Julius Bär

THE LEADING SWISS PRIVATE BANKING GROUP

Dieter Enkelmann
Chief Financial Officer

Goldman Sachs European Financials Conference
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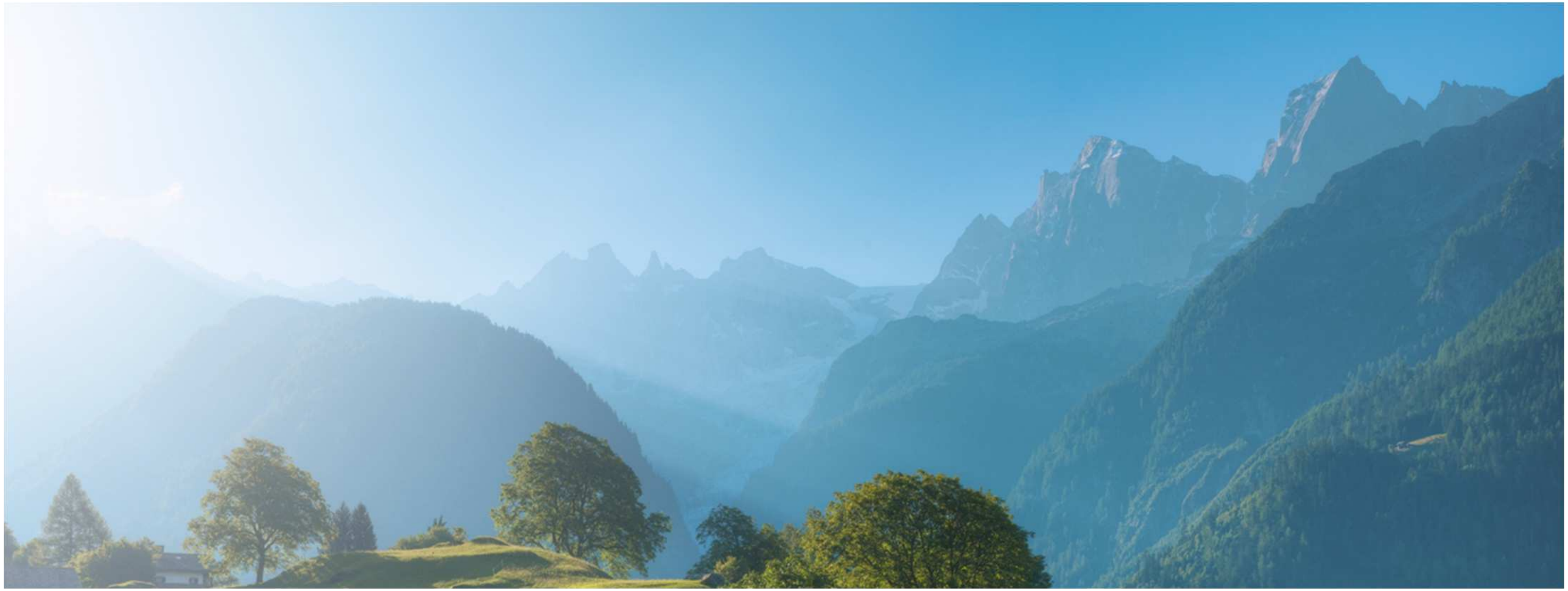


JULIUS BAER: PURE PRIVATE BANKING

Well positioned for further growth

- Rich heritage – celebrated 125 years in 2015
- Premium brand in global wealth management
- Client-centric approach
- Open product platform
- Strong expansion into growth markets
- Present in more than 50 locations
- >5,500 highly dedicated staff, incl. more than 1,200 RMs
- Total client assets CHF 393bn[1]
- AuM CHF 305bn[1]
- Strongly capitalised:
  - BIS total capital ratio 17.1%[1]
  - BIS CET1 ratio 15.9%[1]
- Moody's long-term deposit rating Bank Julius Baer: Aa2
- Market capitalisation: CHF 10bn[2]

[1] At 30 April 2016, on phase-in basis | [2] At 25 May 2016 | [3] Additional advisory locations in Bangalore, Chennai, Kolkata and New Delhi

JULIUS BAER GROUP STRATEGY

Consistently executed since September 2009 (launch of the new Julius Baer Group)

Pure Private Banking

- Focus on pure private banking
- Targeting private clients, family offices and external asset managers

Leverage International Platform

- Switzerland
- Europe
- Asia
- Other

- Leverage global footprint for AuM growth and enhanced client proximity
- Switzerland: gain market share
- Europe: selectively expand offering domestically and out of Switzerland for key markets
- Asia: continue building 'second home' in fast-growing market
- Other markets: opportunistic growth in Central and Eastern Europe as well as in Latin America, the Middle East and Indian subcontinent

Generate Growth

- Organic
- M&A

- Generate steady net new money throughout cycle
- Continue careful hiring of experienced relationship managers
- Selective acquisitions to support growth strategy
- Strong balance sheet, conservatively managed with low-risk business profile

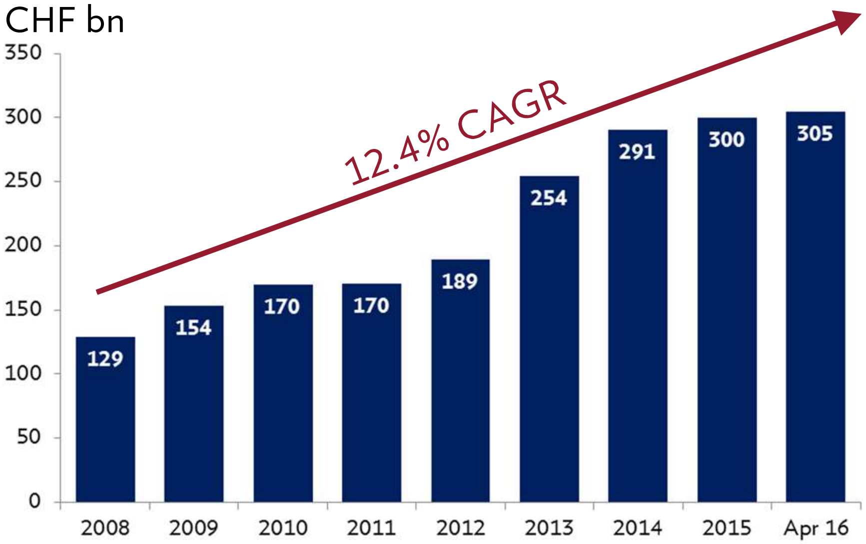
Client-centric Business Model

- Client-centric service excellence and management culture
- True open-architecture and innovation as key differentiating factor
- Experienced and committed management team

SINCE 2008: SIGNIFICANT AUM GROWTH

Supported by continued inflows, acquisitions and market performance

Development of Assets under Management



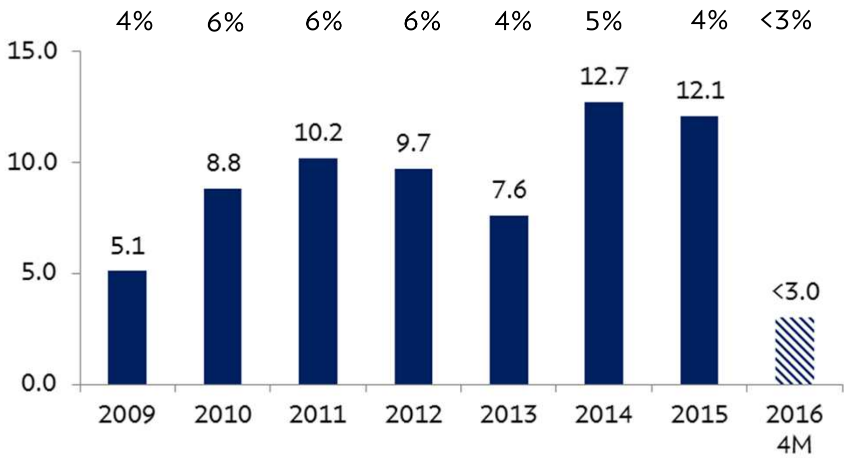
- AuM: from CHF 129bn at end 2008 to **CHF 305bn at end April 2016**
  - ➢ AuM CAGR 12.4%
- On back of continued inflows, acquisitions and market performance…
- … and despite significant strengthening of CHF, especially vs EUR
  - ➢ AuM CAGR *in USD*: 13.5%
  - ➢ AuM CAGR *in EUR*: 17.2%

GROWTH SUPPORTED BY CONTINUED NET INFLOWS

Target 4-6% per annum

Development of Net New Money

in CHF bn and %[1]



