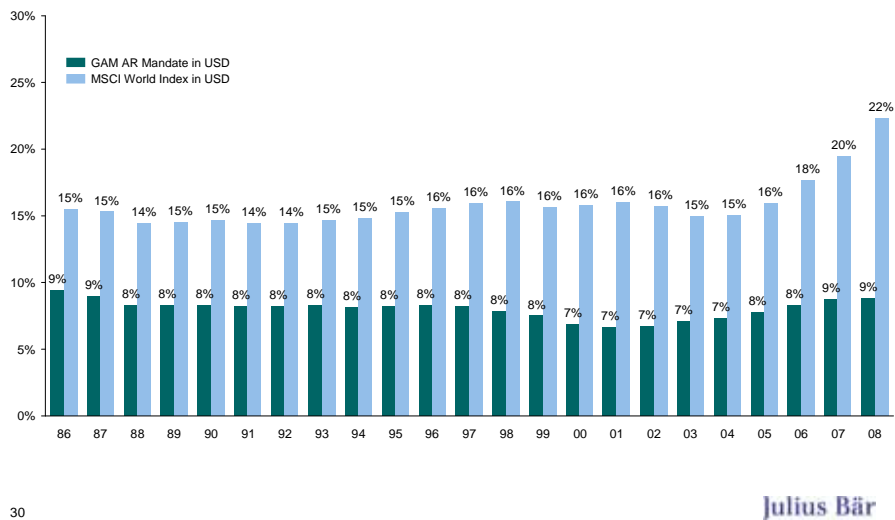
## GAM Managed Portfolio Delivers Equity Outperformance

GAM USD Absolute Return Mandate vs. MSCI index through 26Jan09



## ...With Significantly Less Risk and Volatility

Volatility of GAM USD Absolute Return Mandate vs. benchmark MSCI index



## **GAM**

Huge sell-off, exploding risk premiums → big investment opportunities

General market indicators all maximally attractive:

- Panic selling allows asset buyers to demand huge discounts to even near-term value
- When common investor capitulates, history shows always time to buy
- Credit spreads at-all time highs
- A true buyer's market (cash is king)
- Volatility = panic at all-time highs
- Equity dispersion huge (because selling is indiscriminate)
- P/Es down to below long-term averages with rates also low
- Huge flight of risk capital – little competition for smart trades
- Fundamentally large jump in price of risk, the ultimate gauge of expected returns from buying smart risky assets

➤ Strongly suggests that absolute return strategies will produce attractive medium term result, leading to renewed client interest

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**Artio Global Investors**



## US Asset Management: “Artio Global Investors”

### Business success continues to be underpinned by outperformance

- AuM declined to CHF 48bn from year-end 2007 due to market decline as well as a negative currency impact. However, while in the second half of the year client flows turned negative, total net inflows remained mildly positive for the year, supported by the strength of its large institutional client base
- Artio Global's flagship international equity strategies continued their outstanding long-term track record, outperforming their benchmark even in the face of unprecedented market volatility and dislocation in 2008
- The international equity strategies ranked favorably for the 1 year period ending December 31, maintaining a top decile ranking for the 3 and 5 year periods
- Elsewhere, Artio Global's high grade fixed income and high yield strategies continued to gain recognition with positive net flows again for the year
- The much wider credit spreads for the high yield asset class and Artio Global's highly competitive performance results have created significant interest, particularly within the institutional marketplace

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## Artio Global Investors

### Superb team doing everything right

- In mid-February 2008 the Julius Baer Group announced the intention to list Artio Global Investors by means of an initial public offering (IPO)
- Effective 15 June 2008, the business has been rebranded Artio Global, thereby completing the Group's differentiated branding strategy
- As market conditions allow, we intend to proceed with the public listing
  
- Dominant long equity business obviously suffered with market decline, but team is doing everything right and delivering across the board:
  - Continues to deliver consistent out-performance
  - Maintaining client inflows through 2008, as well as year to date 2009
  - Successfully broadening product range while maintaining distinctive quality
  - Continually strengthening management and investment team
  - Building infrastructure to support public company status

