MEDIA RELEASE
Julius Baer Group Ltd.

Zurich, 2 February 2022

Ad hoc announcement pursuant to Art. 53 LR
Presentation of the 2021 full-year results for the Julius Baer Group

Significant increase in net profit – Dividend payout ratio increased – New share buy-back programme of up to CHF 400 million

- IFRS net profit attributable to shareholders of Julius Baer Group Ltd. up 55% to CHF 1,082 million and IFRS earnings per share (EPS) up 56% to CHF 5.06.
- Adjusted net profit (excluding M&A-related items) up 20% to CHF 1,144 million and adjusted EPS attributable to shareholders of Julius Baer Group Ltd. up 20% to CHF 5.34.
- Assets under management (AuM) CHF 482 billion, an increase of 11%, supported by net new money up 30% to CHF 20 billion (4.5%).
- Structural cost reduction programme resulted in improved adjusted cost/income ratio of 63.8% (2020: 66.4%) despite 6 basis point (bp) decline in gross margin to 82 bp.
- Adjusted pre-tax margin improved to 28 bp (2020: 27 bp) and adjusted return on CET1 capital to 34% (2020: 32%).
- Capital-efficient business model helped drive further improvement in capital ratios: BIS CET1 capital ratio 16.4% (end 2020: 14.9%) and BIS total capital ratio 24.0% (end 2020: 21.0%), well above minimum regulatory requirements and Group’s own floors.
- Target dividend payout ratio increased to around 50% of adjusted net profit, with an ordinary dividend of CHF 2.60 per share proposed for financial year 2021, up 49% year on year.
- New share buy-back programme of up to CHF 400 million.
- Strategy update on 19 May 2022.

Philipp Rickenbacher, Chief Executive Officer of Julius Baer Group Ltd., said: “We are pleased to report the highest profit in our history: our performance is reflective of the value we create with and for clients, with strong recurring revenues and greater efficiency underscoring the quality of our earnings. The quality of our financial performance is the result of the strategic agenda we initiated in 2020, with a shift to smart and profitable asset growth, a sharpening of our value proposition, and an acceleration of our investments in technology. Capital generation remains strong, and our business is using this capital efficiently to the benefit of our clients and shareholders. Thanks to the relentless work of our staff, we are entering the final year of our three-year strategic cycle from a position of strength and already gearing up for future growth opportunities.”

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Alternative performance measures and reconciliations
This media release and other communications to investors contain certain financial measures of historical and future performance and financial position that are not defined or specified by IFRS. Management believes that these alternative performance measures (APM), including adjusting the results consistently for items related to M&A activities, provide useful information regarding the Group’s financial and operating performance. These APM should be regarded as complementary information to, and not as a substitute for, the IFRS performance measures. The definitions of APM used in this media release and other communications to investors, together with reconciliations to the most directly reconcilable IFRS line items, are provided in the Alternative Performance Measures document available at www.juliusbaer.com/APM.

AuM up 11%, supported by markets and further increased net inflows
Assets under management rose to CHF 482 billion, up by CHF 48 billion, or 11%. This increase was driven by significant positive market performance and bolstered by strong net new money inflows. The strengthening of the US dollar more than offset the effect of a weaker euro, leading to an overall small positive currency impact on AuM. Monthly average AuM grew by 15% to CHF 471 billion.

Net new money improved by 30% to CHF 20 billion, growing at a rate of 4.5% over the year. All regions saw positive net inflows, with particularly strong contributions from clients domiciled in Western Europe (especially the UK, Ireland, Germany, Switzerland, and Luxembourg), Asia (especially Singapore, Japan, and India), the UAE, and Brazil.

Including assets under custody of CHF 80 billion, total client assets grew by 11% to CHF 561 billion.

Operating income up 8% on the back of substantially stronger asset-based fee income
Operating income grew by 8% to CHF 3,858 million on the back of a strong increase in net commission and fee income. As monthly average AuM rose by 15%, the gross margin declined to 82 bp (2020: 88 bp).