2009-2015:

- Inflows from growth markets
  - Asia, LatAm, Middle East, Israel, Russia/CEE
- Since 2010 also significantly from domestic business in Germany ...
- ... and more recently also increasingly from domestic businesses in Switzerland and Monaco

- **Jan-April 2016: NNM below 3%[1]**
  - Slow momentum in Russia/CEE and LatAm
  - Some deleveraging in Asia
  - Tail end of tax regularisations (France, Italy)

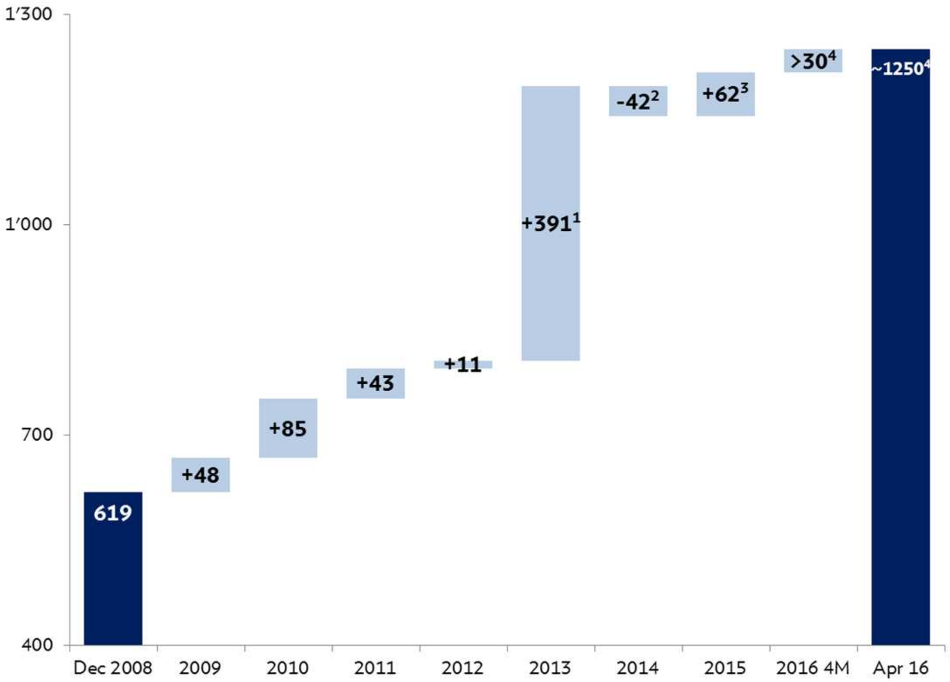
- **4-6% target range remains achievable**
  - YTD success in hiring RMs
  - Strong hiring pipeline

[1] (annualised) NNM in % of AuM at the start of the year

INFLOWS HELPED BY ATTRACTING QUALITY RMs

Number of relationship managers doubled over past 7+ years

Relationship Managers
Dec 2008 – April 2016 (# of RMs[4])



Attractive platform for top private banking talents (and clients):

- Independence/pure private banking
- Client-centric approach
- Wide range of first-class products and services
- Excellent brand recognition
- Strong capital position
- Conservative balance sheet
  - Deposit-driven
  - Loan-deposit ratio 0.56[5]
  - Moody's long-term deposit rating Aa2

2016: Major hiring opportunity

- Already net >30 hired in first 4 months
- Expected to attract significantly more in remainder of 2016

[1] 2013: +391, mostly from RMs transferring in from Bank of America's International Wealth Management business (IWM) outside the US | [2] 2014: -42, driven by IWM transaction-related synergy realisations | [3] 2015: +62, of which net 40 from hiring, remainder from acquisitions | [4] Not including Kairos RMs | [5] At 31 December 2015

M&A SUPPORTS GROWTH PATH

Main 2016 transactions in Italy and Luxembourg

- 1 April 2016: increased stake in Italian wealth and asset manager Kairos from 19.9% to 80%
  - Established as partnership in 1999
  - Specialised in wealth and asset management, incl. independent best-in-class investment solutions
  - AuM has grown to EUR 8bn, from EUR 4bn at start of partnership in 2013
  - 2015 gross margin >140 bps, supported by strong performance fees
  - 2015 pre-tax profit EUR 55.9m, up from EUR 39.7m in 2014
  - Transaction consideration EUR 276m (for 60.1%)
    - Positive fair value adjustment (of initial stake) CHF 39m
  - Full member of Julius Baer Group, but will continue to operate under Kairos name and identity
  - Represents Julius Baer's exclusive gateway to attractive Italian domestic WM market
  - In subsequent step, Kairos to be listed through offering of minority on Italian Stock Exchange[1]
  - Kairos' executive management will remain unchanged
  - Partners will retain a stake in Kairos post listing

Commerzbank International S.A. Luxembourg

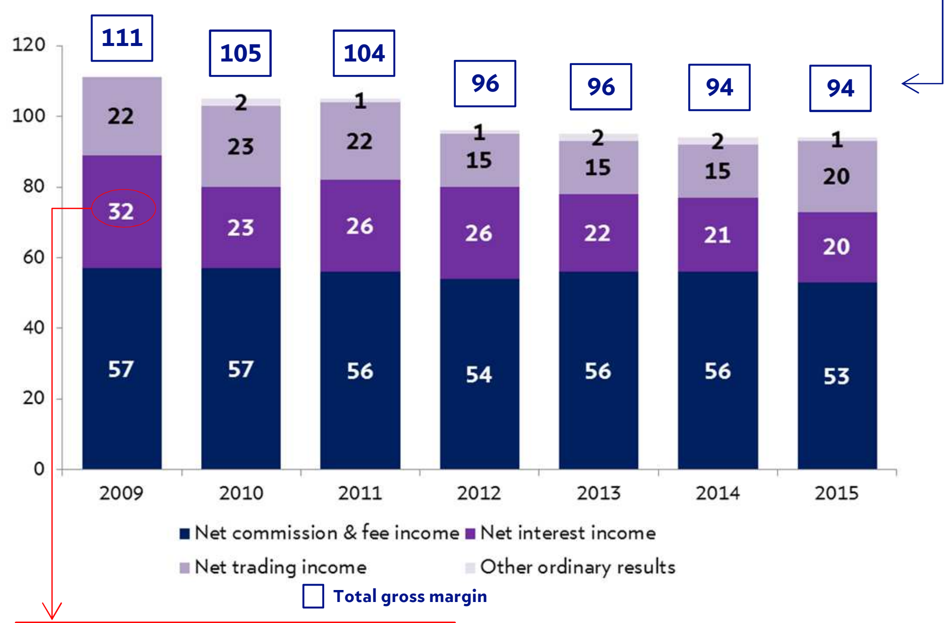
- Closing of transaction expected in summer 2016
  - ~EUR 3bn AuM, will strengthen Julius Baer's presence in Luxembourg
  - Fully-licensed bank (booking platform) → enhances Julius Baer's flexibility for European business
  - Temenos T24 banking platform → adds relevant expertise for core banking platform renewal project
  - Total consideration ~EUR 68m, assuming EUR 25m of regulatory capital is transferred
  - Restructuring and integration costs expected at ~EUR 20m

[1] Subject to regulatory approval and market conditions

GROSS MARGIN DEVELOPMENT

Since 2012: decline in contribution from interest income

Development of gross margin[1,2]
2009 – 2015 (basis points)



