Julius Bär

FY 2018 RESULTS AND BUSINESS UPDATE

Presentation for Investors, Analysts & Media
Zurich, 4 February 2019

2018 RESULTS

Stable net profit despite challenging market environment

- Adjusted[1] net profit for the Group increased slightly to CHF 810m
- IFRS net profit[2] grew by 4% to CHF 735m
- Gross margin 86bp, down 4bp
- Cost/income ratio[3] 70.6% and pre-tax margin 25bp
- Further cost measures initiated

Robust net inflows partly compensating for negative market performance

- Net new money > CHF 17bn (4.5%), inside 4–6% target range
- AuM CHF 382bn, a decrease of 2%, reflecting market performance

Increased dividend, solid return on capital

- Dividend up 7% to CHF 1.50
- Targeting increase in RoCET1 from current 30% to >32%

[1] The adjusted results as presented and commented in this Media Release and in the Business Review are derived by excluding from the audited IFRS financial statements the integration and restructuring expenses as well as the amortisation of intangible assets related to previous acquisitions or divestments, as well as the taxes on those respective items | [2] Attributable to shareholders of Julius Baer Group Ltd. | [3] Calculated using adjusted operating expenses[1], excluding provisions and losses

STRATEGIC PROGRESS & ACHIEVEMENTS

Paving the way for Julius Baer's future success

Smarter market coverage	• Continuous growth and strengthening of our market position in selected markets • Enhanced product and service offering and reassessment of our local presence
Intermediaries	• Leveraging Julius Baer's strong position in intermediaries segment through dedicated set-up, best-in-class service and offering
Technology transformation	• Substantial achievements in digital front office tools and client interfaces (e.g. roll-out of 'Digital Advisory Suite', enhanced e-banking) • Enhancement of operating model including go-live of Asian core banking platform
Risk framework	• Client documentation upgrade concluded for Region Switzerland, global upgrade to be completed by end 2019 • DoJ to file a motion to end DPA shortly

FINANCIAL RESULTS FY 2018*

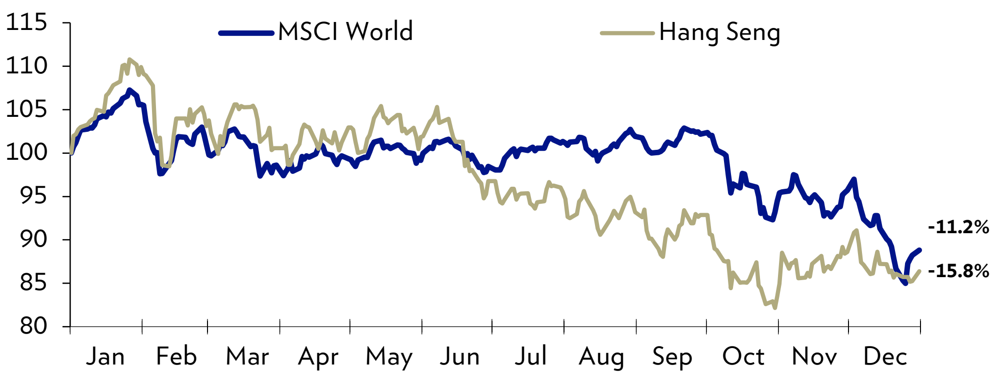
DIETER A. ENKELMANN, CFO

*Financial Results are presented on adjusted basis. See “Scope of Presentation of Financials” in the Appendix.

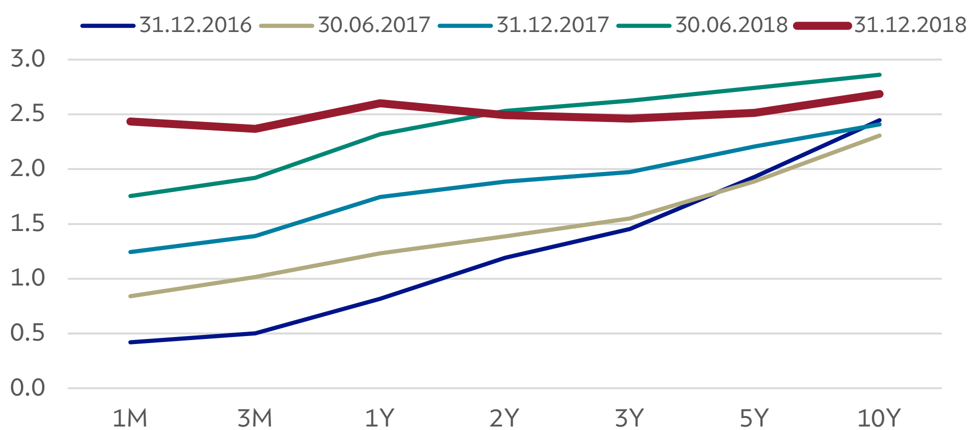
2018 MARKET ENVIRONMENT

Sharp stock market decline in H2 | Higher US rates, but flattening yield curve

2018 development of Hang Seng vs MSCI All-World Index[1]



2017-2018 development of US 1M-10Y treasury yield curve[2]



[1] Source: Datastream, Julius Baer | [2] Source: Bloomberg Finance L.P., Julius Baer

Stock markets

- After relatively calm first five months (except February) ...
- ... main Asian stock markets started to underperform significantly vs global indices
- Leading to considerably lower transaction volumes
- In market turmoil in December, other markets experienced sharp declines too

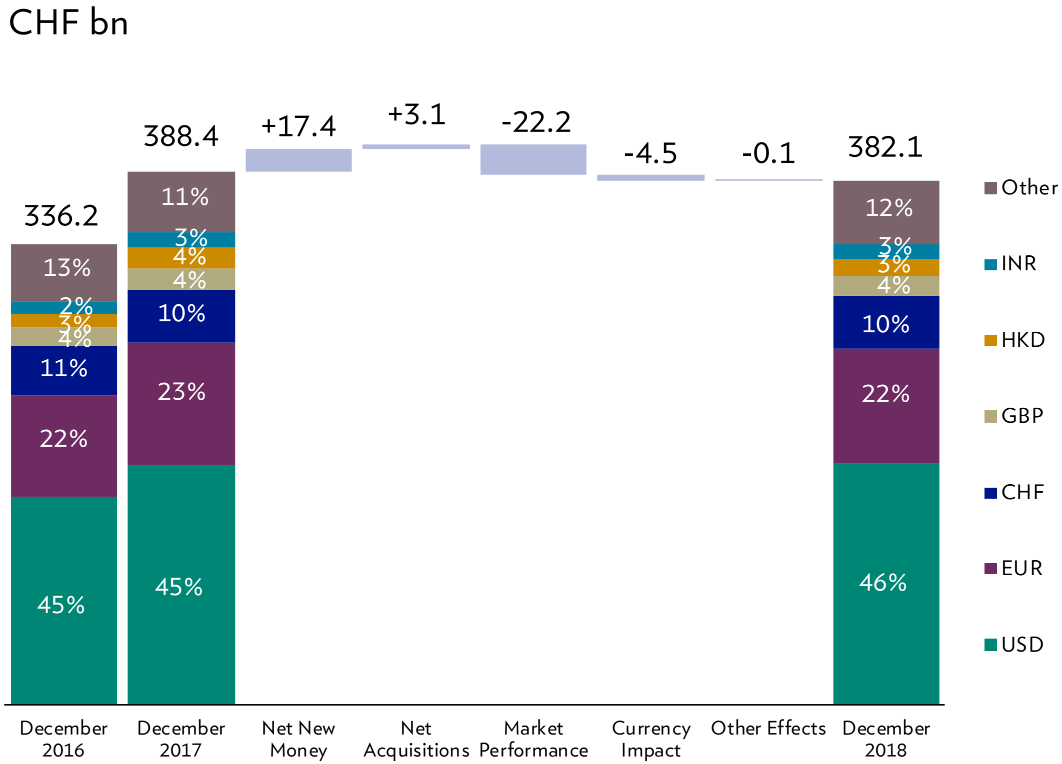
US interest rates

- While US federal discount rate was raised further four times in 2018 ...
- ... US yield curve continued to flatten
- Leading to higher (Lombard) loan rates and further increased USD-CHF rate differentials...
- ... but also to increased relative attractiveness of USD term deposits ...
- ... and decreased relative attractiveness of leveraged fixed income strategies

AUM DECREASE OF CHF 6bn (-2%) TO CHF 382bn

Robust net inflows partly compensated for negative market & currency impacts

Development of Assets under Management



- AuM CHF 382bn, -2%

- Net new money	CHF	+17.4bn
- Net acquisitions[2]	CHF	+3.1bn
- Market performance	CHF	-22.2bn
- Currency impact	CHF	-4.5bn
- Other effects[3]	CHF	-0.1bn

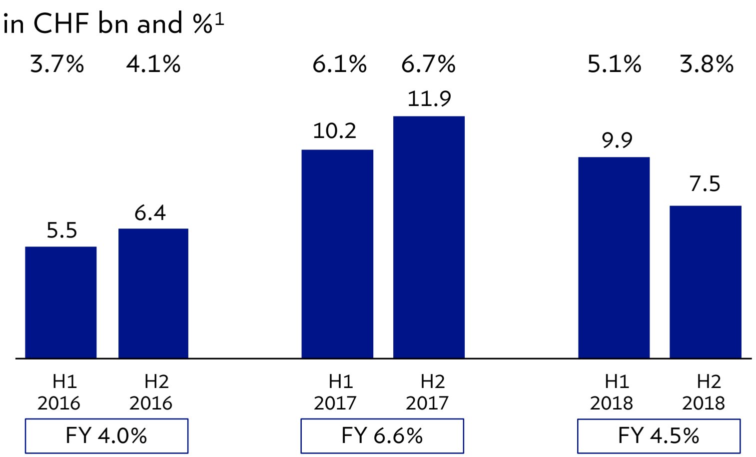
- *Average* AuM[1] of CHF 394bn, up +9% from CHF 363bn in 2017
- Assets under custody CHF 62bn, -10%