Net commission and fee income grew by 14% to CHF 2,296 million. This increase was driven mainly by significantly higher advisory and management fees, which went up by 22% to CHF 1,644 million, well above the 15% rise in monthly average AuM. This strong improvement reflects the success of the strategic revenue improvement measures initiated at the start of 2020, with a rise in the penetration of higher-value mandate solutions and improved investment fund fees. Brokerage commissions grew at a lower rate of 3% to CHF 839 million as client activity slowed down after a very strong first quarter of 2021.

Net income from financial instruments measured at FVTPL1 declined by 6% to CHF 884 million as market volatility diminished and client activity in FX and precious metals subsided after the strong first quarter of 2021.

Net interest income rose by 1% to CHF 627 million, with the year-on-year development impacted by the sharp decrease in US interest rates in the first half of 2020. Interest income on loans declined by CHF 50 million, or 8%, to CHF 602 million despite an increase in average credit balances. However, at the same time, the net result of negative interest charged and interest paid on deposits rose by CHF 78 million to CHF 31 million: interest expense on amounts due to customers fell by CHF 66 million to CHF 8 million, while income from negative interest received on financial liabilities

1 Fair value through profit or loss
increased by CHF 12 million to CHF 39 million. Lower US interest rates also impacted interest income on debt instruments at FVOCI\(^2\), which fell by CHF 20 million to CHF 115 million.

Other ordinary results grew by 36% to CHF 52 million.

Operating income was only marginally affected by credit provisions of CHF 2 million booked as net credit losses on financial assets (2020: CHF 36 million), reflecting the Group’s careful management of credit risks and the high quality of its exposure.

Further improved cost efficiency

Operating expenses according to IFRS declined by 5% to CHF 2,599 million. While personnel expenses rose by 4% to CHF 1,661 million, general expenses decreased by 4% to CHF 683 million and amortisation and impairment of customer relationships by 17% to CHF 58 million. Amortisation and impairment of intangible assets fell by 61% to CHF 102 million. Depreciation of property and equipment declined by 5% to CHF 96 million.


Adjusted operating expenses rose by 2% to CHF 2,529 million. Excluding provisions and losses, adjusted operating expenses increased by 3% to CHF 2,462 million.

Adjusted personnel expenses grew by 4% to CHF 1,657 million, including CHF 21 million of severance costs related to the restructuring programme announced in February 2020 (2020: CHF 31 million). While the monthly average number of employees declined by 0.3% year on year, the strong growth in operating income and profit resulted in an increase in performance-related remuneration. At the end of 2021, the Group employed 6,727 full-time equivalents (FTEs), up by 121 from the end of 2020, of which 38 following the integration in October 2021 of Kuoni Mueller & Partner, and 24 from an increase in graduate trainees and apprentices. The remaining net increase was driven by the further internalisation of formerly external employees as part of the efficiency improvement programme initiated at the start of 2020.

Adjusted general expenses decreased by 3% to CHF 674 million, mainly as the result of a CHF 22 million decrease in provisions and losses to CHF 67 million. Excluding provisions and losses, adjusted general expenses still declined by CHF 2 million to CHF 607 million, as the benefits of the 2020-2021 cost-reduction programme more than offset the impact of strategic investments in technology.

While depreciation of property and equipment declined by 5% to CHF 96 million, adjusted amortisation and impairment of intangible assets grew by 26% to CHF 102 million, mainly reflecting the rise in IT-related investments in recent years.

\(^2\) Fair value through other comprehensive income
The adjusted cost/income ratio (which excludes adjusted provisions and losses) improved to 63.8% (2020: 66.4%) and the adjusted expense margin (also excluding adjusted provisions and losses) to 52 bp (2020: 58 bp).

Record-high net profit
IFRS profit before taxes rose by 49% to CHF 1,259 million. As income taxes increased by 20% to CHF 176 million, net profit grew by 55% to CHF 1,083 million, surpassing the CHF 1 billion mark for the first time. Net profit attributable to shareholders of Julius Baer Group Ltd. also rose by 55% to CHF 1,082 million, and EPS by 56% to CHF 5.06.