2009: Interest spread *temporarily* very high following 2008 financial crisis

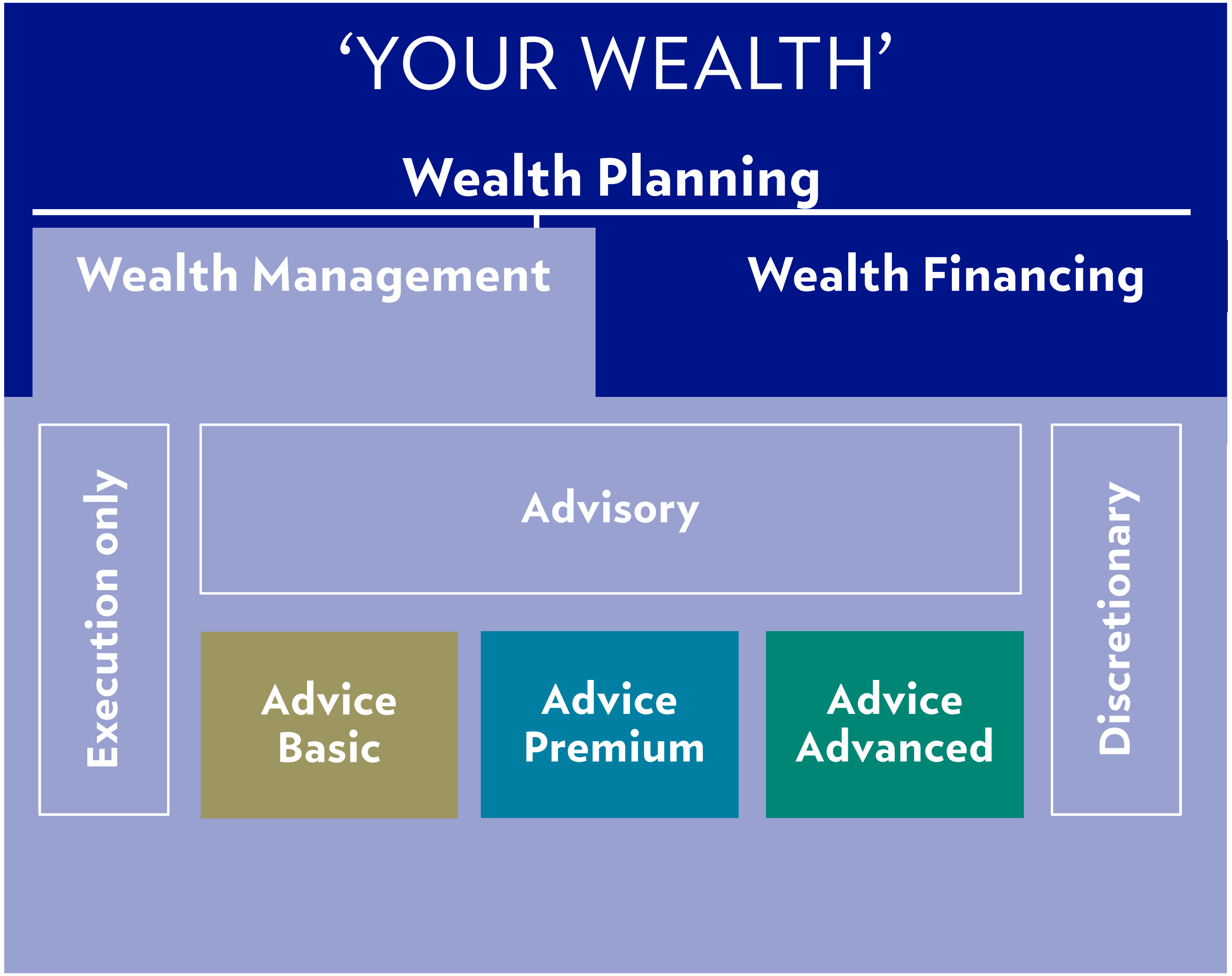
<u>2012-2015:</u>

- On annual basis, gross margin has moved within 94-96 bps band
- Decline in contribution from interest income
- Over shorter periods: larger swings
  - e.g. 2015: H1 99 bps, H2 88 bps
- **Jan-Apr 2016: 95bps, underlying 91bps**
  - Gross margin improved to 91 bps (from 88 bps in H2 2015), excluding a CHF 39m positive fair value adjustment related to Kairos stake increase
  - Increase (vs H2 2015) in underlying gross margin driven mainly by modest improvement in client trading

[1] Gross margin = operating income divided by period monthly average AuM, in basis points
[2] Gross margin contribution from net interest income adjusted to exclude dividends on trading portfolios, contribution from net trading income adjusted to include the same (does not impact total gross margin)

INTRODUCING THE NEW *JULIUS BAER – YOUR WEALTH*

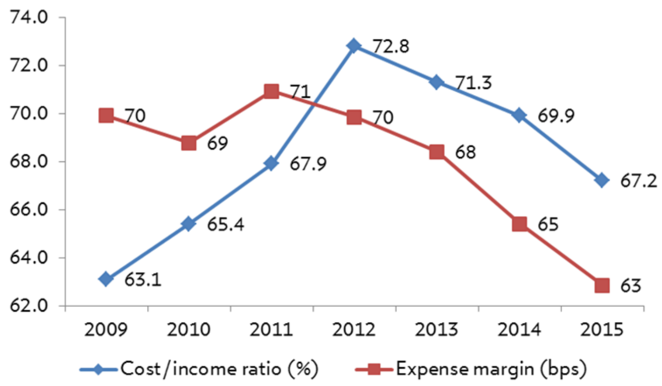
Roll-out of new service model offering, initially in Switzerland



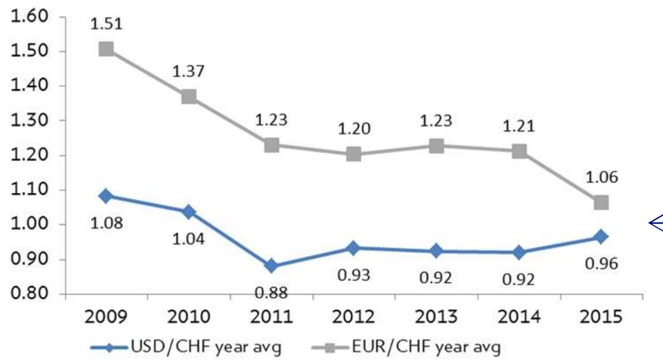
2009-15: EFFICIENCY GAINS PARTLY OFFSET BY STRONG CHF

Medium-term target reset to 64-68%

Cost/income ratio[1] and expense margin[1,2] 2009-2015



USD and EUR 2009-2015 (year average)



- 2009-12: CIR[1] increased on declining gross margin and significant weakening of USD and especially EUR
- 2013-15 : IWM[3] integration and synergy realisation
- 2015: CHF strengthening required further cost measures
- Expense margin[1,2] has been reduced steadily since 2011

- **Feb 2016: New medium-target CIR range 64-68%**
- **January-April 2016:** CIR moderately above new medium-term target range, driven by strategic decision to invest in accelerating RM hirings and strengthening other key areas
- Only modest gross margin recovery + CHF strengthening → New cost measures to balance growth investments
  - ➢ **2016 FY CIR expected to be very close to medium-term target range** (assuming no further significant deterioration in markets and currencies)

Currency exposure Julius Baer:
- AuM[4]: 12% CHF, 46% USD, 21% EUR
- 60% of adjusted expenses in CHF[5]

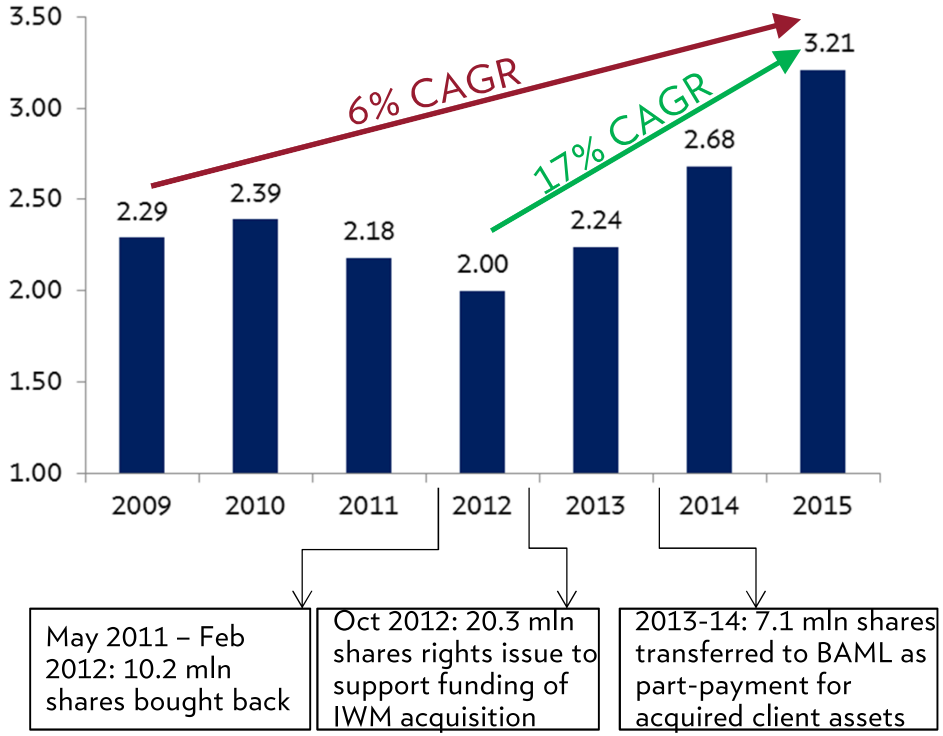
Stronger CHF puts upward pressure on CIR