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## Julius Baer Asset Management Europe

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### Julius Baer Asset Management Europe

Realignment to ensure focus, product quality, and synergies

- AuM decreased to CHF 26bn from CHF 41bn at year-end 2007 due to the sharp decline in asset values across the traditional investment universe as well as net outflows driven by risk aversion and strong liquidity preferences, particularly among private investors
- Previously planned aggressive expansion strategy cancelled given changed environment
- Yet, new products well adapted to current investor demands, proving successful:
  - Defensive bond fund
  - Absolute return bond fund range
  - Innovative physical gold fund
- With the relocation of this business within the Asset Management area, we look to benefit from management and cost synergies with our other high quality investment units to best weather the near-term business environment
- Given challenging near term climate for less differentiated funds, business will focus more narrowly on efficient core strategies plus a targeted range of niche products with clear near term viability

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## Asset Management

### Summary and targets 2011

#### Business Summary

- Profit before tax decreased by 33% to CHF 527m
- Uniquely challenging year for asset management and hedge fund industry led to large drop in AuM to CHF 116 billion
- Gross margin and cost/income ratios maintained at healthy levels of 73.4bps and 57.1% respectively
- GAM and Artio Global maintained distinctive performance and positioning
- 2009 revenues expected to be substantially lower, C/I ratio substantially higher, prior to anticipated recovery

#### Targets 2011

- Gross margin target: 0.75%, including performance fees
- Cost/income ratio target: 55%

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## Programme and Content

Financial Results 2008

Dieter A. Enkelmann, Group CFO

Asset Management

David M. Solo, CEO Asset Management

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**Bank Julius Baer**

[Johannes A. de Gier, CEO Bank Julius Baer](#)

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Q&A Session

Appendix

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## Bank Julius Baer Reporting Structure

Focused on serving private banking clients



- No investment banking
- No retail banking
- No broad based onshore activities

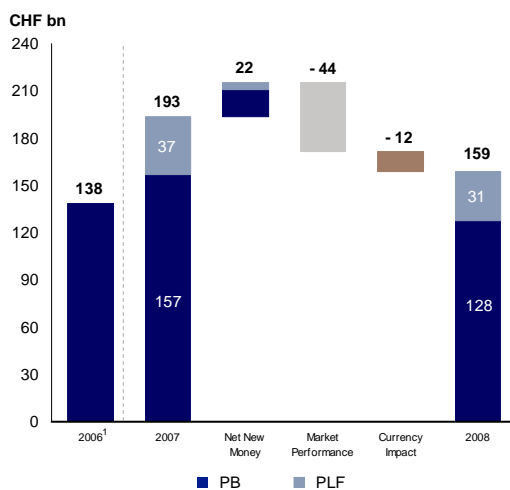
- Robust and well-positioned Private Banking
  - 5 geographic regions, focused on client relationship management
  - including all discretionary and advisory business as well as all research, trust and tax functions which focus on providing quality services and products to the Private Bank
- Markets
  - the execution, trading, & product structuring unit
- Baer Custody Services & PLF
  - which form an important component of the core business offering, given the operational dependencies and potential client synergies with the Private Bank

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## Bank Julius Baer – Total Client Assets CHF 223bn

including AuC of 63bn



<sup>1</sup> Old segmental structure

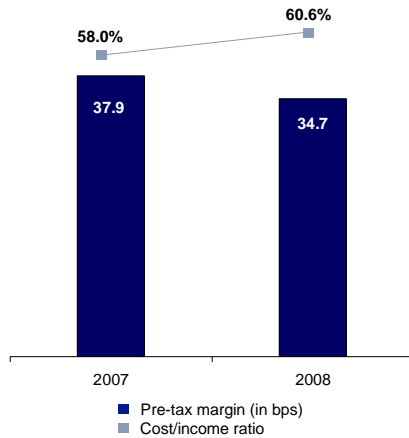
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- Total AuM decreased 18% to CHF 159bn with PB at CHF 128bn
- Record NNM of CHF 22bn of which CHF 17bn from PB, of which CHF 5bn from PLF
- Weak market environment had negative impact of CHF 44bn on AuM
- Strengthening Swiss franc had negative impact of CHF 12bn

