

Julius Bär

FY 2015 RESULTS AND BUSINESS UPDATE

Presentation for Investors, Analysts & Media
Zurich, 1 February 2016



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PROGRESS ON MANY FRONTS

AuM at record CHF 300 billion

Strongly improved operating result

- AuM at CHF 300bn, up 3% (despite negative currency impact)
- Net new money of CHF 12.1bn (>4%), from all regions
- Gross margin maintained at 94bps
- Cost/income ratio¹ improved to 67.2% (2014: 69.9%) leading to underlying net profit² (excl. US provision) of CHF 701m, up 20%

US tax situation resolved

- Final agreement with US Department of Justice (DOJ) on USD 547m settlement, pending court hearing
- Leading to decrease in adjusted net profit² to CHF 279m

Well positioned for next phase of growth

- Successful closing of landmark IWM transaction
- Two home markets' growth focus reinvigorated under new leadership
- Further enhancing client experience through new service offering, strengthened focus on investment culture, and technology investments

Updated targets, dividend and pay-out increase proposed

- Improved new target range for C/I ratio of 64-68%
- Proposed dividend 2015: increase by 10% to CHF 1.10
- Post 2015: Grow ordinary pay-out ratio towards 40% of adj. net profit

1. Calculated using adjusted operating expenses, excluding valuation allowances, provisions and losses 2. For definition of adjusted and underlying net profit please refer to slides 6, 14, 15

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SCOPE OF PRESENTATION OF FINANCIALS

Financial results are presented as usual on the adjusted basis

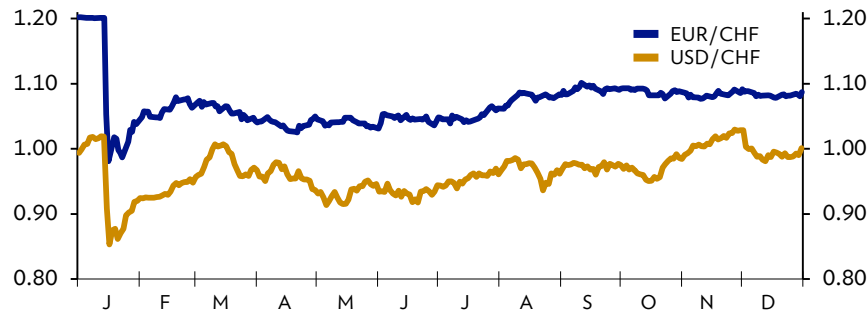
- *Excluding* integration and restructuring expenses and amortisation of intangible assets related to previous acquisitions or divestments, as well as taxes on those respective items
- In order to ensure a meaningful comparability of the *underlying* business performance, certain figures are additionally 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 15
- Please refer to the 2015 Consolidated Financial Statements¹ for the IFRS results

¹ Available from www.juliusbaer.com

AUM DEVELOPMENT IMPACTED BY CHF STRENGTHENING

Elevated stock market volumes and FX volatility in H1 – came down in H2

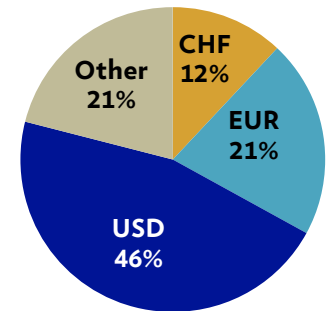
Development of EUR/CHF and USD/CHF – 2015 (daily)¹



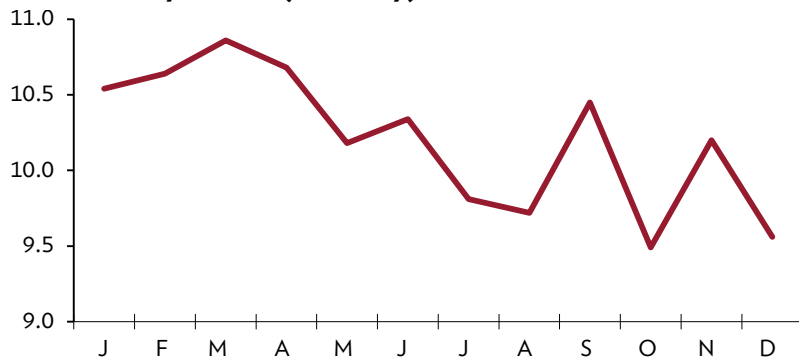
Average exchange rates for 2015 and 2014