[1] On adjusted/underlying cost basis (see definition next page), and excluding valuation allowances, provisions and losses | [2] Costs divided by period monthly average AuM, in basis points | [3] The former International Wealth Management (IWM) business outside the US of Bank of America Merrill Lynch | [4] At end of 2015 | [5] FY 2015, estimated

SIGNIFICANT UNDERLYING* EPS GROWTH

Scale and efficiency gains outstripping gross margin and currency headwinds

Development of underlying* EPS (CHF)



- Underlying EPS CAGR
  - since 2009: 6%
  - since 2012: 17%

* Based on adjusted net profit (which excludes integration and restructuring expenses and amortisation of intangible assets related to acquisitions or divestments) and additionally excluding in 2015 the USD 547 million (CHF 521 million) provision for the settlement (reached February 2016) with the US Department of Justice regarding the legacy US cross-border business, in 2013 the CHF 29 million provision in relation to the withholding tax treaty between Switzerland and the UK, and in 2011 the EUR 50 million (CHF 65 million) one-off payment to German authorities and the CHF 50 million impact of the cost reduction plan announced that year

MEDIUM-TERM TARGETS

CIR target 64 - 68% (prior to 2016: 65 - 70%)

	FY 2015	H2 2015	New Medium-Term Targets
Cost/Income Ratio[1]	67.2%	69.9%	64-68%
Pre-Tax Profit Margin[2]	28.8bps	25.8bps	>30bps
Net New Money[3]	4.2%	3.9%	4-6%

[1] Adjusted cost/income ratio, calculated excluding valuation allowances, provisions and losses
[2] Adjusted (in 2015: underlying) pre-tax profit divided by period monthly average AuM, in basis points
[3] (Annualised) net new money as % of AuM at end of previous period

CONTENT

Appendix

Selected slides (mostly) from FY 2015 results presentation

SCOPE OF PRESENTATION OF FINANCIALS

Financial results are presented as usual on the adjusted basis

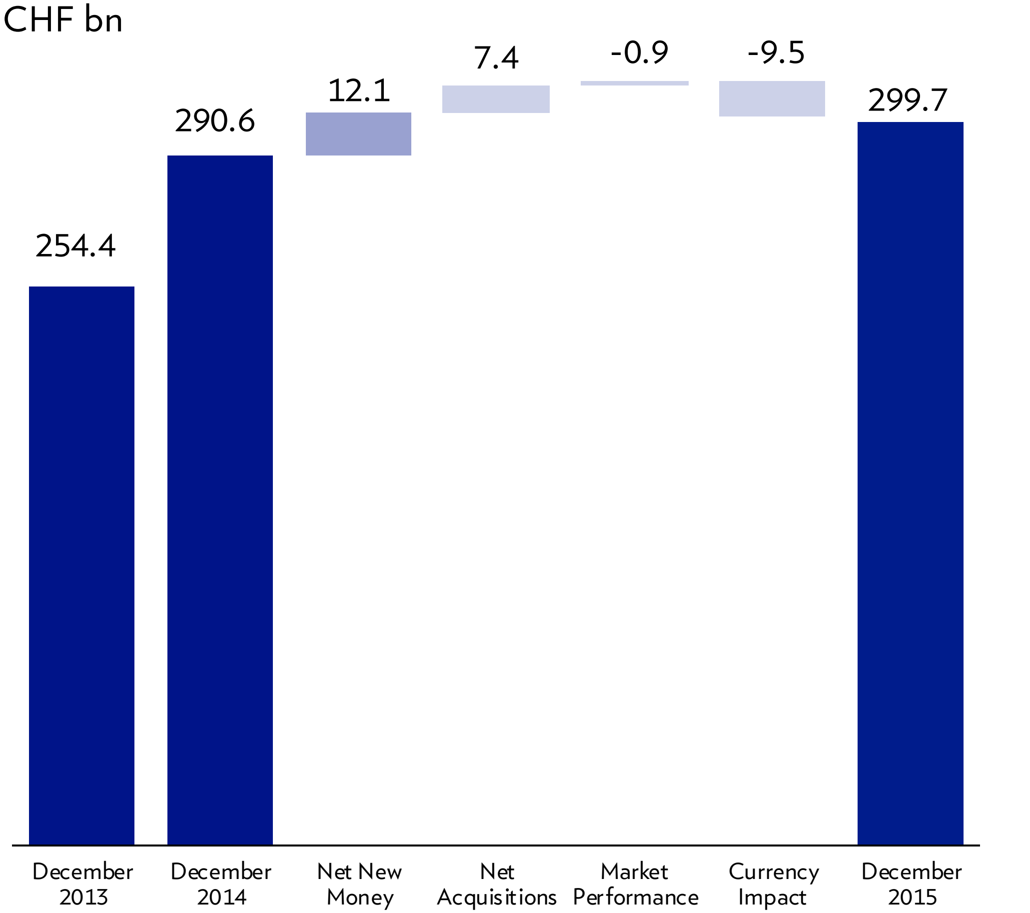
- *Excluding* integration and restructuring expenses and amortisation of intangible assets related to previous acquisitions or divestments, as well as taxes on those respective items
- In order to ensure a meaningful comparability of the *underlying* business performance, certain figures are additionally provided excluding the USD 547 million (CHF 521 million) provision for the settlement amount stemming from the final approval by the DOJ of the settlement with respect to a resolution (pending a court hearing on the resolution) regarding Julius Baer's legacy US cross-border business by the US Department of Justice (the US provision)
- Reconciliation from the IFRS results to the adjusted and underlying results is outlined on slide 23
- Please refer to the 2015 Consolidated Financial Statements[1] for the IFRS results

[1] Available from www.juliusbaer.com

2015: AUM UP CHF +9bn (+3%) TO CHF 300bn

Despite negative FX impact of -3%

Development of Assets under Management



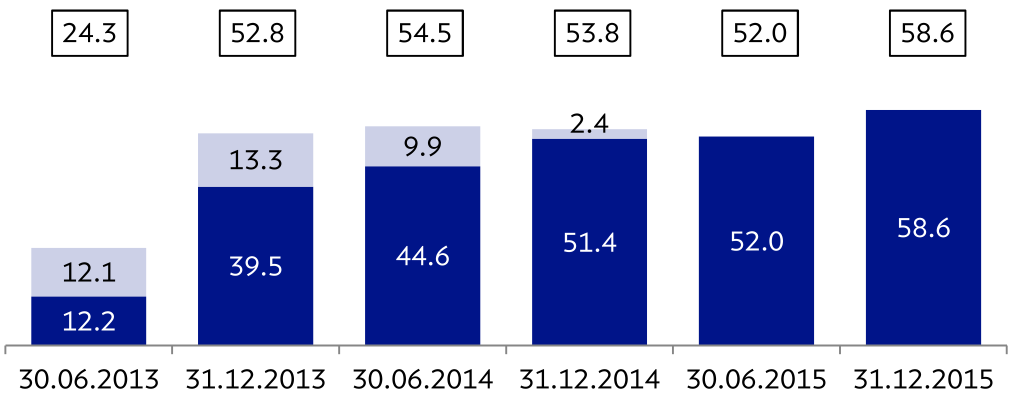
- AuM CHF 300bn, +3%
  - Net new money CHF +12.1bn
  - Net acquisitions[1] CHF +7.4bn
  - Market performance CHF -0.9bn
  - Currency impact CHF -9.5bn
- *Average* AuM[2] 2015 of CHF 288bn, up +6%
- Assets under custody CHF 86bn
- Total client assets CHF 385bn

[1] Net acquisition consisting of CHF +4.2bn Leumi, CHF +2.5bn (net) IWM, CHF +1.3bn Fransad and CHF -0.6bn divestiture IWM Paris
[2] Calculated on the basis of monthly AuM levels