[1] Calculated on the basis of monthly AuM levels
[2] Net acquisition consisting of acquisition of CHF +4.5bn Reliance Group and CHF -1.4bn resulting from discontinuation of offering to clients from selected countries
[3] Includes assets which have been reclassified following the completed roll-out of the new client advisory models in Switzerland and Europe

NET NEW MONEY OVER CHF 17 BILLION (4.5%)

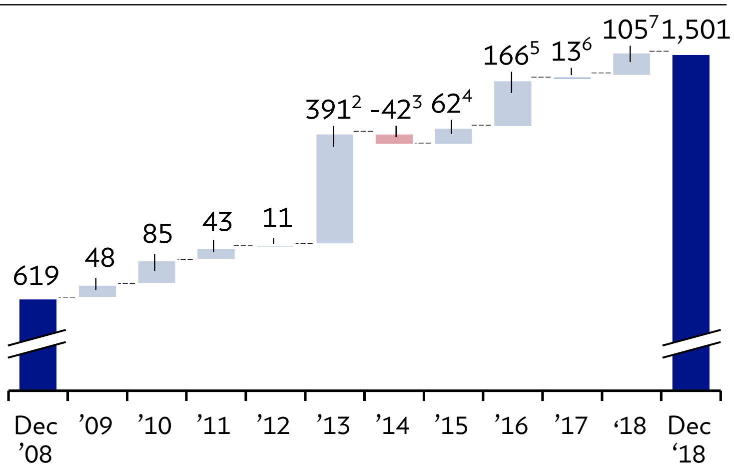
Well balanced between European and growth markets

Net New Money



- CHF 17.4bn (4.5% annualised)
- Inside 4-6% medium-term target range
- Well balanced between European and growth markets
- Particularly strong contributions from clients domiciled in:
  - Europe (esp. UK, Monaco, Germany, Luxembourg, Spain)
  - Asia (esp. Hong Kong, Singapore, India, China, Japan)
  - Middle East (esp. UAE)
  - Brazil
- Inflows somewhat impacted by modest deleveraging

Relationship Managers

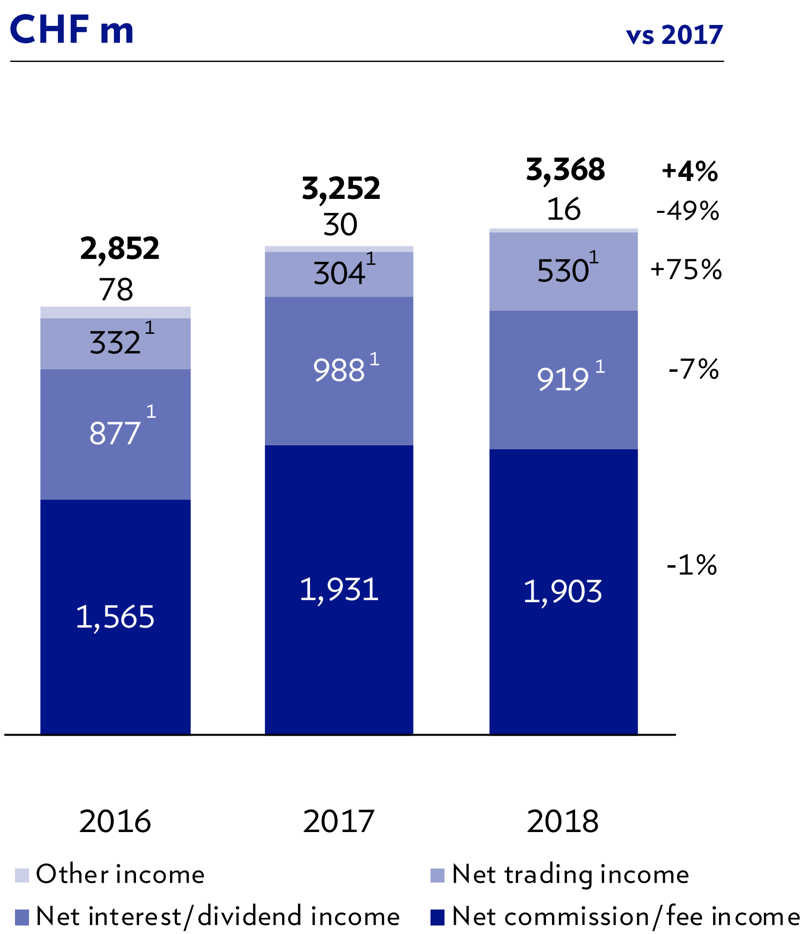


- 2018: net increase of +105 RMs
  - +13 from Reliance Group
  - +92 from net hiring and internal talent development
- Contribution to 2018 NNM:
  - ~25% from RMs joining in 2018
  - ~60% from RMs joining in 2016-2017

[1] Annualised NNM in % of AuM at the beginning of the period | [2] +391, mostly from RMs transferring in from Bank of America's International Wealth Management business (IWM) outside the US | [3] -42, driven by IWM transaction-related synergy realisations | [4] +62, of which net +40 from hiring, remainder from acquisitions | [5] Incl. +50 RMs transferring following the consolidation of Kairos and Commerzbank International S.A. Luxembourg | [6] +13 of which +41 net from hiring, -28 following internal transfers | [7] Incl. +13 RMs from the acquisition of Reliance Group

OPERATING INCOME +4% TO CHF 3.4bn

Growth tempered by low transaction volumes in H2 and decline in Kairos contribution



Net commission/fee income -1% to CHF 1,903m

- Asset-based income flat, due to considerably lower Kairos performance fees (excluding Kairos: +8%)
- Brokerage commissions -6% y-o-y: sharp drop in transaction volumes in H2 (brokerage commission income down 26% vs H1)

Net interest/dividend income -7% to CHF 919m

- Excl. dividend trading portfolios[1]: -6% to CHF 741m (2017: CHF 793m)
- Benefit of higher US rates and average loans more than offset by:
  - Lower average size of treasury portfolio (but reinvesting in H2)
  - Higher USD term and call deposit volume, at rising rates
  - Increased placement of excess USD deposits –via USD/CHF treasury swaps– at SNB* (at negative interest rate) → swap income in trading

    *: Julius Baer no access to Federal Reserve discount window → swap USD into CHF → placed with SNB (no credit risk; daily liquidity)

Net trading income +75% to CHF 530m

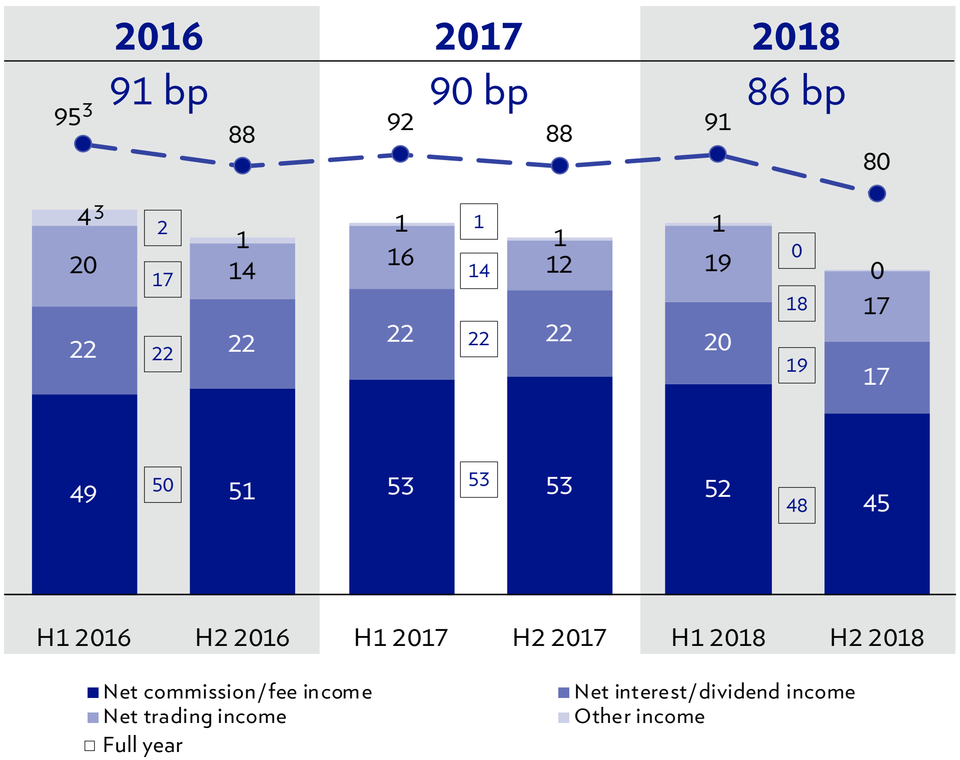
- Adding back dividend on trading portfolios[1]: +42% to CHF 708m
- Partly from further internalisation of structured products issuance
- Treasury swap income up 88% to CHF 194m (2017: 103m), recorded in FX trading income

- Sum of total net interest income[2] and treasury swap trading income grew by 4% to CHF 935m (2017: 896m)

[1] Dividend income on trading portfolios: 2018: CHF 178m (2017: CHF 195m, 2016: CHF 192m) | [2] Excluding dividend on trading portfolios

