

Julius Bär

MEDIA RELEASE

Bank Julius Baer & Co. Ltd.

Julius Baer launches eighth Wealth Report Asia

Julius Baer has released its eighth annual edition of the Wealth Report Asia, which tracks luxury expenditure trends of Asia's High Net Worth Individuals (HNWIs). This year's report shows that the cost of luxury living, as measured by the Julius Baer Lifestyle Index, rose 2.91% in USD terms, for its best yearly growth. Shanghai reclaims its title from Hong Kong as the most expensive city in Asia, whereas Kuala Lumpur maintains its position as the most price competitive.

Hong Kong/Singapore/Zurich, 4 December 2018 – The Julius Baer Lifestyle Index rose 2.91% on an aggregate basis in USD terms, which was its best yearly growth on record. The index continues to maintain its upward trajectory since its launch eight years ago, underscoring the strength in demand for luxury goods and services in Asia. Government efforts to boost domestic consumption, price harmonisation by luxury companies and scarcity were among the contributing factors to robust price trends. In USD terms, 16 out of the 22 items measured in the 11 Asian cities saw price gains.

Rajesh Manwani, Head of Markets & Advisory Solutions Asia of Bank Julius Baer said: “Our Julius Baer Lifestyle Index rose to a record high, spurred by an improving global economy and sustained wealth generation in Asia. We expect the fundamental strength of the region's economies to further drive the growth in the number of millionaires in Asia.”

This year, the report delves into the power of the female dollar – namely, Womenomics in Asia. Women now account for half of Chinese luxury spending. The purchasing power of women in Asia is increasingly gaining recognition, with more women in senior management positions and becoming more financially savvy.

Jimmy Lee, Head Asia Pacific of Bank Julius Baer commented: “The rising economic status of women is perhaps one of the most important economic shifts in recent years. Women are creating and managing an increasing amount of wealth and their wealth management needs should be well served. At Julius Baer, we are committed to serving them with best-in-class advice and solutions based on their specific needs.”

Key findings

Following a strong recovery since 2015, global luxury consumption is expected to moderate alongside a cooling Chinese economy. Yet the longer term outlook remains rosy premised on structural demand from Chinese millennials and a more prominent female presence in the luxury market.

Shanghai has tipped Hong Kong to be the most expensive city on a price-weighted basis. The overall basket of goods and services in the Chinese city rose by 4.8% in US dollar terms, exceeding the gain in the overall index. Shanghai is also the most expensive city for six of our index items –

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hospital accommodation, watch, ladies handbag, wine, jewellery and skin cream. Singapore rises from third to the second position, boosted by a stronger Singapore dollar.

Kuala Lumpur remains the most inexpensive city in Asia notwithstanding an increase in its composite index of goods and services by 3.4% in US dollar terms. Residential property, hotel accommodation, wine, jewellery, piano and car are the most attractively priced in the Malaysian capital relative to other Asian cities.

The Julius Baer Wealth Report Asia 2018 introduces a new His & Hers Index to compare the cost of luxury goods for men and women, in relation to personal adornment. The findings corroborate studies that gender-based pricing exists even in the luxury space, with prices for items in the Hers index costing more on average than the His index equivalent. Seoul comes up as the most expensive city in Asia for both male and female luxury goods. This is largely owing to a special excise tax of up to 20% on certain luxury goods imports. On the other hand, Jakarta ranks as the cheapest for men's luxury goods, while Mumbai is the most price competitive for luxury female goods.

For a copy of the Julius Baer Wealth Report Asia 2018, please visit:

<https://www.juliusbaer.com/wealth-report-asia>

Notes to editors

- HNWIs are defined as people with net investable wealth of USD 1 million or more, excluding property that is their main residence.
- 2018 data for the Julius Baer Lifestyle Index were collected during the period of June 2017 to 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 October 2018, assets under management amounted to CHF 395 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.

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