

# Julius Bär

## MEDIA RELEASE

Julius Baer Group Ltd.

### Interim Management Statement for the first ten months of 2017<sup>1</sup>

**Assets under management up 17% to record CHF 393 billion – Continued strong net new money momentum – Further improvement in cost/income ratio<sup>2</sup> 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 ratio<sup>2</sup> trend

In line with the Group's full-year guidance, the cost/income ratio<sup>2</sup> continued to improve towards the 64–68% medium-term target range. For the first ten months, the cost/income ratio<sup>2</sup> was below 69%, compared to 69.1% reported in the first half of the year. The cost/income ratio<sup>2</sup> 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.

<sup>1</sup> Based on unaudited management accounts

<sup>2</sup> 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](http://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.