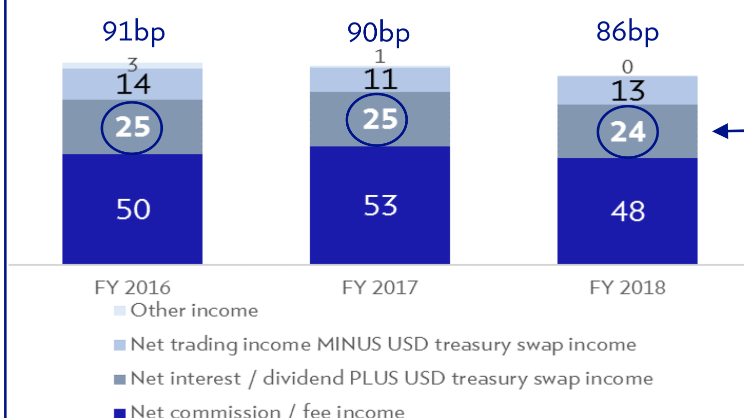
GROSS MARGIN[1,2] at 86 bp

Down 4 bp mainly on significant H2 decline in commission & fee income



- Commission & fees: -5 bp to 48 bp
  - Contribution brokerage down 2 bp, Kairos down 3 bp
- Net trading[2]: +4 bp to 18 bp
- Net interest[2]: -3 bp to 19 bp – however, impacted by increased placement of excess USD deposits – via USD/CHF treasury swaps – at SNB (see previous slide)

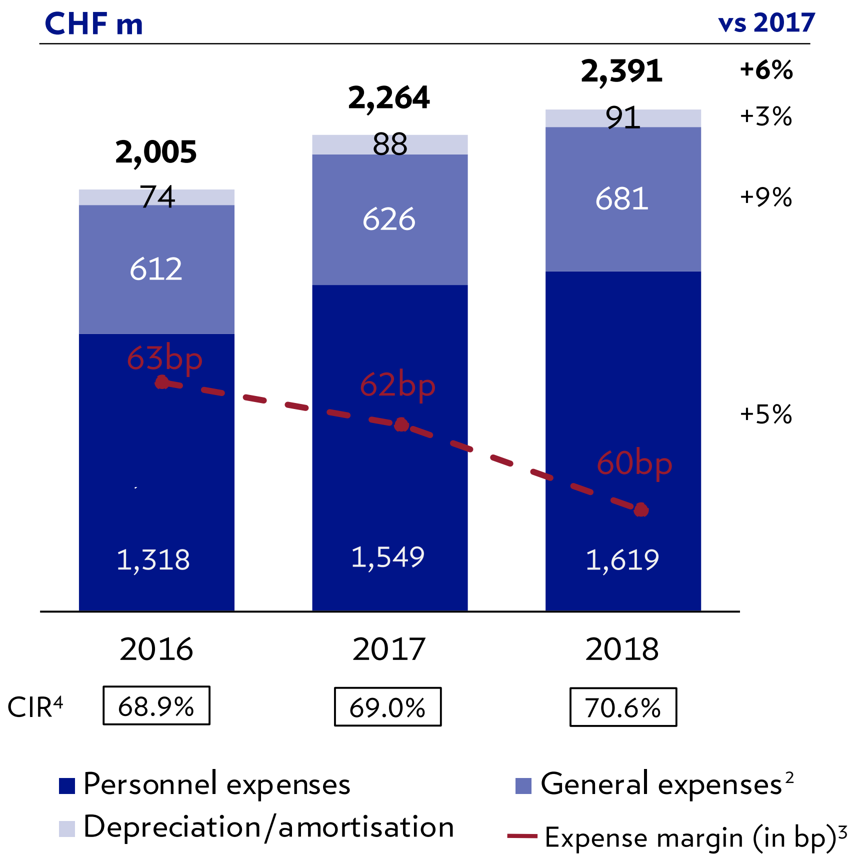
➢ **Taken together, gross margin from net interest income[2] + treasury swap income shows an almost stable contribution:**



[1] Operating income (annualised) divided by average AuM in basis points. Average AuM for H2 2018 was CHF 397bn, up 5% compared to H2 2017 and up 1% compared to H1 2018
[2] Net interest income adjusted to exclude dividends on trading portfolios, net trading income adjusted to include the same (H1 2016: CHF 180m, H2 2016: CHF 12m, H1 2017: CHF 181m, H2 2017: CHF 14m, H1 2018: CHF 159m, H2 2018: CHF 19m)
[3] Includes CHF 38.6m Kairos fair value adjustment (equivalent to 2.6 bp)

OPERATING EXPENSES[1] +6% TO CHF 2.4bn

Gross margin decline and additional legal & restructuring items drive increase in CIR



Operating expenses[1] – approx. breakdown by currency

CHF 53%	SGD	10%	USD	6%	Other	5%
EUR 14%	HKD	7%	GBP	5%		

Excluding additional legal & restructuring items: +4%

- ~ CHF 34m related to 2017-2019 client documentation project (2017: CHF 13m)
- ~ CHF 20m additional legal & restructuring costs (H2)

Personnel expenses +5% to CHF 1,619m

- 6% increase in average FTE

General expenses[2] +9% to CHF 681m

- Higher regulatory and legal costs
- Rise in general expenses resulting from staff increase
- Increased marketing spend (in H1)
- CHF 7m decrease in provisions and losses

Depreciation/amortisation +3% to CHF 91m

- Largely driven by increase in IT software amortisation and IT hardware depreciation

Expense margin[3] 60 bp (2017: 62 bp)

Cost/income ratio[4] 70.6% (2017: 69.0%)

- H1 2018: 67.3%, H2 2018: 74.3%
- Normalised – excl. additional items: ~69% (H1 2018: ~66%, H2 2018: ~72%)

[1] Excluding integration and restructuring expenses as well as the amortisation of intangible assets related to previous acquisitions or divestments, as well as the taxes on those respective items I [2] Including provisions and losses I [3] Operating expenses[1] (excl. provisions and losses) divided by average AuM in basis points I [4] Adjusted cost/income ratio[1] not considering provisions and losses

STABLE ADJUSTED GROUP NET PROFIT[1]

Following buy-out of minorities: +2% | IFRS net profit up 4% to CHF 735m

CHF m	2016	2017	2018	Change 2018/2017
Operating income	2,852	3,252	3,368	+4%
Adjusted operating expenses	2,005	2,264	2,391	+6%
Adjusted profit before taxes	**848**	**989**	**977**	**-1%**
Adjusted pre-tax margin (bp)	**27.1**	**27.3**	**24.8**	**-2.5 bp**
Adjusted income taxes	142	183	167	-8%
Adjusted net profit[1] for the Group	**706**	**806**	**810**	**+0%**
Adjusted EPS attributable to shareholders of Julius Baer Group Ltd. (CHF)	3.23	3.66	3.72	+2%
RoCET1, adjusted[2] (%)	32%	32%	30%	-2 pt
Tax rate (%)	16.8%	18.5%	17.1%	-1.4 pt
IFRS net profit attributable to shareholders of Julius Baer Group Ltd.	**619**	**705**	**735**	**+4%**

Tax guidance

- Adjusted tax rate (2018: 17.1%) expected to be in 17.0-17.5% range in next few years

[1] Excluding integration and restructuring expenses and the amortisation of intangible assets related to acquisitions and divestments, as well as taxes on those respective items. Including these positions (see also reconciliation in appendix), Group net profit was CHF 735m in 2018, up 3% from CHF 716m in 2017 | [2] Return on CET1 capital (pre-2018: fully-applied), considering adjusted net profit attributable to shareholders

2019 COST PROGRAMME LAUNCHED

Targeting ~CHF 100m reduction | Full benefit in 2020

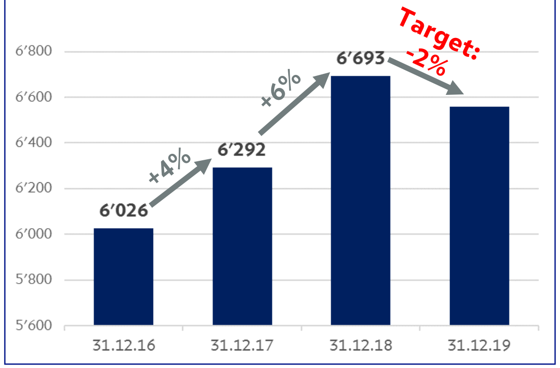
- While continuing to invest in longer-term growth and strengthening the franchise ...
- ... the Group has started to execute a programme to structurally reduce personnel and general expenses

- Targeting **~CHF 100m cost reduction** on a run-rate basis
  - Continued implementation of enhanced market focus (regional presence and resource allocation)
  - Leveraging ongoing investments in automation/digitalisation
  - Stricter performance management

- These measures will enable **~2% net reduction in headcount[1]** by end 2019
- Average headcount would still increase vs 2018 average → reduction in staff costs will lag decrease in FTE

- While some benefits will accrue in 2019, **full benefits reflected in 2020 results**
- Expenses in 2020 will additionally benefit from non-recurrence of costs related to 2017-2019 client documentation project[2]