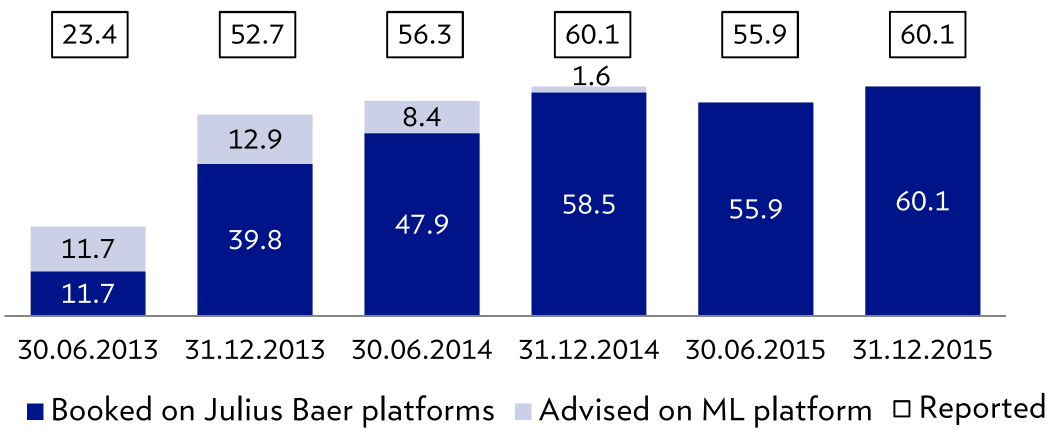
IWM: AUM DEVELOPMENT

Asset transfers completed, within target range

IWM asset transfer (value at applicable transfer dates)*



IWM AuM at current values**



Applicable local closings of the transaction in 2013:

- Feb: Merrill Lynch Bank Switzerland
- April: Uruguay[1], Chile[1], Luxembourg[1], Monaco[1]
- May: Hong Kong[2], Singapore[2]
- July: UK[1, 2], Spain[1], Israel[2]
- Nov: Panama[2]
- Dec: Bahrain[2], Lebanon[1], UAE[2]

in 2014:

- April: Ireland[2]
- May: Netherlands[2]
- Sep: France[1]

in 2015:

- Sep: India[1] with 6bn AuM

[1] Legal entity acquisition
[2] Business transfer

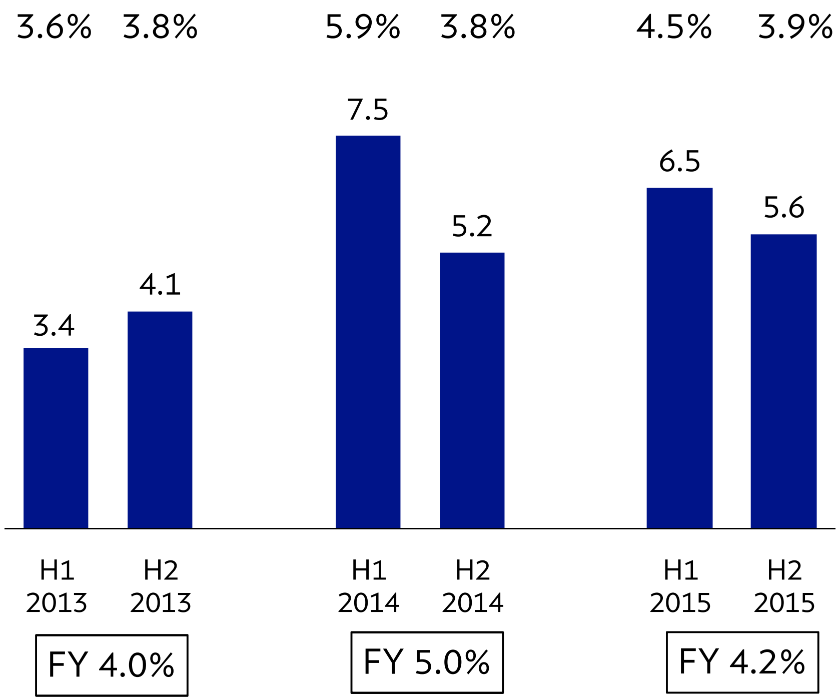
* Acquisition payments to BAML are based on value of booked assets at applicable transfer dates
** Including growth since applicable transfer dates, and net of subsequent reclassifications to AuC

2015: NET NEW MONEY 4.2% – WITHIN TARGET RANGE

Despite ongoing tax regularisations

Net New Money

in CHF bn and %[1]

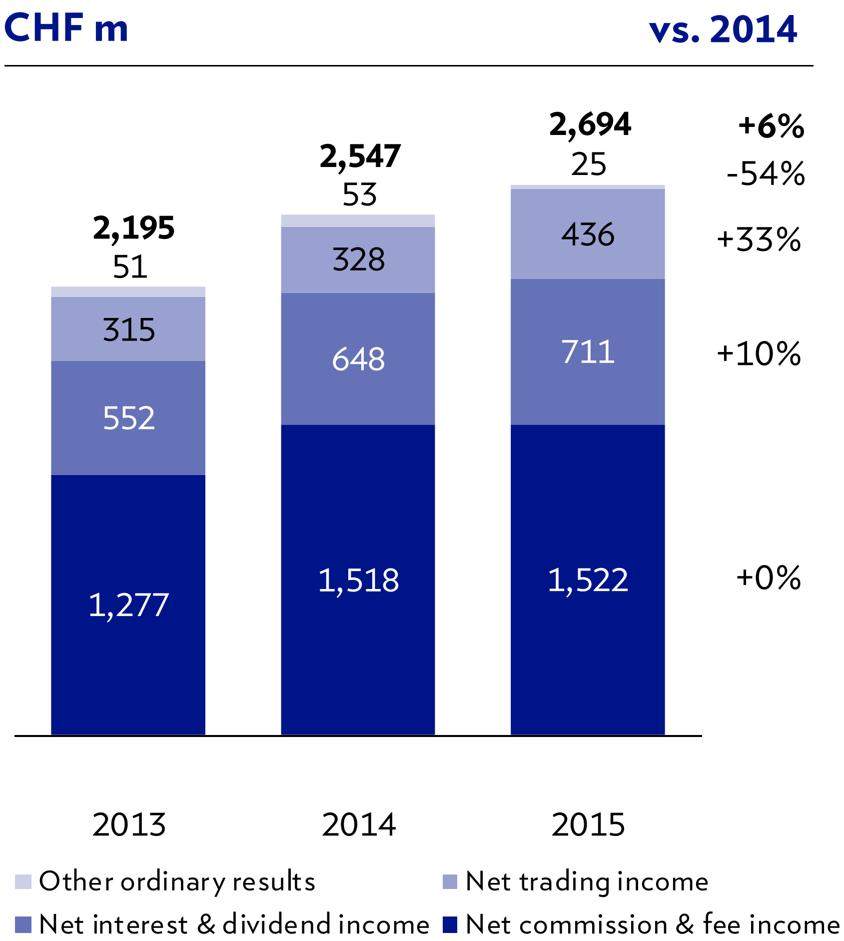


- NNM of CHF 12.1bn or 4.2%[1]
- Net inflows from all regions, with strong contributions from Asia, the Middle East and Israel, as well as the domestic businesses in Germany, Monaco and Switzerland
- Clear improvement in the contribution from the cross-border European business (particularly from the UK) despite the impact of the tax regularisations of legacy assets from clients domiciled in France and Italy

[1] Annualised NNM in % of AuM at the end of the previous period

2015: OPERATING INCOME +6% TO CHF 2.7bn

Supported by strong growth in trading income



Net commission/fee income flat to CHF 1,522m[1]

- Brokerage income impacted by lower client risk appetite in H2

Net interest/dividend income +10% to CHF 711m

- Excluding dividend income on trading portfolios[2], underlying NII -1% to CHF 572m …
- … as benefit of higher loan and treasury income and lower deposit expenses …
- … were offset by lower interest rates on trading portfolio holdings, negative central bank deposit rates, and increase in hybrid debt issued