Adjusted profit before taxes grew by 19% to CHF 1,329 million and the adjusted pre-tax margin by 1 bp to 28 bp. The related income taxes rose by 17% to CHF 185 million, representing a tax rate of 13.9% (2020: 14.2%).

Adjusted net profit for the Group increased by 20% to CHF 1,144 million, adjusted net profit attributable to shareholders of Julius Baer Group Ltd. also by 20% to CHF 1,142 million, and adjusted underlying EPS attributable to shareholders by 20% to CHF 5.34.

The adjusted return on CET1 capital (RoCET1) improved to 34% (2020: 32%).

Balance sheet development
Total assets increased by 7% to CHF 116 billion. Loans grew by 7% to CHF 50 billion – comprising CHF 42 billion of Lombard loans (+10%) and CHF 8 billion of mortgages (-7%). As the due to customers position (client deposits) also increased by 7%, to CHF 83 billion, the loan-to-deposit ratio remained at 61%. While cash held at central banks in Europe and Switzerland grew by 36% to CHF 20 billion, financial assets measured at FVOCI (treasury book) decreased by 3% to CHF 13 billion. Equity attributable to shareholders of Julius Baer Group Ltd. rose by 5% to CHF 6.7 billion.

Strongly capitalised
BIS CET1 capital rose by CHF 0.2 billion, or 5%, to CHF 3.3 billion on the back of the significantly increased net profit. This amount is net of CHF 575 million accrued dividend and CHF 450 million used to fund the recently completed 2021 share buy-back programme. At the same time, and partially on the back of the successful issuance in September 2021 of a new USD 320 million AT1 bond (at a record-low coupon for a European USD AT1 issuer), BIS tier 1 capital increased by 11% to CHF 4.7 billion and BIS total capital by 10% to CHF 4.9 billion.

Risk-weighted assets (RWA) decreased by CHF 0.8 billion, or 4%, to CHF 20.3 billion. While operational risk positions rose by 5% to CHF 6.0 billion, credit risk positions fell by 6% to CHF 12.9 billion, market risk positions by 24% to CHF 0.9 billion, and non-counterparty-related risk positions by 11% to CHF 0.5 billion.

As a result, the BIS CET1 capital ratio strengthened to 16.4% (end of 2020: 14.9%) and the BIS total capital ratio went up to 24.0% (end of 2020: 21.0%).

As the leverage exposure increased by 10% to CHF 118 billion, the Tier 1 leverage ratio remained at 4.0%. The temporary exclusion of central bank reserves from the calculation of the leverage ratio ended on 1 January 2021.

At these levels, the Group’s capitalisation continued to be solid: the CET1 and total capital ratios remained well above the Group’s own floors of 11% and 15%, respectively, and significantly in
excess of the regulatory minimums of 7.9% and 12.1%, respectively, applicable at the end of 2021. The Tier 1 leverage ratio continued to be comfortably above the 3.0% regulatory minimum.

**Share buy-back programme completed**

On 2 March 2021, the Group commenced the execution of a new programme to buy back Julius Baer Group Ltd. shares up to a purchase value of CHF 450 million. The programme was completed on 23 December 2021. Under this programme, Julius Baer repurchased a total of 7,423,208 registered shares at an average price per share of CHF 60.62 on a second trading line on the SIX Swiss Exchange. The cancellation of the shares bought back under this programme will be proposed at the Annual General Meeting of shareholders on 12 April 2022.

The cancellation of the 2,585,000 shares repurchased under the previous share buy-back programme (launched in November 2019 and terminated at the end of February 2021) was executed on 1 July 2021. Following this cancellation, the registered share capital of Julius Baer Group Ltd. amounts to CHF 4,424,488.96, divided into 221,224,448 registered shares with a par value of CHF 0.02 each.