Headcount development

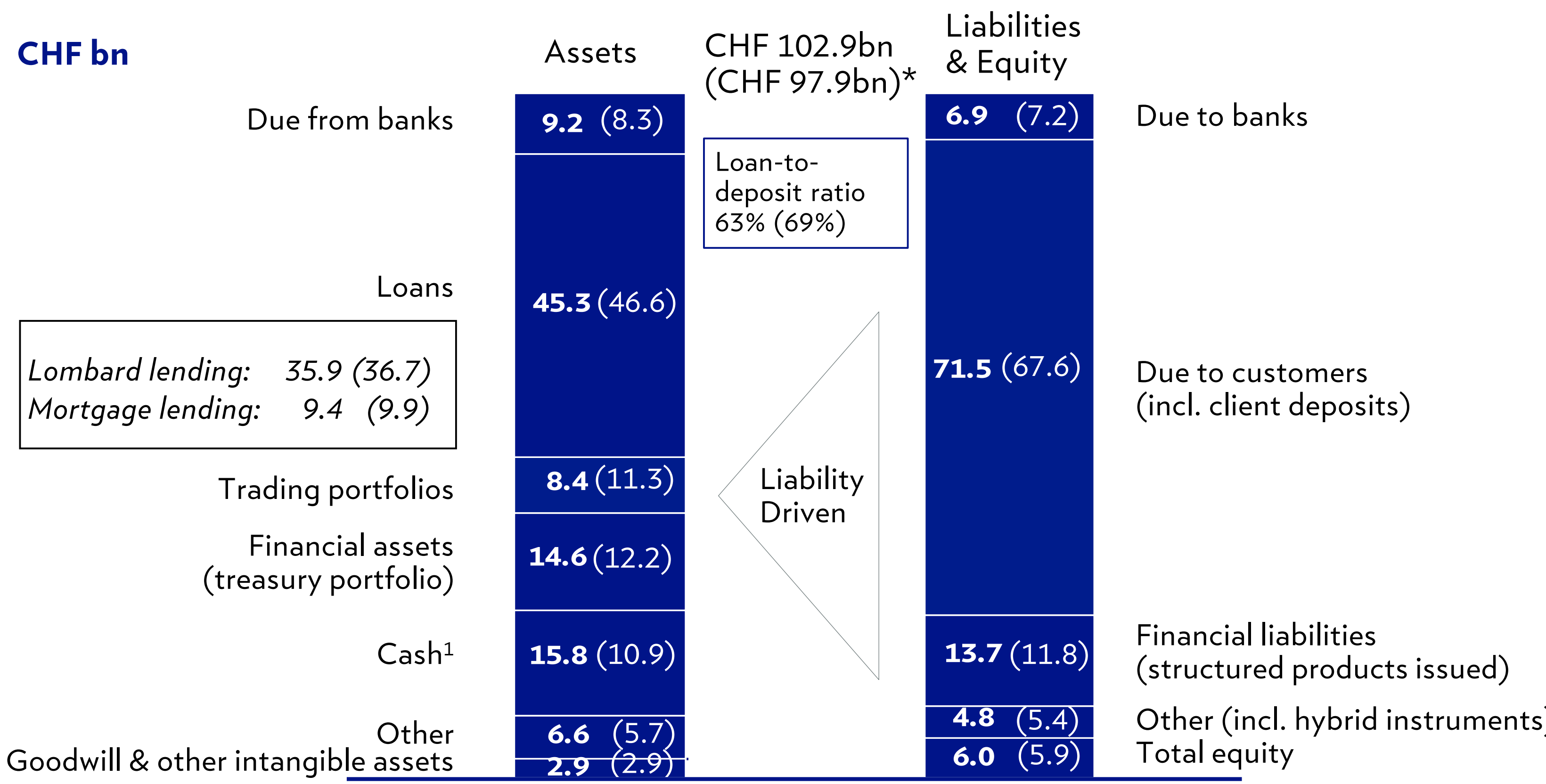


- **Changed revenue environment → structural cost reduction programme required**
- **Expense improvements will fully benefit 2020 results**
- **Aiming to reach the <68% cost/income ratio medium-term target in 2020**
- **Assuming no meaningful deterioration relative to average 2018 market conditions**

[1] 2018: Staff +6% to 6,693 FTE; monthly average staff +6% to 6,576 | [2] 2017: ~CHF 13m, 2018: ~CHF 34m, 2019: current estimate ~CHF 40m

SOLID BALANCE SHEET – LOW RISK PROFILE

Loan-to-deposit ratio down to 63% following 3% decline in loans and 6% deposit growth



RWA, leverage exposure, capital

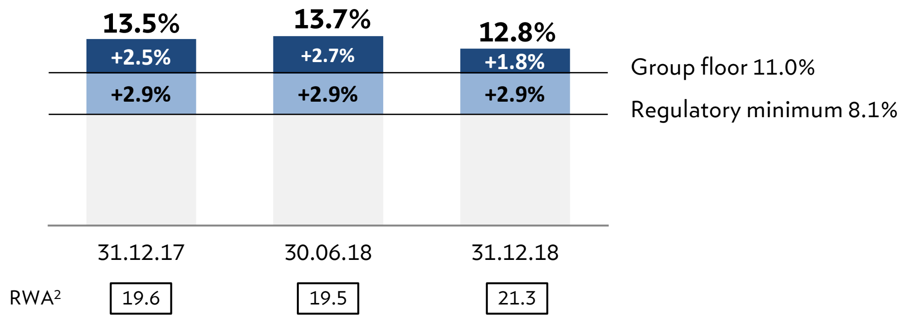
Basel III / CHF m	31.12.17	30.06.18	31.12.18
Risk-weighted assets	**19,601**	**19,471**	**21,338**
CET1 capital [2]	2,643	2,677	2,731
Tier 1 capital [2]	4,098	3,878	3,933
Total capital [2]	4,164	3,935	3,991
Leverage exposure (LERA)	**96,949**	**102,407**	**101,679**

Balance sheet figures as at 31 December 2018, summarised and regrouped from Financial Statements.
*In brackets: figures as at 31 December 2017
[1] Cash held mainly at Swiss National Bank as well as at Deutsche Bundesbank, Banque centrale du Luxembourg and Banque de France
[2] After dividend

CAPITAL AND LEVERAGE RATIOS WELL ABOVE FLOORS

Excluding Kairos and Reliance transactions, CET1 ratio would have increased in 2018

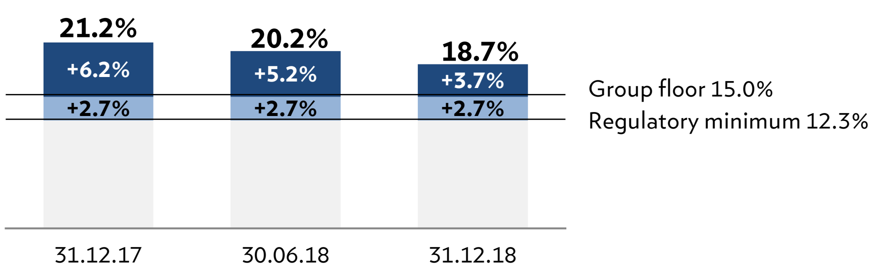
BIS CET1 capital ratio[1]



CET1 ratio 12.8%, down 70bp from end 2017[1] driven by:

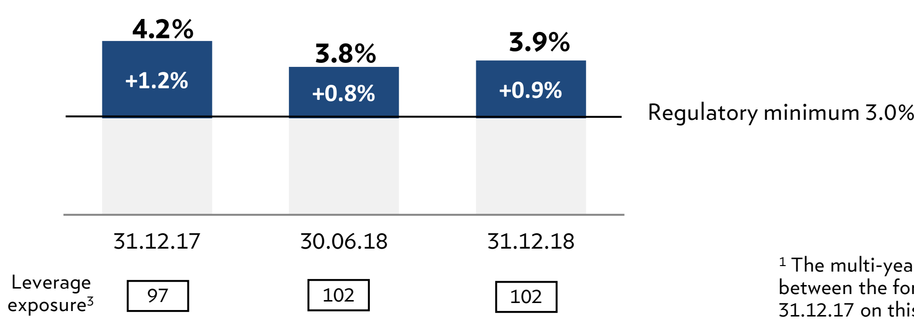
- CHF 0.1bn CET1 capital build (net of CHF 0.3bn dividend accrual)
- CHF 1.7bn RWA increase
  - \+ CHF 0.8bn credit RWA: mainly from reinvestment into treasury portfolio in H2
  - \+ CHF 0.7bn market RWA: increased market volatility
- ~90bp ratio impact from accretive Kairos (20%) and Reliance transactions

BIS total capital ratio[1]



- Impacted by redemption of CHF 250m AT1 bond (March 2018)

Tier 1 leverage ratio[1]



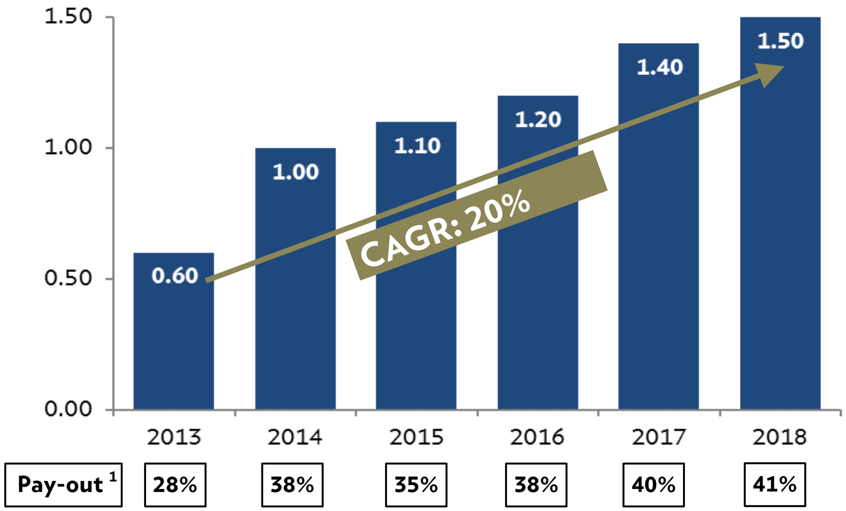
- Tier 1 leverage ratio 3.9%, well in excess of 3.0% minimum leverage ratio requirement
- Impacted by AT1 bond redemption and growth in balance sheet

[1] The multi-year Basel III phase-in period ended at the start of 2018. As a consequence, the differentiation between the formerly used 'phase-in' and 'fully-applied' capital ratios is no longer relevant. The ratios for 31.12.17 on this page refer to the former 'fully-applied' ratios | [2] Risk-weighted assets in CHF bn | [3] In CHF bn

FIFTH CONSECUTIVE RISE IN DIVIDEND

Dividend/capital return policy reconfirmed

Dividend (CHF) in financial years 2013-2018



Proposed dividend[2] CHF 1.50, up 7%

- Fifth consecutive dividend increase
- To be paid out of statutory capital reserve
- Total distribution CHF 336m, or 41% of adjusted net profit attributable to shareholders[3] …
- … in line with pay-out target of ~40%[1]

Reconfirmed dividend/capital return policy

- Intention to distribute ~40%[1] via ordinary dividends
- Unless justified by significant events, per-share ordinary dividend at least equal to previous year's ordinary dividend
- At all times considering capital floors, business and market outlook, and near-term significant investment requirements and opportunities
- From time to time, if justified, special dividends and share buybacks could be considered

[1] Of adjusted net profit attributable to shareholders of Julius Baer Group Ltd. (2015: excluding CHF 521 million US provision [CHF 422 million net of tax]) | [2] Subject to approval at the Annual General Meeting of shareholders on 10 April 2019 | [3] 46% of IFRS net profit attributable to shareholders of Julius Baer Group Ltd.