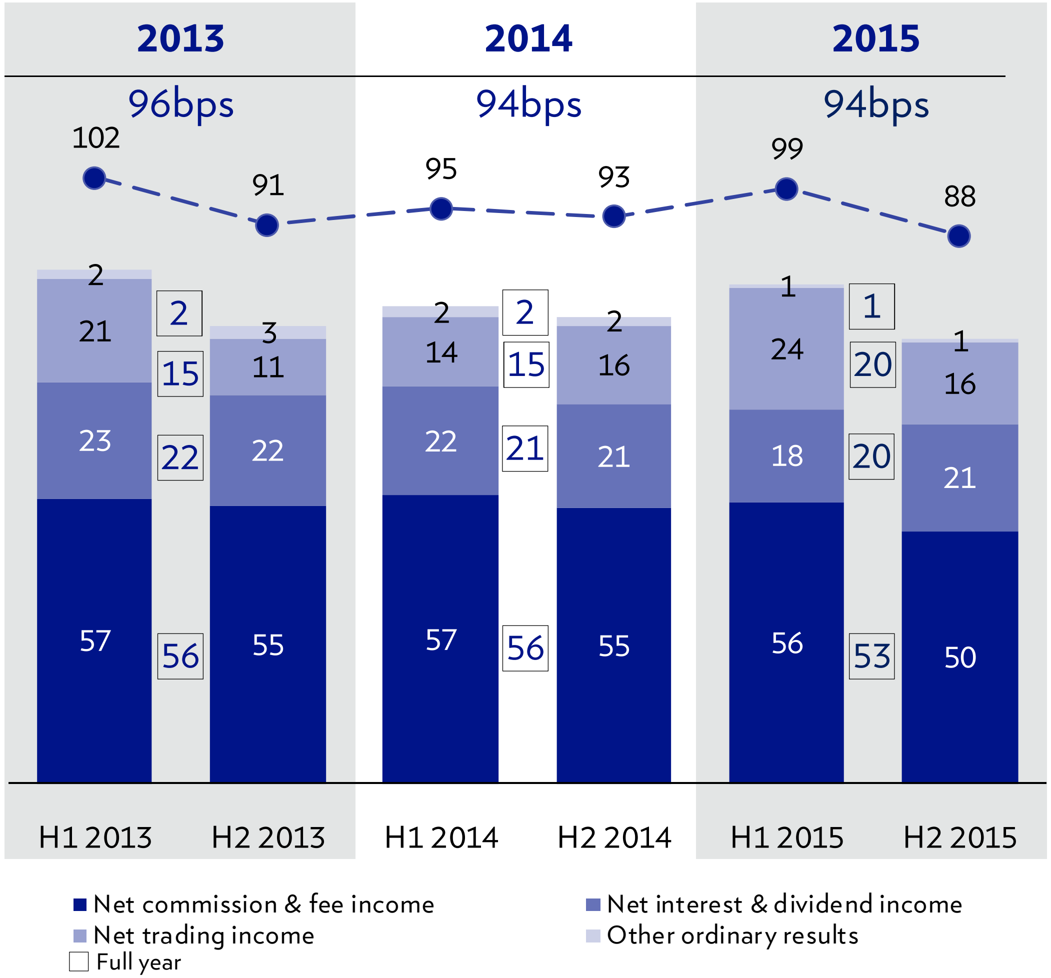
Net trading income +33% to CHF 436m

- Crediting back dividend income on trading portfolios[2], underlying net trading income +44% to CHF 575m …
- … supported by higher FX volumes in H1 (especially January)

[1] Analysis impacted by fact that this line item in 2014 included all income on IWM reported AuM that were not yet booked on Julius Baer platforms
[2] Dividend income on trading portfolios 2015: CHF 139m (2013: CHF 38m, 2014: CHF 72m)

2015: GROSS MARGIN REMAINED AT 94 BPS[1,2]

Increased client activity in H1 followed by significant moderation in H2



- Net commission/fee income 53bps (-3bps vs. 2014; H2 2015 -6bps vs. H1 2015)
- Net interest income[2] 20bps (-1bp vs. 2014; H2 2015 +3bps vs. H1 2015)
- Net trading income[2] 20bps (+5bps vs. 2014; H2 2015 -8bps vs. H1 2015)
- Decline in H2 commission/fee and trading gross margin driven by lower client activity and reduced FX volatility

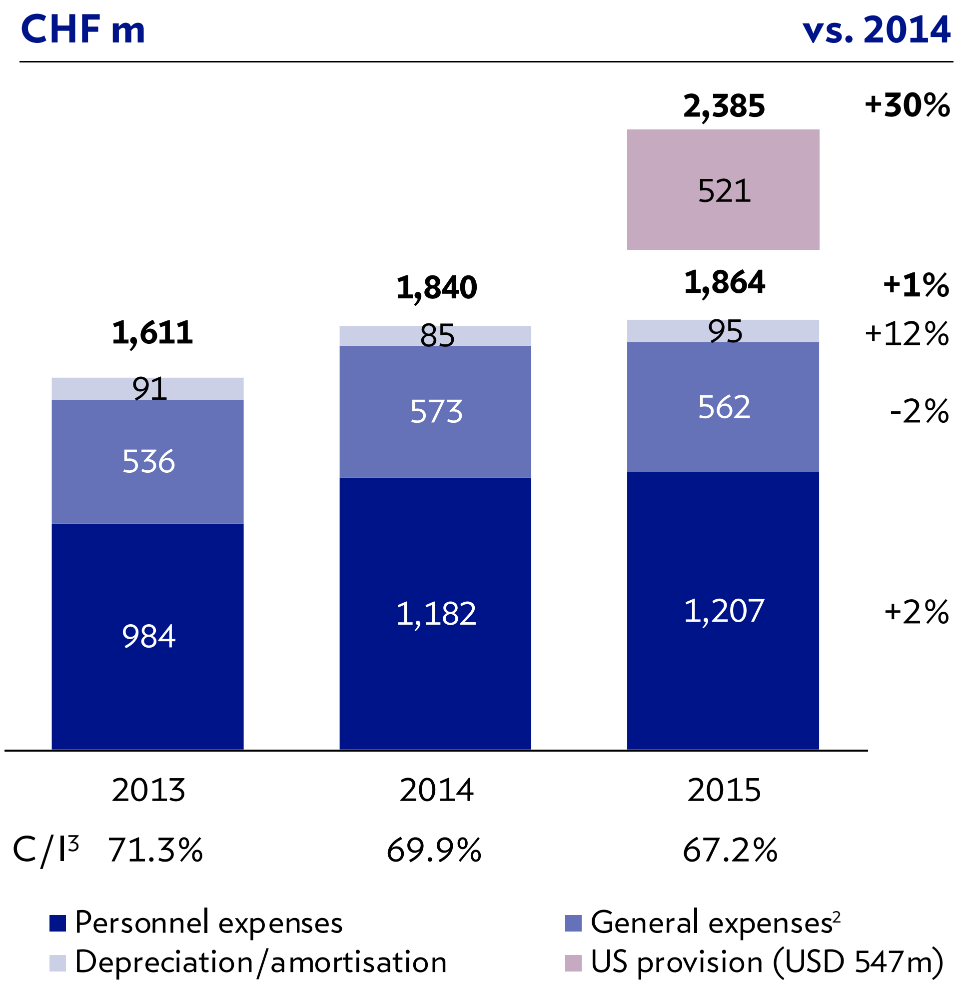
Extrapolated split * (in bps)	**H1 2015**	**H2 2015**	**FY 2015**
Julius Baer stand-alone	100	90	95
IWM	95	81	88
Total	**99**	**88**	**94**

* The legal entities as well as the acquired IWM businesses have been fully integrated into the existing Group structure. Therefore the Group is not able to disclose any income statement impacts of the acquired IWM business on the Group's financial statements. The figures provided in the table represent a best estimate.

[1] Operating income divided by monthly average AuM, in basis points. Avg AuM in H2 2015 was CHF 292.0bn, up 3% compared to H2 2014 and up 3% compared to H1 2015
[2] Net interest income adjusted to exclude dividends on trading portfolios, net trading income adjusted to include the same (H1 2013: CHF 33m, H2 2013: CHF 5m, H1 2014: CHF 63m, H2 2014: CHF 9m, H1 2015: CHF 122m, H2 2015: CHF 17m)

2015: OPERATING EXPENSES[1] +30% TO CHF 2.4bn

Excluding US provision: +1% to CHF 1,864m



Personnel expenses +2% to CHF 1,207m

- Well below growth in revenues and avg AuM
- Average #FTEs relevant for adjusted expenses: unchanged, reflecting IWM transaction-related net reductions as well as further measures announced in February 2015
- Slight increases in performance-based compensation, share-based payments and pension contributions

General expenses[2] +89% to CHF 1,083m

- Excluding the provision of USD 547.25m (CHF 521m) for the US: -2% to CHF 562m …
- … reflecting IWM synergies, additional cost measures taken in 2015, as well as a decrease in valuation allowances, (other) provisions and losses

Cost/income ratio[3] 67.2%

- Well within 65-70% target range for 2015
- In H2 2015 69.9%, reflecting deteriorating revenue environment

[1] Excluding amortisation of intangible assets, integration and restructuring costs
[2] Including valuation allowances, provisions and losses
[3] Cost/income ratio not considering valuation allowances, provisions and losses