	2015	2014
EUR/CHF	1.0640	1.2125
USD/CHF	0.9645	0.9195

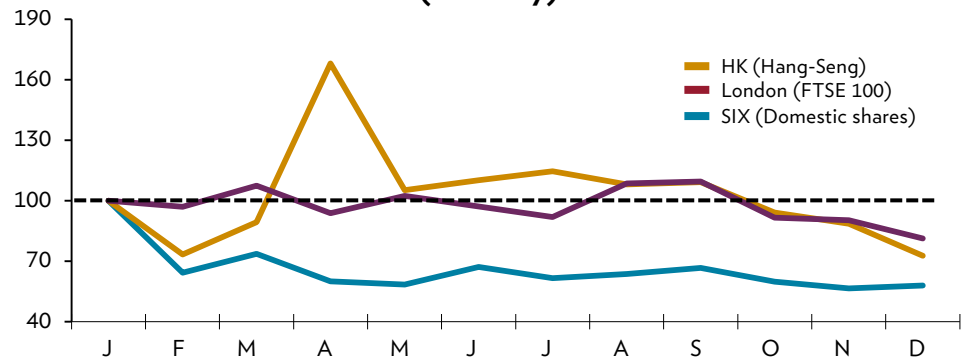
AuM breakdown by currency (31.12.2015)



FX volatility – 2015 (monthly)²



Stock market volumes – 2015 (monthly)³



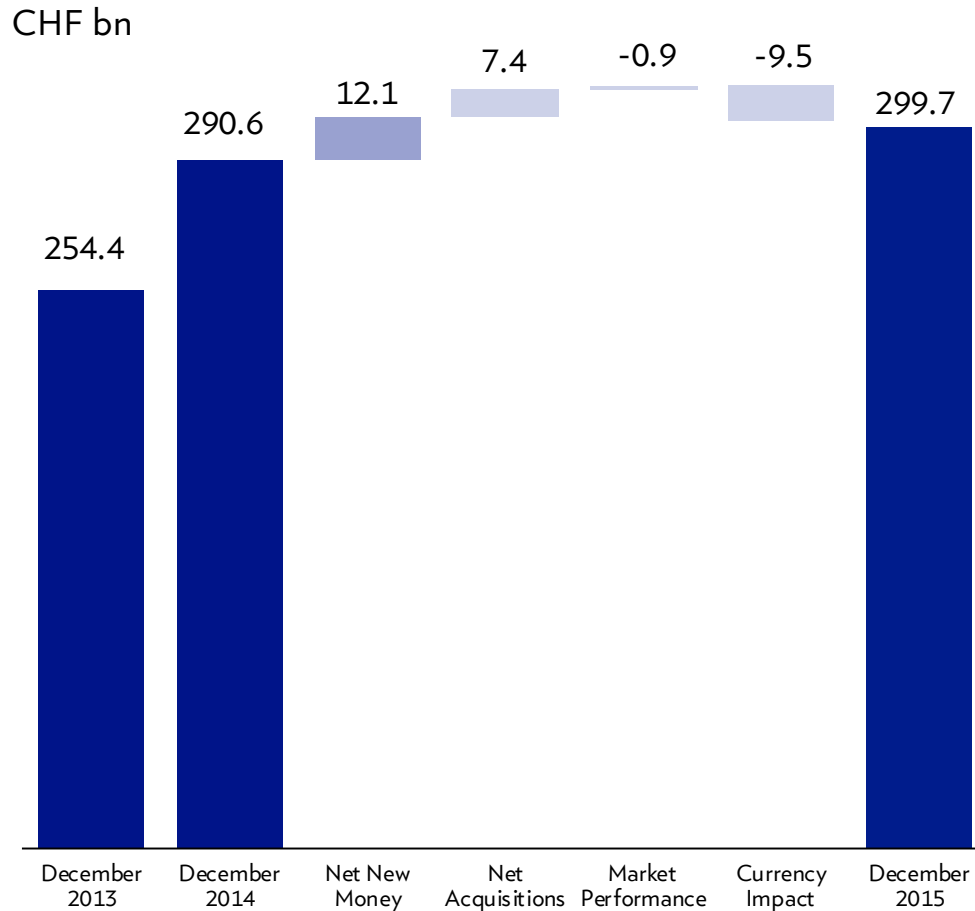
- 15 January 2015: SNB decided to discontinue the minimum exchange rate of CHF 1.20 per euro
- Negative currency impact on Group AuM (and hence revenues) ...
- ... partly compensated by elevated FX volumes in H1, especially in January
- In H2, significant reduction in stock market volumes and FX volatility