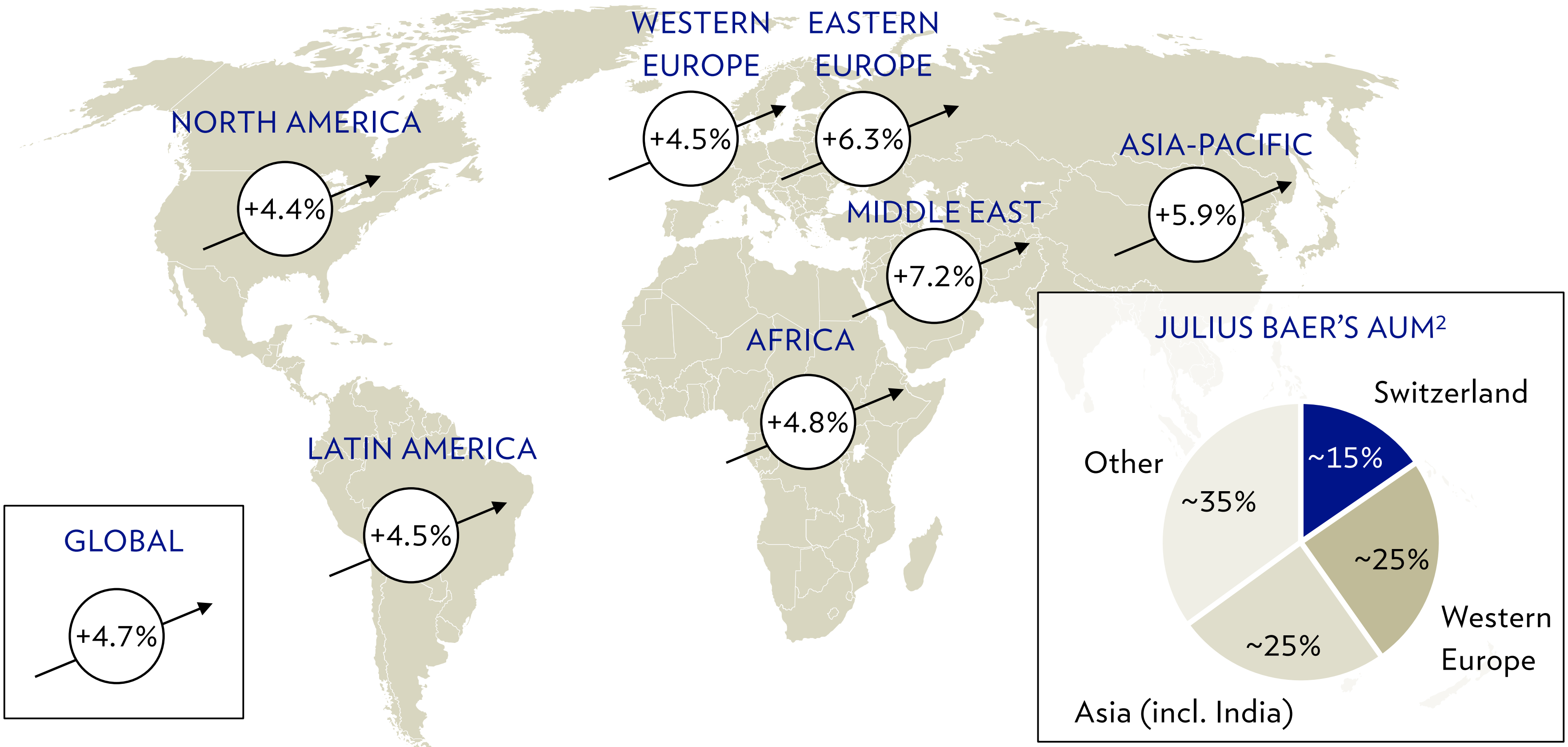
BUSINESS UPDATE

BERNHARD HODLER, CEO

WEALTH MANAGEMENT IS A GROWTH INDUSTRY

Julius Baer well-positioned to capture growth

Expected annual growth of total net investable assets of HNWI and UHNWI[1]



[1] Source: EY Wealth Management Outlook 2018; total net investable assets (NIA) of HNWI and UHNWI (NIA > USD 1m) – annual growth rates 2016-2021
[2] Based on client domicile

EVOLVING STRATEGY TO MEET CLIENT NEEDS AND ACHIEVE MEDIUM-TERM TARGETS

ENHANCE CLIENT EXPERIENCE

IMPROVE EFFICIENCY

INCREASE REVENUES

SMARTER MARKET COVERAGE

Smart allocation of resources to markets which make up > 80% of our AuM

HOLISTIC AND PERSONALISED ADVICE

Leading product and service offering tailored to clients' needs

TECHNOLOGY TRANSFORMATION

Increased use of technology, innovation and robotics

SMARTER MARKET COVERAGE

Improved client offering and allocation of resources

‘CORE’ MARKETS

- Vast majority of AuM
- Onshore presence
- Market-specific holistic offering complemented by advice based on local know-how and expertise
- Organic and inorganic growth

>80% of AuM

‘DEVELOP’ MARKETS

- Considerable growth potential
- Selective investments into build up of footprint and infrastructure
- e.g. Thailand, Japan, South Africa

Shown on map: ‘Core’ markets

‘MAINTAIN’ MARKETS

- More standardised and efficient coverage
- Offshore servicing from other Julius Baer locations

EXAMPLE OF 'CORE' MARKET: GERMANY

Strengthened onshore presence and local offering

- One of most attractive Private Wealth Management markets globally with largest HNWI population in Europe
- HNWI market in Germany grew 7.6% in 2017 to USD 5.2 trillion
- Prospering SME sector is backbone of economy and important source of wealth
- Fragmented banking sector – Julius Baer with strong brand recognition

- German-domiciled clients are served cross-border and from 10 Julius Baer offices in Germany
- Berlin and Hanover offices opened in 2018 on the back of ~20 RM hires

Source: Julius Baer Research, Capgemini World Wealth Report 2018

EXAMPLE OF 'DEVELOP' MARKET: THAILAND

A new approach to participate in a key Asian growth market

SIAM COMMERCIAL BANK

- Thailand's largest commercial bank
- Serving wealthy clients since 1907

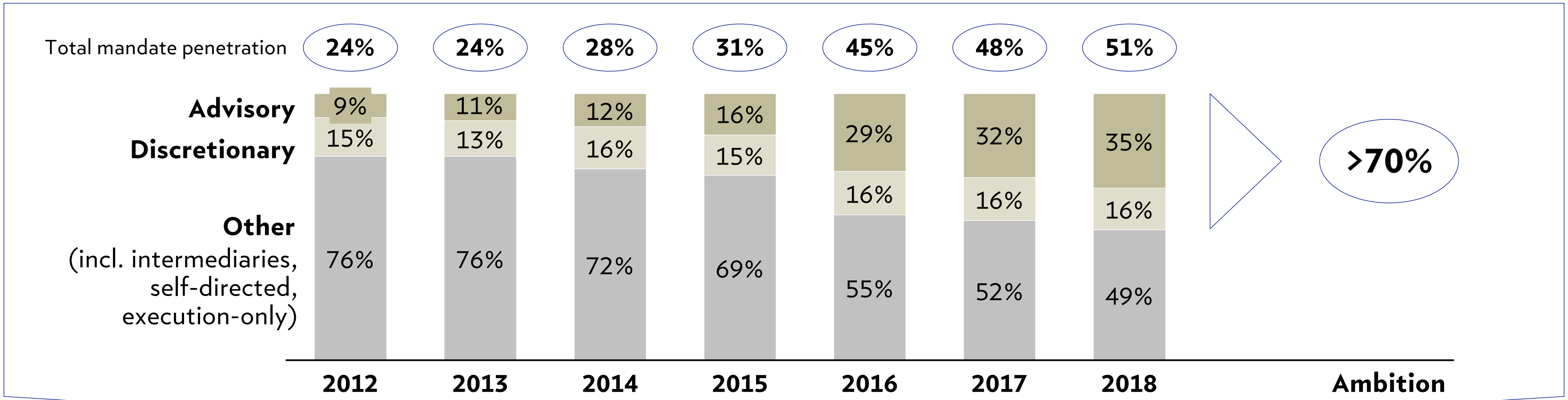
- Thailand's wealth market rapidly growing, estimated at ~USD 300bn with more than 30,000 HNWIs[1]
- Increased demand for sophisticated wealth management services and global investment strategies

- Joint venture combining SCB's strong brand and wealth management expertise with Julius Baer's international wealth management capabilities
- Operated out of Bangkok and Singapore
- Collaboration phase started in November 2018
- Licence for joint venture obtained
- > 15 RMs hired so far and first accounts opened in late 2018