**Target dividend payout ratio increased to approximately 50% – Proposed ordinary dividend of CHF 2.60 per share for 2021, up 49% from 2020**

In view of the strongly capital-generative nature of Julius Baer’s business model, the Group’s dividend policy is updated with an increase in the target ordinary dividend payout ratio from 40% to approximately 50% of adjusted net profit attributable to shareholders. As before, in the absence of significant events, the per-share ordinary distribution is intended to be at least equal to the previous year’s dividend per share.

Consequently, for the financial year 2021 the Board of Directors of Julius Baer Group Ltd. will propose an increased ordinary dividend of CHF 2.60 per share, up 49% from 2020. Subject to shareholder approval at the Annual General Meeting of shareholders (AGM) on 12 April 2022, the dividend will be paid on 20 April 2022. Of the CHF 2.60 per share dividend, it is expected that CHF 1.50 will be paid out of retained earnings and subject to 35% Swiss withholding tax, and the balance, CHF 1.10, out of tax-exempt statutory capital reserves, not subject to Swiss withholding tax.

Provided the shareholders approve the cancellation of the 7,423,208 shares repurchased under the 2021 share buy-back programme, the total proposed distribution amount will be CHF 556 million, equivalent to 49% of adjusted net profit attributable to shareholders of Julius Baer Group Ltd.

Based on the aforementioned CHF 556 million distribution amount and including the CHF 450 million purchase value of shares bought back in 2021, the total distribution of capital to shareholders would amount to CHF 1,006 million.

**New share buy-back programme**

In view of Julius Baer’s strong capital position and ongoing capital generation, the Board of Directors of Julius Baer has approved the launch of a new programme to buy back up to CHF 400 million purchase value of Julius Baer Group Ltd. shares. The programme is expected to be launched in early March 2022 and to run until the end of February 2023. The execution of the programme is subject to market conditions. The shares will again be bought via a second trading line on the SIX Swiss Exchange. Shares that have been repurchased under the programme are expected to be cancelled through capital reductions to be proposed at future AGMs.
Strategy update on 19 May 2022
As the current 2020-2022 three-year strategic cycle has entered its final year, Julius Baer will provide an update on its strategy focused on the next cycle starting in 2023. The strategy update will take place on 19 May 2022. More details will follow closer to the event.


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Important dates
21 March 2022: Publication of Sustainability Report 2021
12 April 2022: Annual General Meeting, Zurich (attendance in person will not be possible due to the pandemic situation)
14 April 2022: Ex-dividend date
19 April 2022: Record date
20 April 2022: Dividend payment date
19 May 2022: Publication of Interim Management Statement for first four months of 2022
19 May 2022: Strategy update, Zurich
25 July 2022: Publication and presentation of 2022 half-year results, Zurich

About Julius Baer
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. At the end of 2021, assets under management amounted to CHF 482 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 are included in the Swiss Leader Index (SLI), comprising the 30 largest and most liquid Swiss stocks.

Julius Baer is present in over 25 countries and more than 60 locations. Headquartered in Zurich, we have offices in key locations including Dubai, Frankfurt, Geneva, Hong Kong, London, Luxembourg, Mexico City, Milan, Monaco, Montevideo, Moscow, Mumbai, São Paulo, Singapore 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, visit our website at www.juliusbaer.com

Cautionary statement regarding forward-looking statements
This media release by Julius Baer Group Ltd. (‘the Company’) includes forward-looking statements that reflect the Company’s intentions, beliefs or current expectations and projections about the Company’s future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industries in which it operates. Forward-looking statements involve all matters that are not historical facts. The Company has tried to identify those forward-looking statements by using the words ‘may’, ‘will’, ‘would’, ‘should’, ‘expect’, ‘intend’, ‘estimate’, ‘anticipate’, ‘project’, ‘believe’, ‘seek’, ‘plan’, ‘predict’, ‘continue’ and similar expressions. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.
These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause the Company’s actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include, but are not limited to: changing business or other market conditions, legislative, fiscal and regulatory developments, general economic conditions in Switzerland, the European Union and elsewhere, and the Company’s ability to respond to trends in the financial services industry. Additional factors could cause actual results, performance or achievements to differ materially. In view of these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements. The Company and its subsidiaries, and their directors, officers, employees and advisors expressly disclaim any obligation or undertaking to release any update of or revisions to any forward-looking statements in this media release and any change in the Company’s expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.
## Key Figures Julius Baer Group