Therefore actual local currency AuM declined by 11%

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## Bank Julius Baer: Modest Pre-Tax Profit Decline of 10% Despite lower asset levels and continued investments



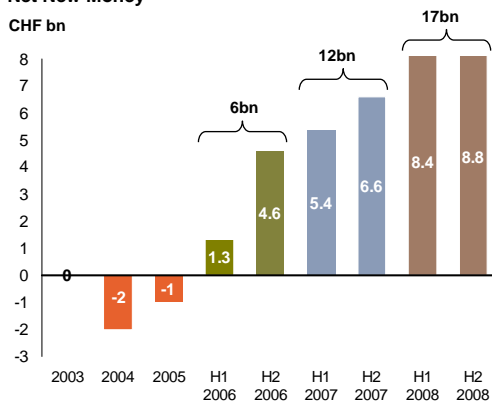
- Operating income down 2% to CHF 1,678m due to
  - 2% lower average assets, lower client activity, offset by higher net interest income, and higher net trading income mainly from FX activities
- Operating expenses increased by just 4%, despite continued investments in future growth, leading to a 6% increase of employees
- As a consequence, profit before taxes declined by 10% to CHF 629m
  - Cost/income ratio increased to 60.6% from 58.0%
  - Pre-tax margin decreased to 34.7 bps, down from 37.9 bps in 2007

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## Private Banking Net New Money Solid proof of our increasingly attractive franchise

Net New Money  
CHF bn



- CHF 17.2bn of NNM in 2008, maintaining the pace of 11% of the first six months, and ahead of our medium-term target of NNM > 6%
- All geographic regions contributed positively again, with growth markets, Asia in particular, and core markets about evenly

2002 - 2005: Pro-forma

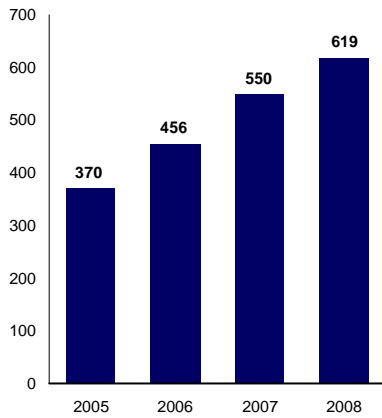
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## Ongoing Hiring of Relationship Managers

Added 10% net in 2008, a lot of opportunities for 2009

Number of Relationship Managers



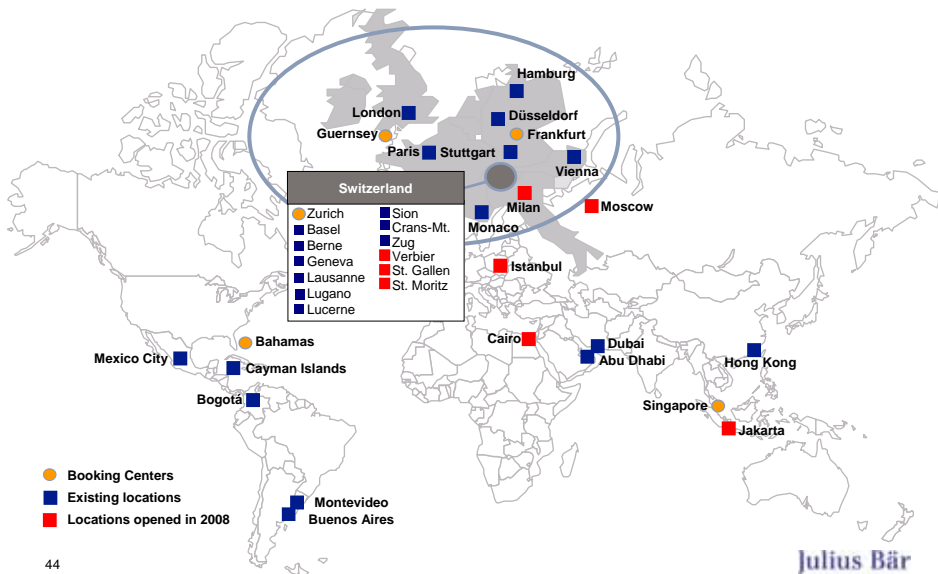
- Hired net 69 RMs (+13%) across the globe, in growth markets as well as in Europe, including Switzerland
- Continuously aiming to improve the overall quality through reviews of the RM base
- Julius Baer benefited from difficult market environment and pure play business model