2015: ADJUSTED NET PROFIT 2015 DOWN 52% TO CHF 279m

Excluding US provision: +20% to CHF 701m

CHF m	2013	2014	2015	Change 2015/2014
Operating income	2,195	2,547	2,694	+6%
Adjusted operating expenses	1,611	1,840	2,385	+30%
Adjusted profit before taxes	**583**	**706**	**309**	**-56%**
Adjusted pre-tax margin (bps)	**25.5**	**25.9**	**10.7**	**-15.2 bps**
Income taxes	103	121	30	-75%
Adjusted net profit[1]	**480**	**586**	**279**	**-52%**
Adjusted EPS (in CHF)	2.24	2.68	1.28	-52%
Tax rate	17.7%	17.1%	9.7%	-7.4 pts
Excluding US provision:				
Underlying operating expenses	1,611	1,840	1,864	+1%
Underlying profit before taxes	**583**	**706**	**830**	**+18%**
Underlying pre-tax margin (bps)	**25.5**	**25.9**	**28.8**	**+2.9 bps**
Income taxes	103	121	129	+7%
Underlying net profit[1] (excl. US provision)	**480**	**586**	**701**	**+20%**
Underlying EPS (in CHF)	2.24	2.68	3.21	+20%
Tax rate	17.7%	17.1%	15.5%	-1.6 pts

[1] Excluding amortisation of intangible assets, integration and restructuring costs. Including these positions (see also slide 23), the net profit was CHF 123m in 2015, down 67% from CHF 367m in 2014 and down 35% from 188m in 2013

2015: UNDERLYING* NET PROFIT CHF 701m

CHF m	2013	2014	2015	Change 2015/2014	2015 in %
Net interest and dividend income [1]	552	648	711	+10%	26%
Net commission and fee income	1,277	1,518	1,522	+0%	57%
Net trading income [1]	315	328	436	+33%	16%
Other ordinary results	51	53	25	-54%	1%
Operating income	**2,195**	**2,547**	**2,694**	**+6%**	**100%**
Personnel expenses	984	1,182	1,207	+2%	65%
General expenses [2]	536	573	562	-2%	30%
Depreciation and amortisation	91	85	95	+12%	5%
Operating expenses	**1,611**	**1,840**	**1,864**	**+1%**	**100%**
Profit before taxes	**583**	**706**	**830**	**+18%**	
Pre-tax margin (bps) [4]	25.5	25.9	28.8	+2.9 bps	
Income taxes	103	121	129	+7%	
Underlying net profit (excl. US provision) [3]	**480**	**586**	**701**	**+20%**	
Adjusted EPS (in CHF)	2.24	2.68	3.21	+20%	
Gross margin (bps) [4]	95.9	93.5	93.6	+0.0 bps	
Cost/income ratio (%) [5]	71.3	69.9	67.2	-2.7% pts	
Tax rate	17.7%	17.1%	15.5%	-1.6% pts	
Staff (FTE)	5,390	5,247	5,364	+2%	
Valuation allowances, provisions and losses	45.7	59.9	53.3	-11%	
Net new money (CHF bn)	7.6	12.7	12.1	-5%	
Assets under management (CHF bn)	254.4	290.6	299.7	+3%	
Average assets under management (CHF bn)	229.0	272.2	288.0	+6%	

* Excluding amortisation of intangible assets, integration and restructuring costs and excluding US provision
[1] Net interest and dividend income includes dividend income on trading portfolios (2013: CHF 38m, 2014: CHF 72m, 2015: CHF 139m)
[2] Including valuation allowances, provisions and losses
[3] Including non-controlling interests of CHF 0.3m for 2013, CHF 1.8m for 2014 and CHF 1.9m for 2015
[4] Based on monthly average AuM
[5] Not considering valuation allowances, provisions and losses

RECONCILIATION CONSOLIDATED FINANCIAL STATEMENT 2015[1] TO ADJUSTED AND UNDERLYING NET PROFIT

CHF m	2013	2014	2015	Change 2015/2014
Profit after tax per consolidated Financial Statements (IFRS)	**187.8**	**367.4**	**122.5**	**-67%**
Amortisation of intangible assets related to the UBS transaction	74.0	74.0	67.8	-8%
Amortisation of intangible assets related to the ING transaction	16.3	16.3	16.3	-
Amortisation of intangible assets related to the IWM transaction	10.7	28.4	34.5	+21%
Amortisation of intangible assets related to the GPS transaction	-	4.5	4.4	-2%
Amortisation of intangible assets related to the Leumi and Fransad transactions[2]	-	-	1.0	-
Integration and restructuring costs	199.1	113.0	46.3	-59%
Switzerland / UK agreement on withholding tax	28.6	-	-	-
Tax impact	-36.6	-17.8	-13.6	-24%
Net impact	**292.0**	**218.4**	**156.6**	**-28%**
Adjusted net profit	**479.8**	**585.8**	**279.2**	**-52%**
US settlement, provision	-	-	521.3	-
Tax impact	-	-	-99.0	-
Net impact	**-**	**-**	**422.3**	**-**
Underlying net profit	**479.8**	**585.8**	**701.5**	**+20%**

- The estimate for the total IWM-related transaction, restructuring and integration costs has been reduced from CHF 435m to CHF 420m
- The UBS transaction-related amortisation of CHF 74.0m p.a. started in December 2005 and ended in November 2015 and therefore amounted to only CHF 67.8m for the full year 2015

[1] Please see detailed financial statements in the Financial Statements Julius Baer Group 2015

[2] Leumi: CHF 0.8m in 2015, going forward CHF 1.0m per annum until February 2025 | Fransad: CHF 0.2m in 2015, going forward CHF 0.9m per annum until October 2024