¹ Source: Datastream | ² Based on Deutsche Bank Currency Volatility Index (CVIX) | ³ Indexed (Jan 2015 = 100), for Hang-Seng and FTSE 100 based on average daily number of shares traded in each month, for SIX based on CHF volume in each month

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 acquisitions¹ CHF +7.4bn
 - Market performance CHF -0.9bn
 - Currency impact CHF -9.5bn
- Average AuM² 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

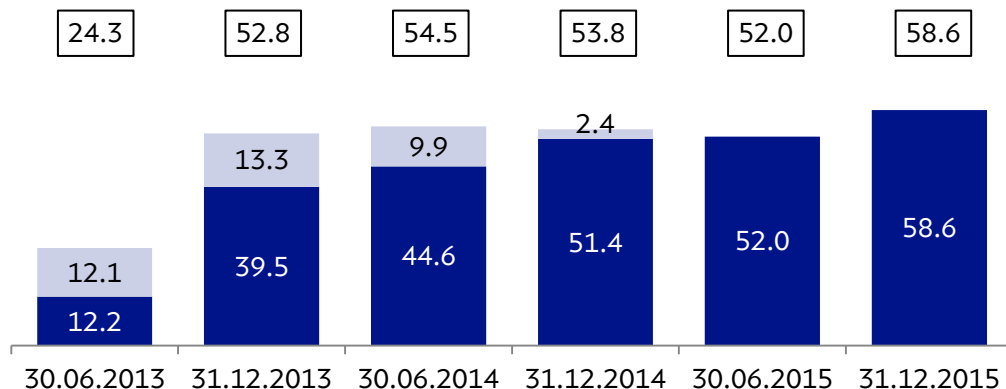
² Calculated on the basis of monthly AuM levels

IWM: AUM DEVELOPMENT

Asset transfers completed, within target range

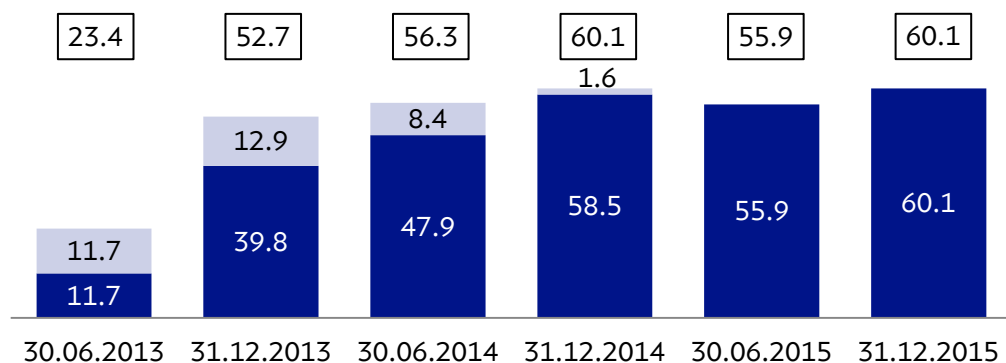
IWM asset transfer (value at applicable transfer dates)*

CHF bn



IWM AuM at current values**

CHF bn



■ Booked on Julius Baer platforms ■ Advised on ML platform □ Reported

Applicable local closings of the transaction in 2013:

- Feb: Merrill Lynch Bank Switzerland
- April: Uruguay¹, Chile¹, Luxembourg¹, Monaco¹
- May: Hong Kong², Singapore²
- July: UK^{1,2}, Spain¹, Israel²
- Nov: Panama²
- Dec: Bahrain², Lebanon¹, UAE²

in 2014:

- April: Ireland²
- May: Netherlands²
- Sep: France¹

in 2015:

- Sep: India¹ 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

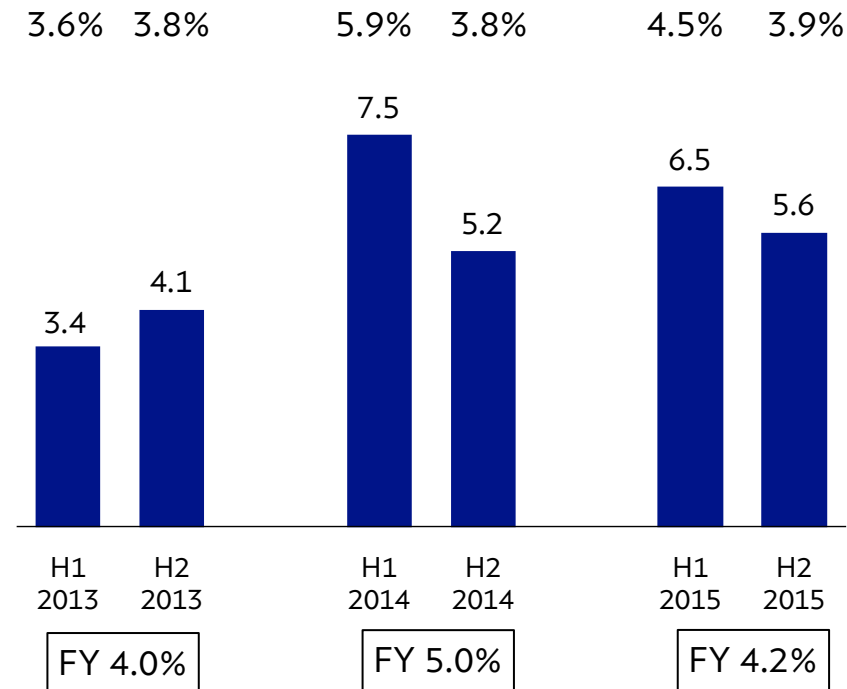
** Including growth since applicable transfer dates, and net of subsequent reclassifications to AuC

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

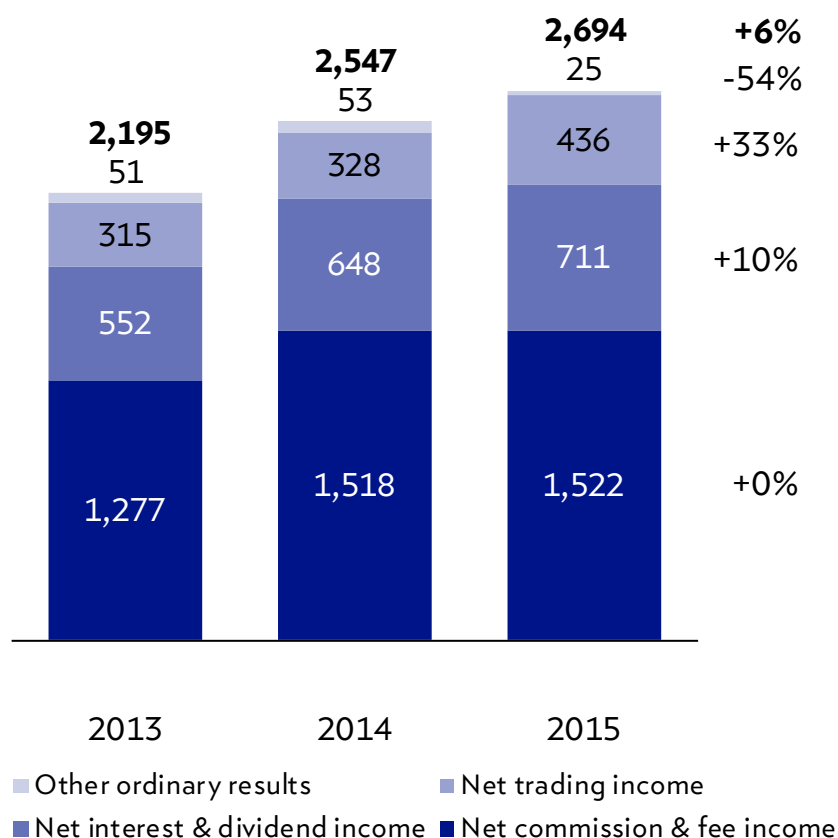
¹ Annualised NNM in % of AuM at the end of the previous period