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## Global Footprint of Bank Julius Baer

A solid platform for future growth



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## Bank Julius Baer

### Adjusted<sup>1</sup> targets 2011

- NNM: > 7%
- Cost/income ratio target: ~ 60%
- Pre-tax margin target: > 37bps

<sup>1</sup> Adjusted for organisational changes as reported and reflected in the new segment reporting

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## Bank Julius Baer – 2008 Result

### Healthy result in challenging environment, while investing in growth

(CHF m)	2007	2008	Change 07/08
Operating income	1,713	1,678	-2%
Personnel expenses	698	708	1%
General expenses <sup>1</sup>	287	308	7%
Depreciation and amortisation	27	33	22%
Operating expenses	1,012	1,049	4%
<b>Profit before taxes of segment</b>	<b>701</b>	<b>629</b>	<b>-10%</b>
Gross margin (bps) <sup>2</sup>	92.7	92.6	-0.1 bps
Cost/income ratio (%) <sup>3</sup>	58.0	60.6	+2.6% points
Pre-tax margin (bps) <sup>2</sup>	37.9	34.7	-3.2 bps
Assets under management (CHF bn)	193.4	159.0	-18%
Net new money (CHF bn)	18.9	21.8	-
Number of employees (FTE)	2,814	3,009	7%
Valuation adjustment, provisions and losses	18.1	31.6	75%
Average assets under management (CHF bn)	184.7	181.2	-2%

Excluding amortisation of intangible assets, integration and restructuring costs

<sup>1</sup> Including valuation adjustments, provisions and losses and services from/to other segment/divisions

<sup>2</sup> Based on average assets under management

<sup>3</sup> Calculated excluding valuation adjustments, provisions and losses

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## Programme and Content

Financial Results 2008

Dieter A. Enkelmann, Group CFO

Asset Management

David M. Solo, CEO Asset Management

Bank Julius Baer

Johannes A. de Gier, CEO Bank Julius Baer

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**Q&A Session**

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Appendix

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## Questions & Answers

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## Appendix

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### Financial Statement

#### Income statement

(CHF m)	2006	2007	2008	Change 07/08
Net interest income	258	323	479	48%
Results from comm. and service fees	2,349	2,755	2,201	-20%
Results from trading operations	191	298	353	18%
Other ordinary results	25	73	-94	-228%
<b>Operating income</b>	<b>2,823</b>	<b>3,449</b>	<b>2,939</b>	<b>-15%</b>
Personnel expenses	1,187	1,409	1,276	-9%
General expenses <sup>1</sup>	461	548	527	-4%
Depreciation and amortisation	44	43	54	25%
<b>Operating expenses</b>	<b>1,692</b>	<b>2,000</b>	<b>1,857</b>	<b>-7%</b>
<b>Profit before taxes</b>	<b>1,131</b>	<b>1,449</b>	<b>1,082</b>	<b>-25%</b>
Income Taxes	263	312	230	-26%
<b>Net profit</b> <sup>2</sup>	<b>868</b>	<b>1,137</b>	<b>852</b>	<b>-25%</b>
EPS (in CHF)	3.93	5.28	4.12	-22%
Gross margin (bps) <sup>3</sup>	84.9	87.6	83.5	-4.1 bps
Cost/income ratio (%) <sup>4</sup>	59.5	56.7	61.6	+4.4% points
Tax rate (%)	23.3	21.5	21.2	-0.3% points
Staff	3,684	4,099	4,335	6%
Market Cap. (CHF bn)	15.0	20.9	8.4	-60%
Average assets under management (CHF bn)	332.5	393.6	351.8	-11%

