

Media Release

from Bank Julius Baer & Co. Ltd.

Julius Baer Wealth Report 2012 forecasts up to 3 million HNWI's in Asia by 2015. Julius Baer Lifestyle Index rose 8.8% in 2012.

Zurich / Hong Kong / Singapore, 25 September 2012 --- The number of High Net Worth Individuals (HNWIs) in Asia may reach almost 3 million and have a stock of wealth equal to USD 16.7 trillion by 2015, according to a report released today by Julius Baer, the leading Swiss private banking group. Published as an annual study, the second edition of the Julius Baer Wealth Report continues to focus on Asia and provides a comprehensive and exclusive analysis of the HNWI landscape in the region. The Julius Baer Lifestyle index, which accompanies the report, has also seen an 8.8% increase in 2012.

Following on from the inaugural report in 2011, the 2012 Julius Baer Wealth Report recognises that the global macroeconomic backdrop has become more challenging; however, Asia has remained resilient thanks to strong fiscal fundamentals, improved economic policy making and greater diversification of trade links. Domestic demand, supported by robust job growth, remains a key pillar to Asia's growth dynamics. The original forecasts have been re-examined against the deterioration in global growth, and the report concludes that the downside risk to Asia's growth in HNWIs is small.

Benefiting from Julius Baer's strong on-the-ground presence in Asia, the report examines the drivers of wealth creation in ten of the most significant economies and provides a break out of three key economies creating wealth in Asia: China, India and Indonesia. In addition to the macro analysis of these economies, local CEOs describe what drives wealth creation from the ground up. Taking a multi-dimensional view of wealth, and also looking at what it costs to live in luxury, makes the report a much more robust appraisal of the wealth dynamics in Asia.

Key findings of this year's report include:

- The use of stress tests confidently confirms the baseline scenario of 2.67 million HNWIs in Asia by 2015, representing a compound annual growth rate of over 30% from 2010 estimated levels.
- Upside projections see China being home to 1.46 million HNWIs whose stock of wealth could reach USD 9.3 trillion. In HNWI population growth terms, Indonesia's 25% compounded annual growth rate is forecast to be the highest across Asia.
- A review of specific economies where individualised and distinct wealth-growth drivers were found present, and where the same overall growth themes are evident, are supported by interviews with local CEOs:
 - In China, growth in wealth is supported by geographic rebalancing of economic activity.
 - In India, the extension of infrastructure and labour moving out of agriculture is a longer-term trend that supports growth and wealth creation.
 - In Indonesia, the main driver of wealth is the flourishing domestic business environment.

Report also updates the Julius Baer Lifestyle Index

In order to capture consumption costs in Asia Pacific and the inherent inflation, Julius Baer first launched the Julius Baer Lifestyle Index in 2011. The Index has now been updated for 2012 inflation measures and is again included in the second Julius Baer Wealth Report.

Based on a basket of 20 luxury goods and services that represent discretionary purchases of HNWIs in the region, the index covers high end vendor across four main cities: Hong Kong, Shanghai, Singapore, and Mumbai. The fact that the Index continues to rise, up 8.8% this year for the one-year

period until April 2012, shows clearly that the cost of living in luxury in Asia continues to substantially outpace conventional Consumer Price Index (CPI) measures, which stood at approximately 6% for the same time period. The Julius Baer Lifestyle Index can provide investors with direction in terms of future investment returns required, all else being equal, to finance a certain lifestyle as well as an indication of the underlying inflation. Certain items within the Index have pricing power strength, and demand appears to be unabated by price increases during these times of uncertainty. The 2012 Julius Baer Wealth Report also details how the global investing landscape has changed and what should be borne in mind when setting out to achieve longer term investment returns.

Boris Collardi, CEO Bank Julius Baer, explains the background to the report: “We talk to leading business leaders in Asia about the key issues influencing their lifestyles, businesses and investments on a daily basis. The Julius Baer Wealth Report is a unique view of wealth, both top down from our research, and bottom up, from our conversations with those who are at the forefront of the growth of wealth their countries.”

Commenting on the rationale behind the report, Dr Thomas R. Meier, CEO Asia, says: “Just as important as following the drivers of wealth development in Asia, and having a deep understanding of our clients’ investment needs, we pride ourselves on our ability to transform this knowledge into relevant product and advisory solutions for our clients.”

This year the Julius Baer Asia Wealth Report will be available in Simplified Chinese.

The English and Chinese versions are available for the first time in iPad app format, which comprises the 2012 and 2011 Julius Baer Wealth Report: Asia, Julius Baer Next Generation Investment Conference-related publications such as an interactive virtual magazine, various new publications i.e. “Growth models”, “Changing business models” and “Crises as catalysts”. The App can be accessed from www.juliusbaer.com/app or the iTunes App Store (search for “Julius Baer Next Generation App”).

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About Julius Baer

The Julius Baer Group is the leading Swiss private banking group, with an exclusive focus on servicing and advising private clients. Julius Baer’s total client assets amounted to CHF 269 billion at the end of June 2012, with assets under management accounting for CHF 179 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 form part of the Swiss Market Index (SMI) of the 20 largest and most liquid Swiss stocks.

Julius Baer employs a staff of over 3,600 in more than 20 countries and some 40 locations, including Zurich (head office), Dubai, Frankfurt, Geneva, Hong Kong, London, Lugano, Milan, Monaco, Montevideo, Moscow, Shanghai and Singapore.

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