OPERATING INCOME +6% TO CHF 2.7bn

Supported by strong growth in trading income

CHF m

vs. 2014



Net commission/fee income flat to CHF 1,522m¹

- Brokerage income impacted by lower client risk appetite in H2

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

- Excluding dividend income on trading portfolios², 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

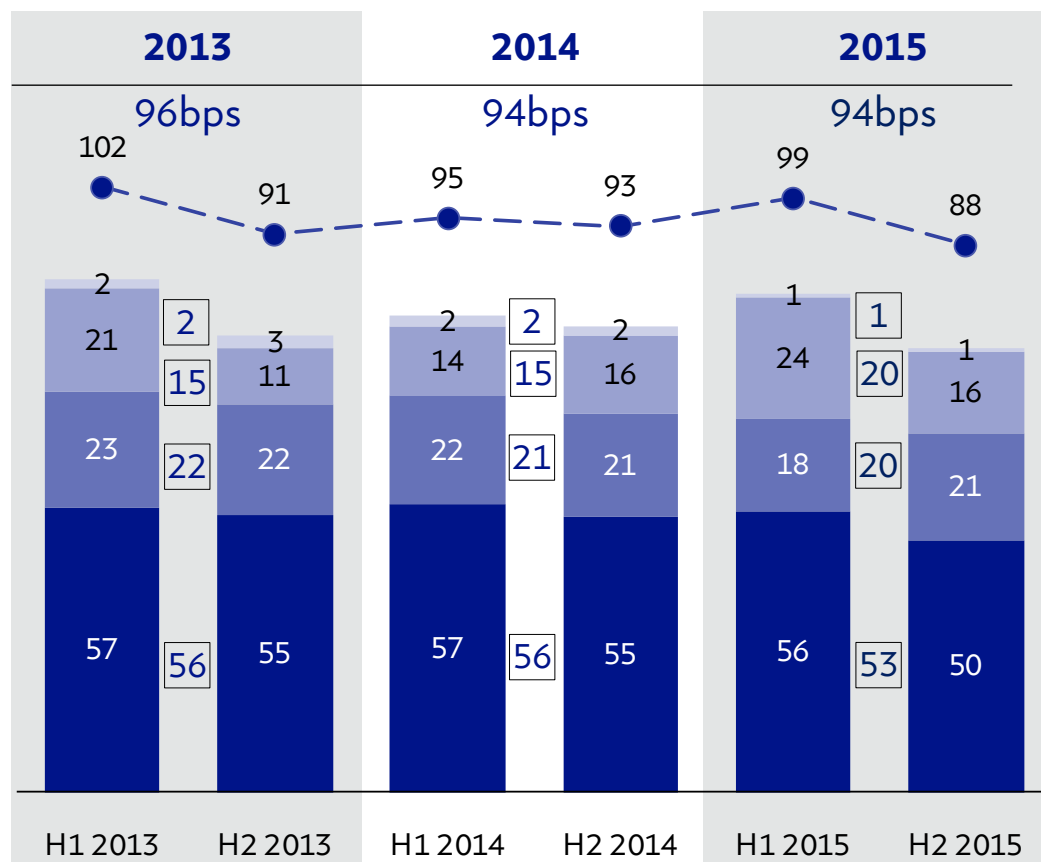
- Crediting back dividend income on trading portfolios², underlying net trading income +44% to CHF 575m ...
- ... supported by higher FX volumes in H1 (especially January)

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)

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 income² 20bps (-1bp vs. 2014; H2 2015 +3bps vs. H1 2015)
- Net trading income² 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 *	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