[1] Source: BCG Global Wealth Report 2017

HOLISTIC AND PERSONALISED ADVICE

Growing penetration of fee-based mandates



ADVISORY MANDATES

- Rolled out advisory mandates in Europe (incl. UK) – Middle East to follow in 2019
- Full digitalisation of investment content and regulatory requirements (MiFID) on track
- Investments into data analytics to enhance client experience

DISCRETIONARY MANDATES

- Investment Management with strengthened operating model and further investments into state-of-the-art system
- Strengthened local capabilities in Asia and launched more Asia-focused mandates

TECHNOLOGY TRANSFORMATION

Ambition to deliver a superior client experience and improve efficiency

STRATEGIC PRINCIPLE
Flexibility by Design

Technological & operative capability to

- Service different client segments and types
- Respond efficiently and swiftly to economic opportunities as well as emerging technological and regulatory trends
- Leverage the three processing hubs to enable regional flexibility

KEY ELEMENTS

DIGITAL EXPERIENCE	• Further enhance today's high-touch wealth management experience
THREE-HUB MODEL	• Leverage & optimise the three processing hubs
INNOVATION	• Accelerate innovation and implement pioneering solutions • Active participation in dynamic field of FinTech and RegTech (e.g. AMC[1] platform co-developed with vestr)

[1] Actively Managed Certificates

DIGITAL EXPERIENCE

Further enhance today's high-touch client experience and personal service

**Continued investments into digitalisation
to equip our clients and front-office with better tools and improve efficiency**

DIGITAL ADVISORY SUITE ('DiAS')

Comprehensive and system-supported advisory approach

FX/DERIVATIVES TOOLBOX

Cutting-edge market access for FX and tailor-made structured products

DIGITAL CLIENT JOURNEY

Upgrade of digital channels, data analytics, CRM, and improved client reach

THREE-HUB MODEL

Balancing scale advantages and flexibility needs

ASIA

T24

- Singapore
- Hong Kong

SWITZERLAND

HOST

- Switzerland
- Guernsey

EUROPE+

T24

- Luxembourg
- Monaco
- Nassau

ASIA

- Go-live of T24 Asia completed
- Continued investments into Asian hub in order to fully leverage its potential and further increase efficiency

SWITZERLAND

- Preserve high reliability, cost efficiency and scalability
- Further optimise with smart investments into agility such as service integration layer, etc.

EUROPE+

- Consolidate Monaco and Nassau booking centres to European Hub in Luxembourg
- Enhance to further improve client experience

UPDATED MEDIUM-TERM TARGETS

	FY 2018 adjusted results[1]	Medium-term Targets
Net new money	4.5%	4-6%
Cost/income ratio[2]	70.6%	< 68%
Pre-tax margin	24.8bp	25-28bp
RoCET1	30%	> 32%

- Committed to organic growth
- Profitability targets adapted to reflect changing environment
- Introducing RoCET1 target for clearer linkage between profitability, capital efficiency and capital return ambitions

[1] Excluding integration and restructuring expenses and the amortisation of intangible assets related to acquisitions and divestments, as well as taxes on those respective items
[2] Excluding provisions and losses

APPENDIX

SCOPE OF PRESENTATION OF FINANCIALS

FINANCIAL RESULTS ARE PRESENTED AS USUAL ON THE ADJUSTED BASIS

- *Excluding* integration and restructuring expenses and the amortisation of intangible assets related to acquisitions or divestments, as well as taxes on those respective items
- Reconciliation from the IFRS results to the adjusted results is outlined on the next page
- Please refer to the Julius Baer Group Ltd. Consolidated Financial Statements 2018 (audited)[1] for the IFRS results

[1] Available from www.juliusbaer.com

RECONCILIATION CONSOLIDATED FINANCIAL STATEMENT[1]

IFRS to adjusted net profit

CHF m	2016	2017	2018	Change 2018/2017
Profit after tax per consolidated Financial Statements (IFRS)	**622.1**	**715.9**	**735.3**	**+3%**
Amortisation of intangible assets related to the ING transaction	16.3	16.3	16.3	-
Amortisation of intangible assets related to the IWM transaction[2]	36.1	36.3	36.3	-
Amortisation of intangible assets related to the GPS transaction	4.4	4.7	4.1	-13%
Amortisation of intangible assets related to the Kairos transaction	6.7	8.9	9.0	+1%
Amortisation of intangible assets related to the Commerzbank Lux. transaction	0.8	1.7	1.7	-
Amortisation of intangible assets related to the Leumi and Fransad transactions	1.9	1.9	1.9	-
Amortisation of intangible assets related to the Wergen transaction	-	0.7	0.8	+9%
Amortisation of intangible assets related to the WMPartners transaction	-	1.4	1.4	-
Amortisation of intangible assets related to the Reliance transaction			2.0	-
Integration, restructuring and transaction costs	28.7	30.2	9.6	-68%
Tax impact	-11.6	-12.4	-8.9	-29%
Net impact	**83.4**	**89.8**	**74.3**	**-17%**
Adjusted net profit for the Group	**705.5**	**805.6**	**809.7**	**+0%**

Further details on transaction-related amortisation:

- ING: CHF 16.3m p.a. until December 2019
- IWM: approx. CHF 36m p.a. for most of the years[2] until October 2024
- GPS: BRL 15.4m p.a. until March 2023)
- Leumi: CHF 1.0m p.a. until February 2025
- Fransad: CHF 0.9m p.a. until October 2024
- Kairos: CHF 8.9m p.a. until March 2026
- Commerzbank Luxembourg: CHF 1.7m p.a. until June 2025
- Wergen: CHF 0.7m for February 2017 - December 2017; CHF 0.8m p.a. until January 2026
- WMPartners: CHF 1.4m p.a. until December 2022
- Reliance: CHF 2.0m in 2018; BRL 12.9m p.a. until May 2027

[1] Please see detailed financial statements in the Consolidated Financial Statements 2018, available from www.juliusbaer.com | [2] The acquisition of Bank of America Merrill Lynch's international wealth management business outside the US (IWM) took place in steps and is to a small extent subject to CHF translation

ADJUSTED* NET PROFIT CHF 810m

CHF m	2016	2017	2018	Change 2018/2017	2018 in %
Net interest and dividend income [1]	877	988	919	-7%	27%
Net commission and fee income	1,565	1,931	1,903	-1%	57%
Net trading income [1]	332	304	530	+75%	16%
Other ordinary results	78	30	16	-49%	0%
Operating income	**2,852**	**3,252**	**3,368**	**+4%**	**100%**
Personnel expenses	1,318	1,549	1,619	+5%	68%
General expenses [2]	612	626	681	+9%	29%
Depreciation and amortisation	74	88	91	+3%	4%
Operating expenses	**2,005**	**2,264**	**2,391**	**+6%**	**100%**
Profit before taxes	**848**	**989**	**977**	**-1%**	
Pre-tax margin (bp) [4]	27.1	27.3	24.8	-2.5 bp	
Income taxes	142	183	167	-8%	
Adjusted net profit for the Group [3]	**706**	**806**	**810**	**+0%**	
Adjusted EPS attributable to shareholders of Julius Baer Group Ltd. (CHF)	3.23	3.66	3.72	+2%	
RoTE, adjusted (%) [6]	28%	30%	28%	-2% pt	
RoCET1, adjusted (%) [7]	32%	32%	30%	-2% pt	
Gross margin (bp) [4]	91.1	89.7	85.5	-4.2 bp	
Cost/income ratio (%) [5]	68.9	69.0	70.6	+1.6% pt	
Tax rate	16.8%	18.5%	17.1%	-1.4% pt	
Staff (FTE)	6,026	6,292	6,693	+6%	
Provisions and losses	40	20	14	-32%	
Net new money (CHF bn)	11.9	22.2	17.4	-21%	
Assets under management (CHF bn)	336.2	388.4	382.1	-2%	
Average assets under management (CHF bn)	313.1	362.5	393.9	+9%	

* Excluding integration and restructuring expenses and the amortisation of intangible assets related to acquisitions and divestments, as well as taxes on those items
[1] Net interest income contains dividend income (2016: CHF 192m, 2017: CHF 195m, 2018: CHF 178m) on trading portfolios
[2] Including provisions and losses
[3] Including non-controlling interests of CHF 4.1m for 2016, CHF 12.8m for 2017 and CHF -0.1m for 2018 (no non-controlling interests related to Reliance Group since 100% of Reliance Group acquired from an accounting point of view)
[4] Based on average AuM | [5] Not considering provisions and losses | [6] Return on tangible equity, considering adjusted net profit attributable to shareholders
[7] Return on CET1 capital (pre-2018: fully-applied), considering adjusted net profit attributable to shareholders