H2 2014 – H2 2015: UNDERLYING* FINANCIAL PERFORMANCE

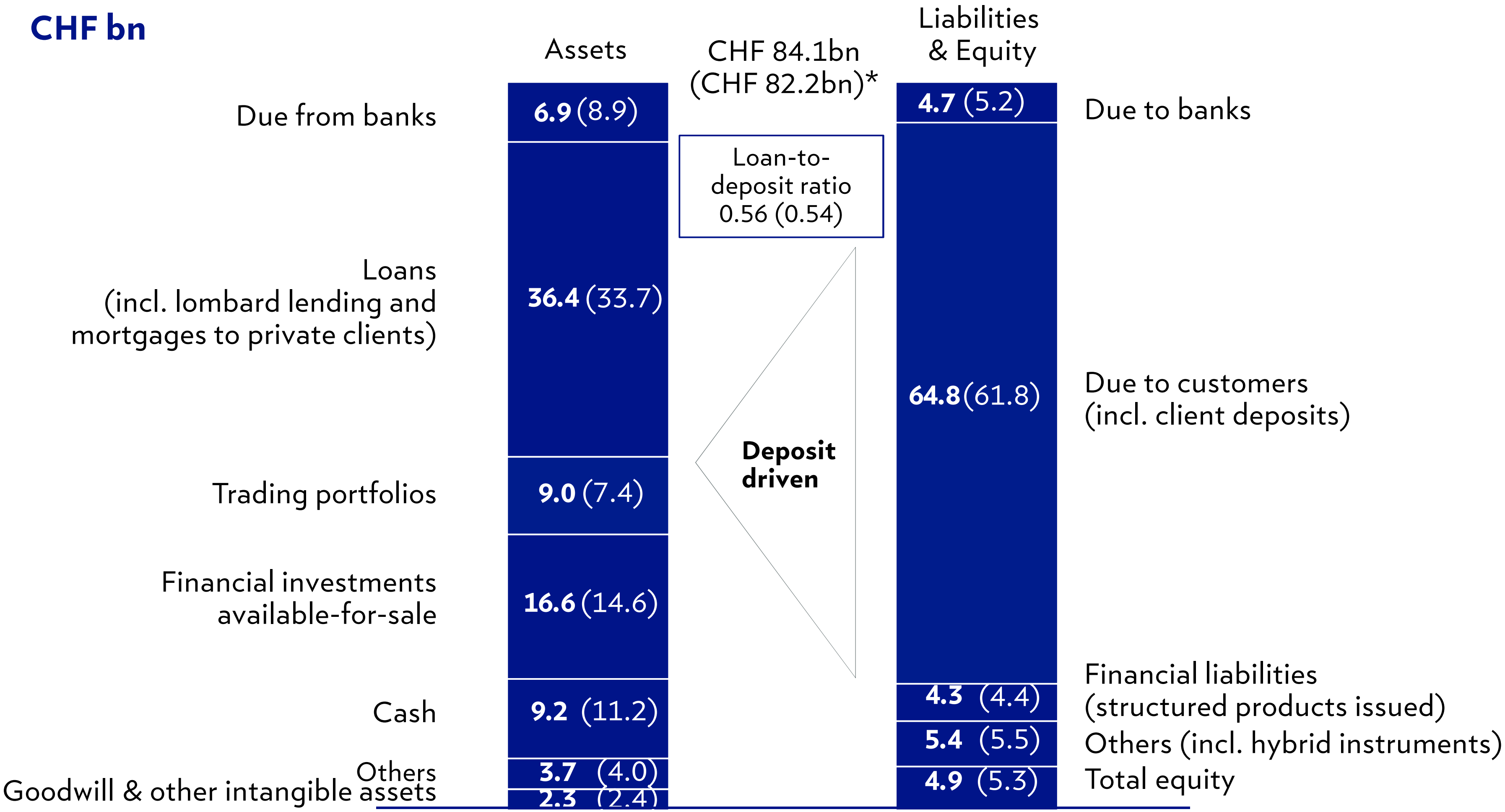
Half-yearly

CHF m	H2 2014	H1 2015	H2 2015	Change H2 15/H2 14	Change H2 15/H1 15	H2 2015 in %
Net interest and dividend income [1]	301	384	327	+9%	-15%	25%
Net commission and fee income	772	792	730	-5%	-8%	57%
Net trading income [1]	212	217	219	+3%	+1%	17%
Other ordinary results	25	15	10	-60%	-32%	1%
Operating income	**1,311**	**1,408**	**1,286**	**-2%**	**-9%**	**100%**
Personnel expenses	590	630	577	-2%	-9%	63%
General expenses [2]	322	278	284	-12%	+2%	31%
Depreciation and amortisation	46	45	50	+8%	+10%	5%
Operating expenses	**958**	**954**	**910**	**-5%**	**-5%**	**100%**
Profit before taxes	**353**	**454**	**376**	**+7%**	**-17%**	
Pre-tax margin (bps) [4]	24.9	32.0	25.8	+0.8 bps	-6.2bps	
Income taxes	55	70	59	+7%	-17%	
Underlying net profit (excl. US provision)	**298**	**384**	**317**	**+6%**	**-17%**	
Underlying EPS (in CHF)	1.37	1.76	1.45	+6%	-17%	
Gross margin (bps) [4]	92.6	99.2	88.1	-4.5 bps	-11.1 bps	
Cost/income ratio (%) [5]	69.1	64.7	69.9	+0.8% pts	+5.2% pts	
Tax rate	15.5%	15.5%	15.6%	+0.1% pts	+0.1% pts	
Staff (FTE)	5,247	5,378	5,364	+2%	-0%	
Valuation allowances, provisions and losses	52.2	42.5	10.8	-79%	-75%	
Net new money (CHF bn)	5.2	6.5	5.6	+7%	-14%	
Assets under management (CHF bn)	290.6	284.0	299.7	+3%	+6%	
Average assets under management (CHF bn)	283.1	283.9	292.0	+3%	+3%	

* Excluding amortisation of intangible assets, integration and restructuring costs and excluding US provision
[1] Net interest and dividend income includes dividend income on trading portfolios (H2 2014: CHF 9m, H1 2015: CHF 122m, H2 2015: CHF 17m)
[2] Including valuation allowances, provisions and losses
[3] Including non-controlling interests of CHF 1.2m for H2 2014, CHF 1.0m for H1 2015 and CHF 0.9m for H2 2015
[4] Based on monthly average AuM
[5] Not considering valuation allowances, provisions and losses

SOLID BALANCE SHEET – LOW RISK PROFILE

CHF bn



Figures as at 31 December 2015, summarised and regrouped from Financial Statements | * In brackets: figures as at 31 December 2014

WELL CAPITALISED

BIS approach / CHF m	31.12.2013 Basel III [3]	31.12.2014 Basel III [3]	31.12.2015 Basel III [3]	31.12.2013 Basel III fully applied	31.12.2014 Basel III fully applied	31.12.2015 Basel III fully applied
Risk-weighted positions						
Credit risk	10,664	12,207	13,775	11,181	12,599	14,042
Non-counterparty-related risk	588	548	510	386	383	373
Market risk	969	347	777	969	347	777
Operational risk	3,687	3,876	4,233	3,687	3,876	4,233
Total risk-weighted positions	**15,908**	**16,978**	**19,295**	**16,223**	**17,205**	**19,425**
CET1 capital [1]	3,328	3,740	3,534	2,665	2,713	2,368
Tier 1 capital [1]	3,328	3,740	3,534	2,913	3,306	3,277
- of which tier 1 capital 'preferred securities' [2]	*203*	*180*	*0*	*0*	*0*	*0*
- of which tier 1 capital 'fully eligible Basel III instruments'	*248*	*593*	*908*	*248*	*593*	*908*
Eligible total capital [1]	3,561	3,980	3,748	2,979	3,380	3,346
- of which lower tier 2 instruments [2]	*218*	*193*	*171*	*0*	*0*	*0*
CET1 capital ratio [1]	**20.9%**	**22.0%**	**18.3%**	**16.4%**	**15.8%**	**12.2%**
Tier 1 capital ratio [1]	**20.9%**	**22.0%**	**18.3%**	**18.0%**	**19.2%**	**16.9%**
Total capital ratio [1]	**22.4%**	**23.4%**	**19.4%**	**18.4%**	**19.6%**	**17.2%**
Loan-to-deposit ratio	0.53	0.54	0.56	0.53	0.54	0.56
Liquidity coverage ratio (LCR)	110.5%	200.9%	172.1%	110.5%	200.9%	172.1%
Net stable funding ratio (NSFR)	121.3%	123.9%	123.7%	119.0%	122.2%	123.7%
Leverage exposure (LERA)	71,257	80,099	82,458	71,257	80,099	82,458
Leverage ratio (LERA, tier 1 divided by total exposure)	4.7%	4.7%	4.3%	4.1%	4.1%	4.0%

At 30 April 2016 , following increase in ownership in Kairos (to 80%), GPS (to 100%) and JBWM (to 100%):

- BIS total capital ratio: 17.1%
- BIS CET 1 capital ratio: 15.9%

[1] After dividend
[2] Old style capital instruments, which do not qualify under Basel III. Phase out period is 10 years, straight-line, starting 2013
[3] In Switzerland the Basel III framework came into effect on 1 January 2013. The Basel III effects but also the effects of IAS 19-revised relating to pension liabilities will be phased in between 2014 and 2018 for the calculation of the eligible capital. Furthermore, non-compatible Basel III tier 1 and tier 2 capital instruments will be phased out between 2013 and 2022

UPDATED CAPITAL AND DIVIDEND FRAMEWORK

Following US provision and completion of IWM integration

Regulatory capital requirements (phase-in)[1]:

– BIS total capital ratio >12.2 %
– BIS tier1 capital ratio > 9.8%
– BIS CET1 capital ratio >8.0%

Julius Baer floors (phase-in):

– BIS total capital ratio >15%

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– BIS CET1 capital ratio >11%

Capital ratios

- By taking into account minimum regulatory requirements and interests of clients, AT1 investors and shareholders:
  - ► BIS total capital ratio (phase-in) >15%
  - ► BIS CET1 capital ratio (phase-in) >11%

Dividend payout ratio

- 2015: Proposed dividend payment up 10% to CHF 1.10, ~35% of underlying net profit
- Going forward: Intention to increase to ~40% of adjusted net profit
- Unless justified by significant events, per-share ordinary dividend to be at least equal to previous year's ordinary dividend
- At all times, considering business and market outlook and near-term significant investment requirements and opportunities
- From time to time, if justified, special dividends or share buybacks could be considered

[1] Includes 0.2% for SNB temporary countercyclical buffer for Swiss mortgages

BREAKDOWN OF AUM

Asset mix	31.12.2013	31.12.2014	31.12.2015
Equities	27%	26%	27%
Bonds (including Convertible Bonds)	20%	19%	19%
Investment Funds [1]	22%	24%	23%
Money Market Instruments	5%	4%	4%
Client Deposits	20%	21%	21%
Structured Products	5%	5%	5%
Other [2]	1%	1%	1%
Total	**100%**	**100%**	**100%**

Currency mix	31.12.2013	31.12.2014	31.12.2015
USD	39%	43%	46%
EUR	24%	22%	21%
CHF	14%	13%	12%
GBP	5%	5%	4%
HKD	3%	2%	3%
INR	0%	0%	2%
SGD	2%	2%	2%
JPY	1%	1%	1%
BRL	0%	2%	1%
AUD	1%	1%	1%
CNY	1%	1%	1%
CAD	1%	1%	1%
Others	9%	7%	5%
Total	**100%**	**100%**	**100%**

[1] Includes, amongst other asset classes, further exposure to equities and bonds
[2] Including alternative investment assets

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Julius Bär