Excluding amortisation of intangible assets, integration and restructuring costs

<sup>1</sup> Including valuation adjustments, provisions and losses

<sup>2</sup> Including non-controlling interests of CHF 0.292m

<sup>3</sup> Based on average assets under management

<sup>4</sup> Calculated excluding valuation adjustments, provisions and losses

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## Bank Julius Baer: H1 and H2 2008 Results

### Under new segmental structure

(CHF m)	H1 2008	H2 2008	Change H1/H2 08
Operating income	871	808	-7%
Operating expenses	527	522	-1%
<b>Profit before Taxes</b>	<b>344</b>	<b>285</b>	<b>-17%</b>
Gross margin (bps) <sup>1</sup>	93.6	91.2	-2.4 bps
Cost/income ratio (%) <sup>2</sup>	59.5	61.9	+2.4% points
Pre-tax margin (bps) <sup>1</sup>	37.0	32.2	-4.8 bps
Assets under management (CHF bn)	185.4	159.0	-14%
Net new money (CHF bn)	12.3	9.5	-
Number of employees (FTE)	2,925	3,009	3%
Valuation adjustment, provisions and losses	8.8	22.8	159%
Average assets under management (CHF bn)	186.0	177.1	-5%

Excluding amortisation of intangible assets, integration and restructuring costs

<sup>1</sup> Based on average assets under management

<sup>2</sup> Calculated excluding valuation adjustments, provisions and losses

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## Asset Management: H1 and H2 2008 Results

### Under new segmental structure

(CHF m)	H1 2008	H2 2008	Change H1/H2 08
Operating income	700	552	-21%
Operating expenses	376	351	-7%
<b>Profit before Taxes</b>	<b>325</b>	<b>202</b>	<b>-38%</b>
Gross margin (bps) <sup>1</sup>	73.8	72.5	-1.3 bps
Cost/income ratio (%) <sup>2</sup>	53.2	62.2	+9.0% points
Pre-tax margin (bps) <sup>1</sup>	34.2	26.5	-7.7 bps
Assets under management (CHF bn)	178.5	115.6	-35%
Net new money (CHF bn)	-2.1	-25.1	-
Number of employees (FTE)	1,283	1,261	-2%
Valuation adjustment, provisions and losses	3.3	7.3	121%
Average assets under management (CHF bn)	189.9	152.4	-20%

Excluding amortisation of intangible assets, integration and restructuring costs

<sup>1</sup> Based on average assets under management

<sup>2</sup> Calculated excluding valuation adjustments, provisions and losses

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## Reconciliation from Adjusted Results to Published Consolidated Financial Statement 2008

(CHF m)	2006	2007	2008	Change 07/08
<b>Profit after tax per consolidated Financial Statements</b>	<b>672</b>	<b>940</b>	<b>661</b>	<b>-30%</b>
Sale of US PB business	-12	-	-	
Restructuring & integration costs	42	29	21	
Tax impact on above	-9	-7	-5	
Amortisation of intangible assets	175	175	175	
<b>Total impact</b>	<b>196</b>	<b>197</b>	<b>191</b>	
<b>Net profit (adjusted)</b>	<b>868</b>	<b>1,137</b>	<b>852</b>	<b>-25%</b>

NB: Amortisation of intangibles will amount to CHF 175m in each year until 2015  
Please see detailed financial statements in the Annual Report 2008

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## Group Functions – 2008 Result

(CHF m)	2007	H1 2008	2008	Change 07/08
Operating income	88	31	8	-91%
Operating expenses	123	47	81	-34%
<b>Profit before taxes of segment</b>	<b>-36</b>	<b>-16</b>	<b>-73</b>	<b>106%</b>
Number of employees (FTE)	72	64	65	-10%

