

Julius Bär

MEDIA RELEASE

Julius Baer Group Ltd.

Interim Management Statement for the first ten months of 2017¹

Assets under management up 17% to record CHF 393 billion – Continued strong net new money momentum – Further improvement in cost/income ratio² and capital ratios

Zurich, 20 November 2017 – At the end of October 2017, Julius Baer Group's assets under management (AuM) had grown to a record CHF 393 billion, a year-to-date increase of CHF 57 billion, or 17%. The rise in AuM was driven by significant net inflows, continued positive market performance, and the strengthening of the euro relative to the Swiss franc.

Net inflows above target range

Supported by a significant contribution from relationship managers who joined in the last two years, annualised net new money growth remained above the 4–6% target range. Momentum was particularly strong in emerging markets and the Asia Pacific region.

Summer slowdown in client trading volumes

The gross margin for the first ten months declined to just below 90 basis points (bp), mainly on the back of a decline in client FX trading income since the end of June. For the first half of the year, the gross margin was slightly under 92 bp.

Improving cost/income ratio² trend

In line with the Group's full-year guidance, the cost/income ratio² continued to improve towards the 64–68% medium-term target range. For the first ten months, the cost/income ratio² was below 69%, compared to 69.1% reported in the first half of the year. The cost/income ratio² is expected to improve into the medium-term target range in 2018. As usual, this guidance assumes no significant deterioration in market conditions.

Solid capital position

The Group's BIS total capital ratio continued to strengthen, and at the end of October 2017 had reached 21.8% (fully applied 21.2%). The BIS CET1 capital ratio was at 16.4% (fully applied 13.4%). Both capital ratios are well above the Group's own floors of 15% and 11%, and significantly above the regulatory minimums of 12.2% and 8%. The strengthening of the total capital ratio was partly attributable to the successful placement of USD 300 million of perpetual non-cumulative high-trigger Additional Tier 1 (AT1) securities in September 2017. The AT1 securities carry a coupon of 4.75%, which represents the lowest coupon achieved so far for a USD AT1 transaction from a European bank.

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 full-year results

Julius Baer Group's detailed financial results for 2017 will be published on 31 January 2018.

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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 October 2017, assets under management amounted to CHF 393 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 close to 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

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