

Julius Bär

MEDIA RELEASE

Julius Baer Group Ltd.

Interim Management Statement for the first four months of 2018¹

Assets under management at record CHF 401 billion – Robust net new money inflows – Gross margin improvement driven by step-up in client activity – Cost/income ratio² inside target range

Zurich, 23 May 2018 – At the end of April 2018, Julius Baer Group's assets under management (AuM) had grown to CHF 401 billion, a year-to-date increase of CHF 13 billion, or 3%, crossing above the CHF 400 billion mark for the first time. The rise in AuM came on the back of continued net inflows as well as a positive currency impact, the latter mainly following the strengthening of the US dollar in April. Market performance was essentially flat.

Net new money inflows above 5%

Net inflow momentum remained robust, resulting in an annualised net new money pace above 5%, inside the 4–6% target range. Particularly strong inflows were recorded from clients domiciled in Europe, Switzerland and Asia, with continued substantial contributions through relationship managers who joined in 2016 and 2017.

Gross margin improvement driven by step-up in client activity

Compared to the second half of 2017, the gross margin improved by 5 basis points to 93 basis points. This increase was driven mainly by a step-up in client activity, especially in January and to a lesser extent in March, bolstering both net commission and fee income and net trading income.

Cost/income ratio² inside target range

The cost/income ratio² improved further and, at just below 67%, it was comfortably inside the 64–68% medium-term target range. This positive trend reflects continued growth in client assets at a stronger gross margin, with revenue growth substantially outpacing the cost impact from ongoing investments in technology and the successful recruitment of senior relationship managers.

Solid capital position

Despite the impact from the acquisition of the residual 20% stake in Kairos in January 2018, the Group's BIS CET1 capital ratio remained stable at 13.3% (compared to a fully-applied BIS CET1 capital ratio of 13.5% at the end of 2017). Following the redemption in March 2018 of the CHF 250 million of perpetual Tier 1 bonds issued on 18 September 2012, the BIS total capital ratio stood at 19.8% (compared to a fully-applied BIS total capital ratio of 21.2% at the end of 2017).

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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Successful go-live of new core banking platform in Asia

Julius Baer's new core banking system in Asia was introduced successfully at the end of March 2018. The platform, based on Temenos T24 banking software, has been implemented in the two Asian booking centres of Singapore and Hong Kong, laying the operational and technical foundation for Julius Baer's further growth in the region. After last year's integration of the T24 platform in Luxembourg into the Group's global IT environment, this represents the second major step in Julius Baer's effort to harmonise its platforms around the world.

2018 half-year results

Julius Baer Group's detailed financial results for the first half of 2018 will be published on 23 July 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 April 2018, assets under management amounted to CHF 401 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 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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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.

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