ADJUSTED* HALF-YEARLY PERFORMANCE

CHF m	H1 2017	H2 2017	H1 2018	H2 2018	Change H2 18/H2 17	Change H2 18/H1 18	H2 2018 in %
Net interest and dividend income [1]	566	421	554	366	-13%	-34%	23%
Net commission and fee income	922	1,009	1,015	887	-12%	-13%	56%
Net trading income [1]	90	214	206	324	+52%	+57%	21%
Other ordinary results	14	17	14	2	-88%	-85%	0%
Operating income	**1,592**	**1,660**	**1,789**	**1,579**	**-5%**	**-12%**	**100%**
Personnel expenses	762	787	846	773	-2%	-9%	65%
General expenses [2]	294	332	317	364	+10%	+15%	31%
Depreciation and amortisation	42	46	43	48	+4%	+12%	4%
Operating expenses	**1,098**	**1,166**	**1,206**	**1,185**	**+2%**	**-2%**	**100%**
Profit before taxes	**494**	**495**	**583**	**394**	**-20%**	**-32%**	
Pre-tax margin (bp) [4]	28.4	26.2	29.8	19.9	-6.3 bp	-9.9 bp	
Income taxes	90	93	103	64	-31%	-38%	
Adjusted net profit for the Group[3]	**404**	**402**	**480**	**330**	**-18%**	**-31%**	
Adjusted EPS attributable to shareholders of Julius Baer Group Ltd. (CHF)	1.84	1.82	2.20	1.51	-17%	-31%	
RoTE, adjusted (%) [6]	32%	29%	33%	22%	-6% pt	-11% pt	
RoCET1, adjusted (%) [7]	34%	31%	36%	24%	-6% pt	-12% pt	
Gross margin (bp) [4]	91.6	88.0	91.5	79.6	-8.4 bp	-11.8 bp	
Cost/income ratio (%) [5]	69.1	68.9	67.3	74.3	+5.4% pt	+7.0% pt	
Tax rate	18.3%	18.8%	17.7%	16.3%	-2.4% pt	-1.4% pt	
Staff (FTE)	6,205	6,292	6,643	6,693	+6%	+1%	
Provisions and losses	-2	22	2	12	-48%	-	
Net new money (CHF bn)	10.2	11.9	9.9	7.5	-37%	-24%	
Assets under management (CHF bn)	354.7	388.4	399.9	382.1	-2%	-4%	
Average assets under management (CHF bn)	347.7	377.4	391.1	396.6	+5%	+1%	

* Excluding integration and restructuring expenses and the amortisation of intangible assets related to acquisitions and divestments, as well as taxes on those items

1 Net interest income contains dividend income (H1 2017: CHF 181m, H2 2017: CHF 14m, H1 2018 CHF 159m, H2 2018 CHF 19m) on trading portfolios

2 Including provisions and losses

3 Including non-controlling interests of CHF 4.5m for H1 2017, CHF 8.3m for H2 2017 and CHF -0.1m for H2 2018 (no non-controlling interests related to Reliance Group since 100% of Reliance Group acquired from an accounting point of view)

4 Based on average AuM

5 Not considering provisions and losses

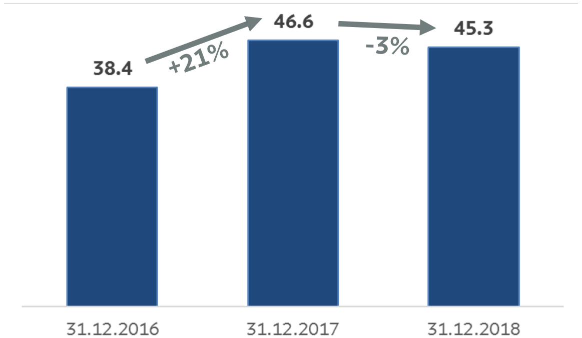
6 Return on tangible equity, considering adjusted net profit attributable to shareholders

7 Return on CET1 capital (pre-2018: fully-applied), considering adjusted net profit attributable to shareholders

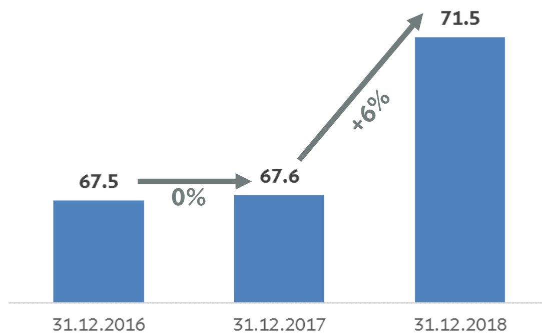
KEY BALANCE SHEET CHANGES 2017 AND 2018

Decline (2017) and increase (2018) in excess deposits drove treasury portfolio[1]

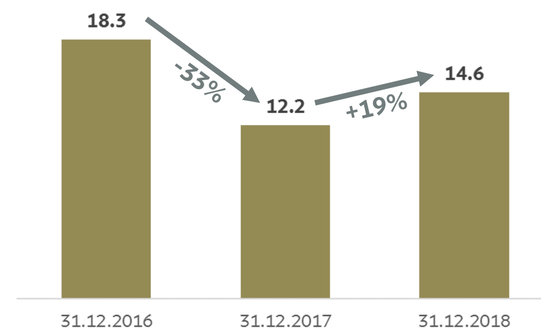
Loans 2016-2018 (CHF bn)



Deposits 2016-2018 (CHF bn)



Treasury portfolio[1] 2016-2018 (CHF bn)



relative to AuM	Loans	Deposits	Treasury portfolio
31.12.2016	11.4%	20.1%	5.4%
31.12.2017	12.0%	17.4%	3.2%
31.12.2018	11.9%	18.7%	3.8%

2017:

- 21% loan growth
- No deposit growth
  - ➢ Decrease in excess deposits
  - ➢ 33% reduction in treasury portfolio[1] (and 20% reduction in cash position)

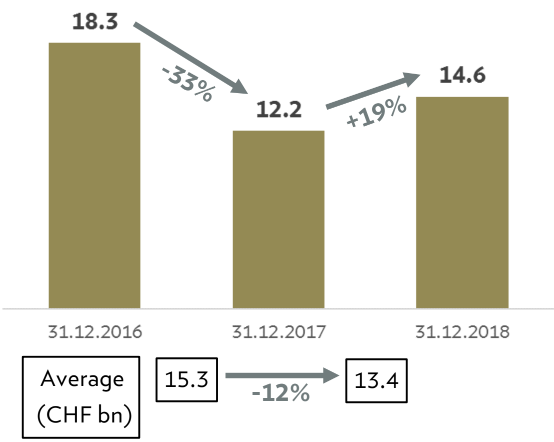
2018:

- 3% loan decrease
- 6% deposit growth (mostly USD)
  - ➢ Increase in USD excess deposits
- Incremental excess deposits **partly invested in treasury portfolio[1]**, up 19% (mainly in H2) ...
- ... and **partly placed, via USD/CHF treasury swaps, at SNB** (revenue recognition in trading income, see slide 8)

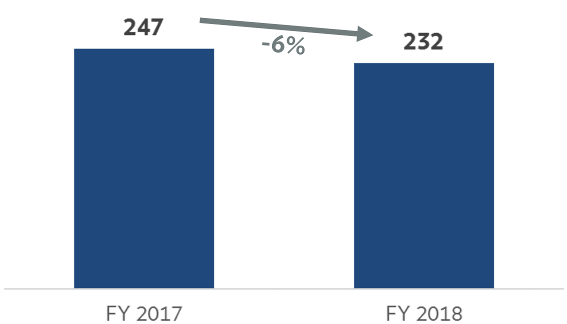
[1] Financial assets measured at fair value through other comprehensive income (FVOCI)

INTEREST INCOME ON TREASURY PORTFOLIO

Treasury portfolio[1] 2016-2018 (CHF bn)



Interest income on treasury portfolio[2] (CHF m)



- From end 2017, portfolio increased 19% (mainly in H2), having shrunk by 33% in previous year

➢ *Average* size of portfolio decreased by 12%, leading to 6% decline in interest income on treasury portfolio[2], as average US interest rates rose

Treasury portfolio:

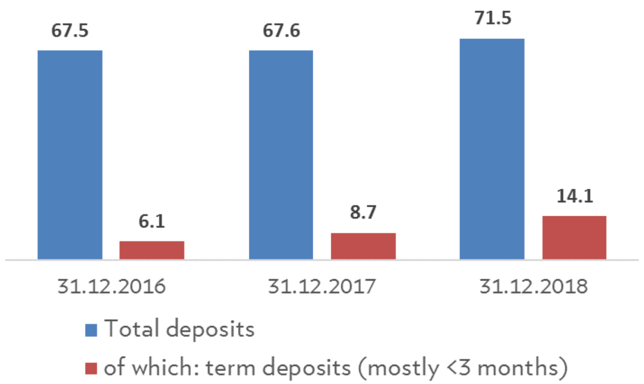
- Majority in USD
- Average duration on USD bonds ~1.6 years

[1] Financial assets measured at fair value through other comprehensive income (FVOCI) | [2] Interest income on debt instruments at FVOCI

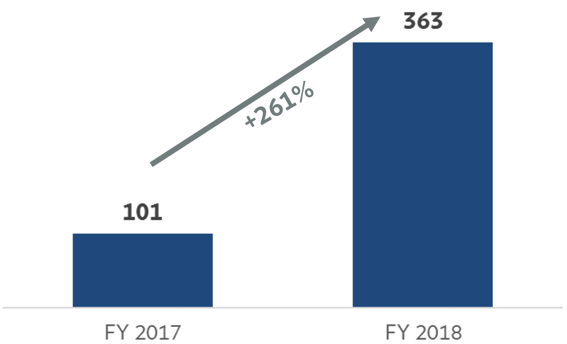
VOLUMES AND HIGHER RATES DRIVE INTEREST EXPENSE

Increase in USD non-current accounts | Short-term US rates almost doubled

Deposits/term deposits 2016-2018 (CHF bn)



Interest expense due to customers (CHF m)



- Term deposits grew by 61%, to CHF 14bn
  - Average grew by 54%, to CHF 11bn
  - As % of total deposits, term deposits increased from 13% to 20%
- Call deposits also increased (very short-term deposits at lower rates)

➢ Higher average amount of term deposits and call deposits

- Increase in 1M USD Libor (avg 1M USD Libor increased from 1.11% in 2017 to 2.02% in 2018)

