Julius Bär

MEDIA RELEASE

Julius Baer Group Ltd.

Interim Management Statement for the first four months of 2017[1]

Assets under management at record CHF 356 billion – Positive net new money momentum – Improving cost/income ratio[2] trend

Zurich, 22 May 2017 – At the end of April 2017, Julius Baer Group's assets under management (AuM) had grown to a record CHF 356 billion, a year-to-date increase of CHF 20 billion, or 6%. The rise in AuM came on the back of significant net inflows and market performance, partly offset by the weakening of the US dollar relative to the Swiss franc.

Last year's significant investments in attracting senior relationship managers (RMs) started to accelerate net inflows to the middle of the 4-6% target range (annualised).

Recovery in gross margin

Compared to the second half of 2016, the gross margin recovered by 2 bps to close to 90 bps. This increase was driven mainly by broadly equal improvements in the client-activity-driven and asset-based components of net commission and fee income.

Improving cost/income ratio[2] trend

Whilst the cost base now includes the full weight of last year's accelerated investments in RM hiring, the resulting increase in net new money and hence operating income drove an initial decrease in the cost/income ratio[2] to 71%. This represents a first improvement from the 73% realised in the second half of 2016. In line with the guidance provided earlier, and as the anticipated incremental revenue benefits are expected to continue to build up, the cost/income ratio[2] is expected to normalise close to the upper end of the 64-68% medium-term target range in 2017, and into the range in 2018. As usual, this guidance assumes no significant deterioration in market conditions from current levels.

Solid capital position

At the end of April 2017, the Group's BIS total capital ratio stood at 17.8% and its BIS CET1 capital ratio at 14.2%, above the Group's own floors of 15% and 11%, respectively, and significantly above the regulatory minimums of 12.2% and 8%, respectively. On a Basel III fully-applied basis, the capital ratios improved by more than half a percentage point from their end-of-2016 levels.

[1] Based on unaudited management accounts

[2] Excluding integration and restructuring expenses, the amortisation of intangible assets related to acquisitions or divestments, and valuation allowances, provisions and losses

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2017 half-year results

Julius Baer Group’s detailed financial results for the first half of 2017 will be published on 24 July 2017.

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About Julius Baer

Julius Baer is the leading Swiss private banking group, with a focus on servicing and advising sophisticated private clients and a premium brand in global wealth management. At the end of April 2017, assets under management amounted to CHF 356 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 Market Index (SMI), comprising the 20 largest and most liquid Swiss stocks.

Julius Baer employs a staff of over 6,000, including approximately 1,400 relationship managers, and is present in over 25 countries and more than 50 locations. Headquartered in Zurich, we have offices in key locations including Dubai, Frankfurt, Geneva, Hong Kong, London, Luxembourg, Milan, Monaco, Montevideo, Moscow, Mumbai, 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 private banking.

For more information visit our website at www.juliusbaer.com

Cautionary statement regarding forward-looking statements