Julius Bär

MEDIA RELEASE
Julius Baer Group Ltd.

Interim Management Statement for the first four months of 2015[1]

Assets under management CHF 289 billion – Strong increase in client activity – Significantly improved cost/income ratio on higher gross margin and full benefit of IWM cost synergies realised in 2014

Zurich, 19 May 2015 – At the end of April 2015, Julius Baer Group's assets under management (AuM) amounted to CHF 289 billion, a decrease since the end of 2014 of just CHF 2 billion, or 1%, despite the very significant strengthening of the Swiss franc.

In the year-to-date development of Group AuM, the positive contributions from continued net new money, market performance and the transfer in March 2015 of CHF 4.3 billion from Leumi Private Bank AG were offset by a CHF 19 billion negative currency impact following the significant strengthening of the Swiss franc against almost all currencies so far this year. Partly impacted by the currency translation effect and the ongoing regularisation of legacy assets in France and Italy, net inflows were, on an annualised basis, at the low end of the 4-6% medium-term target range.

Strong increase in client activity benefitting margins and cost/income ratio
The gross margin benefitted from robust client activity in the first four months and advanced to a level moderately above 100 basis points (bps). The boost in client engagement was driven by higher market volatility and was evident in many areas, including increased volumes in structured products, an upturn in equity and fixed income transactions, a rise in foreign exchange activity, as well as a repositioning by Asian investors in March and April 2015. The increases in volatility and volumes were more pronounced in the period immediately following the Swiss National Bank's decision on 15 January 2015 to discontinue the minimum exchange rate of CHF 1.20 per euro, leading to an exceptionally high gross margin in January 2015. In the period February-April 2015, the gross margin was moderately below 100 bps.

The cost/income ratio[2] improved to a level just below the 65-70% medium-term target range. This improvement was driven strongly by the aforementioned increase in the gross margin as well as by the full benefits coming through from the cost synergy realisation in 2014 in relation to the integration of Merrill Lynch's International Wealth Management business (IWM) outside the US. In the period February-April 2015, the cost/income ratio was slightly above the lower end of the target range. The Group continues with the implementation of the cost measures announced last February, the benefits of which are expected to start building up gradually in the remainder of the year.

[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

Valuation allowances, provisions and losses were, on a pro-rata basis (four months), at approximately the same level as in the second half of 2014.

As a result, the pre-tax profit[3] margin improved to close to the top end of the 30-35 bps medium-term target range. In the period February-April 2015, the pre-tax-profit margin was in the middle of this range.

Solid capital position

Julius Baer remains strongly capitalised. At the end of April 2015, the Group's BIS total capital ratio stood at 22.4% and the BIS tier 1 ratio at 21.1%, well above the targeted floors of 15% and 12%, respectively.

2015 first half-year results

Julius Baer Group's detailed financial results for the first half of 2015 will be published on 20 July 2015.

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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. Julius Baer's total client assets amounted to CHF 376 billion at the end of April 2015, including CHF 289 billion of assets under management. Bank Julius Baer & Co. Ltd., the renowned Swiss private bank which celebrates its 125th anniversary in 2015, 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 5,000, including more than 1,000 relationship managers, and is present in over 25 countries and some 50 locations. Headquartered in Zurich, we have offices in key locations including Dubai, Frankfurt, Geneva, Hong Kong, London, Lugano, Monaco, Montevideo, Moscow, Singapore and Tokyo. Our client-centric approach, our objective advice based on a unique open product platform, our very strong financial base and our entrepreneurial management culture make us the international reference in private banking.

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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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[3] Excluding integration and restructuring expenses, the amortisation of intangible assets related to acquisitions or divestments

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