➢ Increased volumes and higher rates drove increase in interest expense

DETAILED RWA AND CAPITAL RATIO DEVELOPMENT

BIS approach / CHF m	31.12.2017 Basel III[1]	30.06.2018 Basel III[1]	31.12.2018 Basel III[1]
Risk-weighted positions			
Credit risk	13,742	13,541	14,528
Non-counterparty-related risk	357	354	353
Market risk	561	451	1,245
Operational risk	4,941	5,125	5,213
Total risk-weighted positions	**19,601**	**19,471**	**21,338**
CET1 capital [1]	2,643	2,677	2,731
Tier 1 capital [1]	4,098	3,878	3,933
- of which tier 1 capital 'fully eligible Basel III instruments'	*1,455*	*1,202*	*1,202*
Eligible total capital [1]	4,164	3,935	3,991
CET1 capital ratio [1]	**13.5%**	**13.7%**	**12.8%**
Tier 1 capital ratio [1]	**20.9%**	**19.9%**	**18.4%**
Total capital ratio [1]	**21.2%**	**20.2%**	**18.7%**
Leverage ratio (LERA, tier 1 divided by total exposure)	4.2%	3.8%	3.9%
Liquidity coverage ratio (LCR)	144.8%	188.9%	196.9%
Net stable funding ratio (NSFR)	119.0%	126.2%	129.2%
Leverage exposure (LERA)	96,949	102,407	101,679

[1] The multi-year Basel III phase-in period ended at the start of 2018. As a consequence, the differentiation between the formerly used 'phase-in' and 'fully-applied' capital ratios is no longer relevant. The ratios for 31.12.2017 on this page refer to the former 'fully-applied' ratios | [2] After dividend

CAPITAL DEVELOPMENT

CHF m	31.12.2017 *Basel III*[1]	31.12.2018 *Basel III*[1]	Change	30.06.2018 *Basel III*[1]	31.12.2018 *Basel III*[1]	Change last 6 months
Equity at the beginning of the period	**5,354**	**5,854**	**+9%**	**5,854**	**5,854**	**+0%**
Julius Baer Group Ltd. dividend	-269	-313		-313	-313	+0%
Net profit (IFRS)	716	735		444	735	+66%
Effect of adoption of IFRS 9		4		4	4	
Change in treasury shares	-13	-33		-24	-33	
Treasury shares and own equity derivative activity	29	-1		-21	-1	
Remeasurement of defined benefit obligation	3	8		48	8	
Other components of equity	40	-106		-90	-106	
Financial assets measured at fair value through other comprehensive income	*10*	*-45*		*-60*	*-45*	
FX translation differences	*30*	*-61*		*-30*	*-61*	
Others	-6	-108		-114	-108	
Equity at the end of the period	**5,854**	**6,042**	**+3%**	**5,789**	**6,042**	**+4%**
- Goodwill & intangible assets (as per capital adequacy rules)	-2,837	-2,902		-2,904	-2,902	-0%
- Other deductions	-374	-409		-208	-409	+97%
CET1 capital	**2,643**	**2,731**	**+3%**	**2,677**	**2,731**	**+2%**
+ Tier 1 capital instruments	1,455	1,202		1,202	1,202	+0%
= BIS tier 1 capital	**4,098**	**3,933**	**-4%**	**3,878**	**3,933**	**+1%**
+ Tier 2 capital	66	58		57	58	+2%
= BIS total capital	**4,164**	**3,991**	**-4%**	**3,935**	**3,991**	**+1%**

BALANCE SHEET – FINANCIAL ASSETS (FVOCI)

CHF m	31.12.2016	31.12.2017	31.12.2018	in %	Change vs. 31.12.2017
Money market instruments	**3,785**	**-**	**-**	**-**	**-**
Debt instruments	**14,316**	**12,060**	**14,442**	**99%**	**+20%**
Government and agency bonds	3,477	2,848	3,291	23%	+16%
Financial institution bonds	6,296	5,769	7,113	49%	+23%
Corporate bonds	4,500	3,437	4,038	28%	+18%
Other bonds	44	6	-	0%	-100%
Equity instruments	**166**	**187**	**145**	**1%**	**-22%**
Total financial assets measured at fair value through other comprehensive income (FVOCI)	**18,267**	**12,247**	**14,588**	**100%**	**+19%**
Cash with central banks	13,571	10,838	15,811		+46%

Debt instruments by credit rating classes		Moody's	31.12.2016	31.12.2017	31.12.2018	in %	Change vs. 31.12.2017
1–2	AAA – AA-	Aaa – Aa3	9,491	8,386	8,775	*61%*	+5%
3	A+ – A-	A1 – A3	4,459	3,517	4,718	*33%*	+34%
4	BBB+ – BBB-	Baa1 – Baa3	267	127	983	*6%*	+633%
5	BB+ – BB-	Ba1 – Ba3	52	17	17	*0%*	-1%
Unrated[1]			47	13	-	*0%*	-100%
Total			**14,316**	**12,060**	**14,442**	***100%***	**+20%**

Note: With the application of IFRS 9 as of 1 January 2018, the previously separately disclosed money market instruments have been included in debt instruments (2017 has been adjusted accordingly)

[1] New issues or unrated bonds from top-rated issuers

BREAKDOWN OF AUM

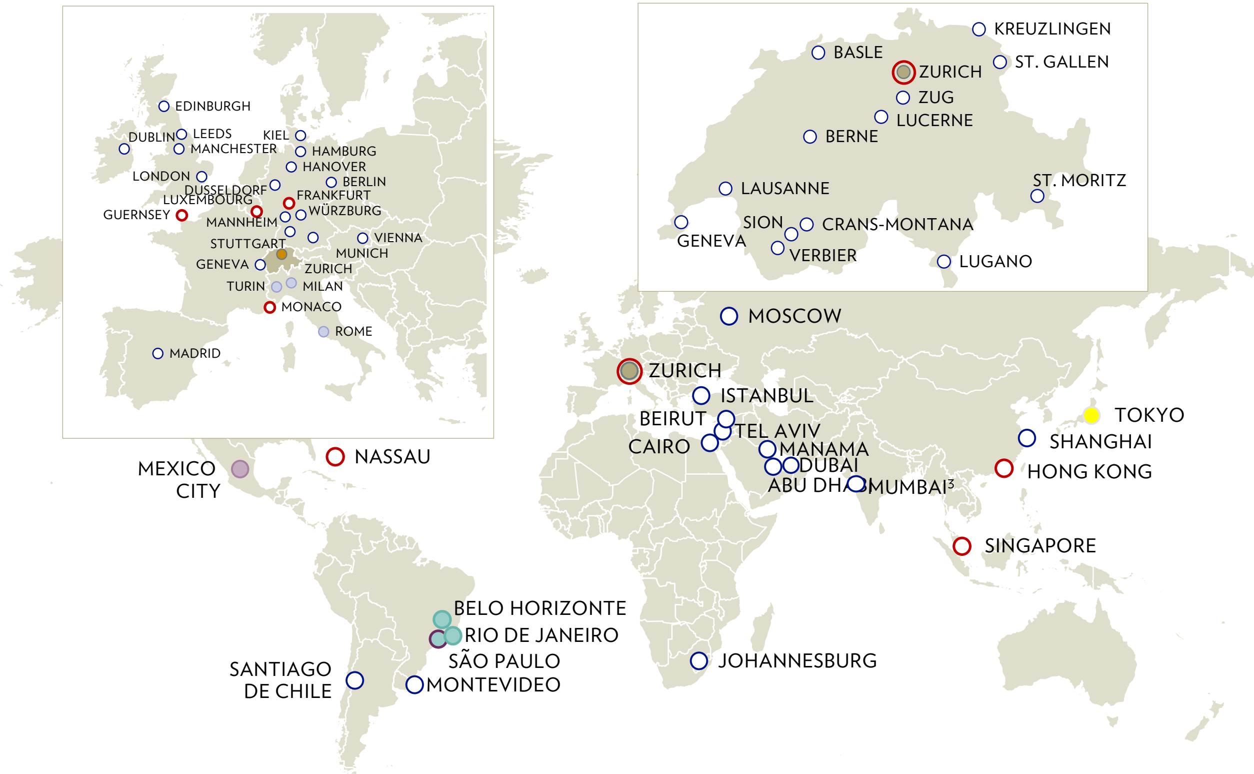
Asset mix	31.12.2016	31.12.2017	31.12.2018
Equities	27%	28%	26%
Bonds (including Convertible Bonds)	19%	19%	20%
Investment Funds [1]	24%	26%	25%
Money Market Instruments	3%	3%	4%
Client Deposits	20%	18%	19%
Structured Products	5%	5%	5%
Other, including alternative investment assets	2%	1%	1%
Total	**100%**	**100%**	**100%**

Currency mix	31.12.2016	31.12.2017	31.12.2018
USD	45%	45%	46%
EUR	22%	23%	22%
CHF	11%	10%	10%
GBP	4%	4%	4%
HKD	3%	4%	3%
INR	2%	3%	3%
SGD	2%	2%	2%
BRL	2%	1%	2%
JPY	1%	1%	1%
AUD	1%	1%	1%
CNY	1%	1%	1%
CAD	1%	1%	1%
Other	5%	4%	4%
Total	**100%**	**100%**	**100%**

[1] Includes, amongst other asset classes, further exposure to equities and bonds

JULIUS BAER: PURE-PLAY WEALTH MANAGEMENT GROUP

Well positioned for further growth



Legend

- Head office
- Location
- Booking centre
- GPS
- Kairos
- NSC (40%)
- Reliance Group
- Julius Baer Nomura Wealth Management (60%)

- World's largest pure wealth management Group
- Premium brand in global wealth management
- Client-centric approach
- Balanced exposure to traditional and growth markets
- Present in more than 50 locations
- Almost 6,700 highly dedicated staff, incl. over 1,500 RMs
- AuM CHF 382bn[1]
- Strongly capitalised:
  - BIS total capital ratio 18.7%[1]
  - BIS CET1 capital ratio 12.8%[1]
- Moody's long-term deposit rating Bank Julius Baer & Co. Ltd: Aa2 / stable outlook
- Market capitalisation: CHF 9bn[2]

[1] At 31 December 2018 | [2] At 1 February 2019 | [3] Additional advisory locations in Bangalore, Chennai, Kolkata and New Delhi

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

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