### Key Operating Data

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<thead>
<tr>
<th></th>
<th>2021 CHF m</th>
<th>2020 CHF m</th>
<th>Change in %</th>
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<tbody>
<tr>
<td>Operating income</td>
<td>3,857.8</td>
<td>3,583.1</td>
<td>7.7</td>
</tr>
<tr>
<td>Adjusted operating expenses</td>
<td>2,528.9</td>
<td>2,468.7</td>
<td>2.4</td>
</tr>
<tr>
<td>Adjusted profit before taxes</td>
<td>1,328.9</td>
<td>1,114.5</td>
<td>19.2</td>
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<tr>
<td>Adjusted net profit for the Group</td>
<td>1,143.9</td>
<td>956.6</td>
<td>19.6</td>
</tr>
<tr>
<td>IFRS net profit for the Group</td>
<td>1,082.7</td>
<td>698.6</td>
<td>55.0</td>
</tr>
<tr>
<td>Adjusted cost/income ratio</td>
<td>63.8%</td>
<td>66.4%</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted pre-tax margin (basis points)</td>
<td>28.2</td>
<td>27.2</td>
<td>-</td>
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### Assets Under Management (CHF bn)

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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Assets under management</td>
<td>481.7</td>
<td>433.7</td>
<td>11.1</td>
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<tr>
<td>Net new money</td>
<td>19.6</td>
<td>15.1</td>
<td>-</td>
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### Consolidated Balance Sheet (CHF m)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>Change in %</th>
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<tbody>
<tr>
<td>Total assets</td>
<td>116,305.8</td>
<td>109,137.0</td>
<td>6.6</td>
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<tr>
<td>Total equity</td>
<td>6,743.3</td>
<td>6,434.1</td>
<td>4.8</td>
</tr>
<tr>
<td>BIS total capital ratio</td>
<td>24.0%</td>
<td>21.0%</td>
<td>-</td>
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<tr>
<td>BIS CET1 capital ratio</td>
<td>16.4%</td>
<td>14.9%</td>
<td>-</td>
</tr>
<tr>
<td>Return on tangible equity (RoTE), adjusted</td>
<td>29%</td>
<td>27%</td>
<td>-</td>
</tr>
<tr>
<td>Return on common equity Tier 1 capital (RoCET1), adjusted</td>
<td>34%</td>
<td>32%</td>
<td>-</td>
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### Personnel (FTE)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>Change in %</th>
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<tbody>
<tr>
<td>Number of employees</td>
<td>6,727</td>
<td>6,606</td>
<td>1.8</td>
</tr>
<tr>
<td>Number of relationship managers</td>
<td>1,274</td>
<td>1,376</td>
<td>-7.4</td>
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### Capital Structure

<table>
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<th></th>
<th>2021</th>
<th>2020</th>
<th>Change in %</th>
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<tbody>
<tr>
<td>Number of shares issued</td>
<td>221,224,448</td>
<td>223,809,448</td>
<td>-</td>
</tr>
<tr>
<td>Market capitalisation (CHF m)</td>
<td>13,535</td>
<td>11,414</td>
<td>18.6</td>
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### Moody’s Rating Bank Julius Baer & Co. Ltd.

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<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
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<tr>
<td>Long-term deposit rating</td>
<td>Aa3</td>
<td>Aa3</td>
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<tr>
<td>Short-term deposit rating</td>
<td>Prime-1</td>
<td>Prime-1</td>
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1 The document Alternative Performance Measures available at www.juliusbaer.com/APM provides a reconciliation of adjusted performance measures to reported results under IFRS as well as definitions of adjusted performance measures and other alternative performance measures.