Excluding amortisation of intangible assets, integration, restructuring costs

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## Breakdown of Group Assets under Management

<b>Asset mix</b>	<b>31.12.07</b>	<b>31.12.08</b>
Equities	41%	31%
Bonds	18%	25%
Funds <sup>1</sup>	19%	17%
Money Market	7%	10%
Client Deposits	6%	10%
Other <sup>2</sup>	9%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Currency mix</b>	<b>31.12.07</b>	<b>31.12.08</b>
CHF	19%	23%
EUR	32%	34%
GBP	8%	6%
USD	28%	27%
JPY	3%	4%
Other	10%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Including Julius Baer, GAM as well as third-party funds  
<sup>2</sup> Including alternative investment assets

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## Breakdown of Private Banking Assets under Management

<b>Asset mix</b>	<b>31.12.07</b>	<b>31.12.08</b>
Equities	28%	19%
Bonds	22%	26%
Funds <sup>1</sup>	24%	20%
Money Market	14%	17%
Client Deposits	12%	17%
Other <sup>2</sup>	0%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Currency mix</b>	<b>31.12.07</b>	<b>31.12.08</b>
CHF	18%	18%
EUR	35%	37%
GBP	5%	4%
USD	31%	32%
JPY	1%	1%
Other	10%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>

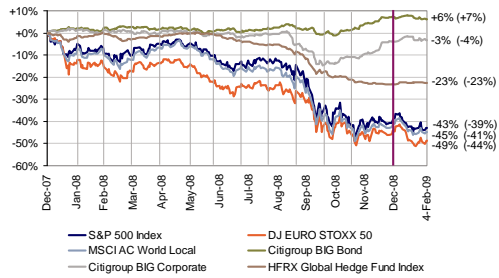
<sup>1</sup> Including Julius Baer, GAM as well as third-party funds  
<sup>2</sup> Including alternative investment assets

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## Group AuM: Impact from Asset Prices Development

% change of value of selected indices,  
31 December 2007 to 4 February 2009  
(in brackets: 2008 development)



Asset Breakdown of Julius Baer Group

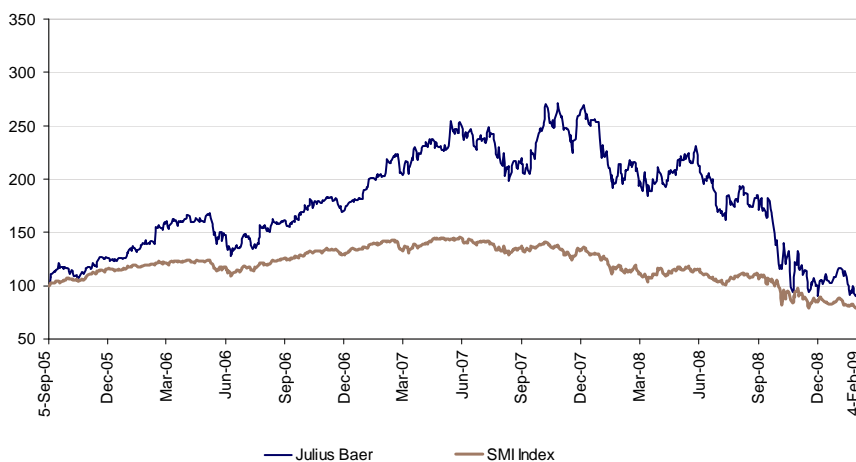
Asset mix	31.12.07	31.12.08
Equities	41%	31%
Bonds	18%	25%
Funds <sup>1</sup>	19%	17%
Money Market	7%	10%
Client Deposits	6%	10%
Other <sup>2</sup>	9%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Including Julius Baer, GAM as well as third-party funds  
<sup>2</sup> Including alternative investment assets

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## Julius Baer Share Price Development (Indexed)



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