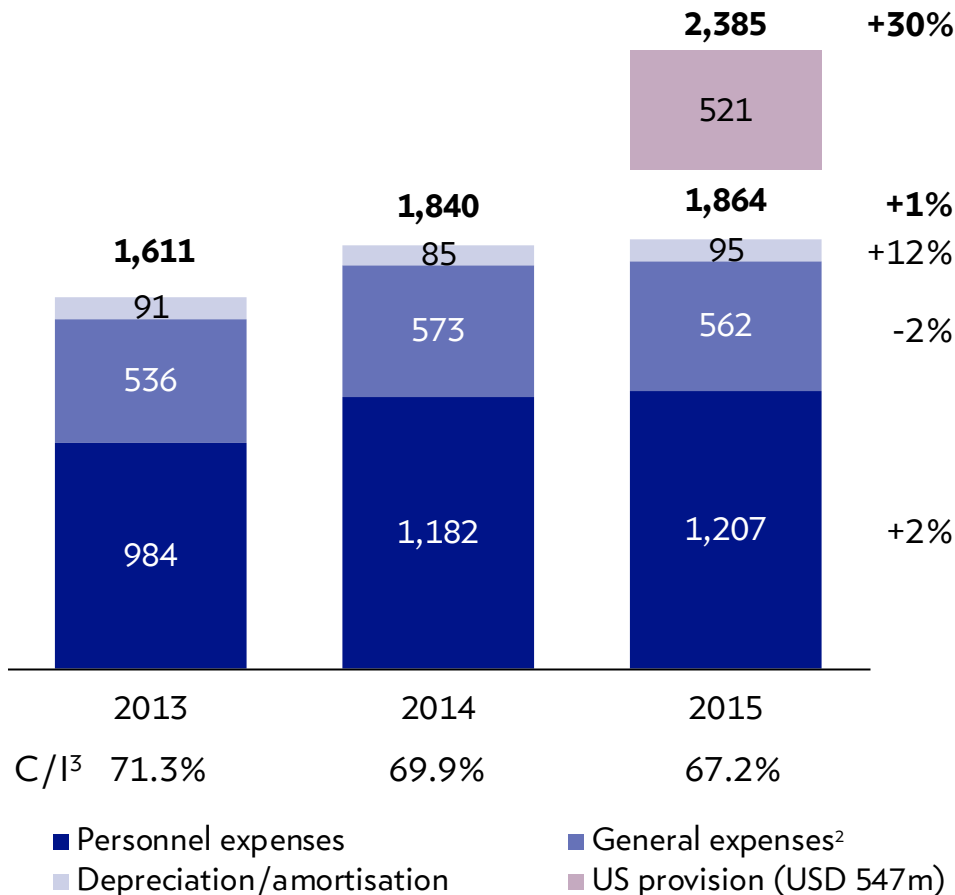
² Net interest income adjusted to exclude dividends on trading portfolios, net trading income adjusted to include the same (H1 2013: CHF 33m, H2 2013: CHF 5m, H1 2014: CHF 63m, H2 2014: CHF 9m, H1 2015: CHF 122m, H2 2015: CHF 17m)

OPERATING EXPENSES¹ +30% TO CHF 2.4bn

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

CHF m

vs. 2014



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 expenses² +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 ratio³ 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

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 profit¹	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 profit¹ (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

¹Excluding amortisation of intangible assets, integration and restructuring costs. Including these positions (see also slide 15), the net profit was CHF 123m in 2015, down 67% from CHF 367m in 2014 and down 35% from 188m in 2013

RECONCILIATION CONSOLIDATED FINANCIAL STATEMENT 2015¹ 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 (see slide 25)
- 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

SOLID BALANCE SHEET – LOW RISK PROFILE

CHF bn

		Assets	CHF 84.1bn (CHF 82.2bn)*	Liabilities & Equity		
Due from banks		6.9 (8.9)	<div>Loan-to-deposit ratio 0.56 (0.54)</div> <div>Deposit driven</div>	4.7 (5.2)	Due to banks	
Loans (incl. lombard lending and mortgages to private clients)		36.4 (33.7)		64.8 (61.8)	Due to customers (incl. client deposits)	
Trading portfolios		9.0 (7.4)				
Financial investments available-for-sale		16.6 (14.6)				
Cash		9.2 (11.2)		4.3 (4.4)	Financial liabilities (structured products issued)	
Others		3.7 (4.0)		5.4 (5.5)	Others (incl. hybrid instruments)	
Goodwill & other intangible assets		2.3 (2.4)		4.9 (5.3)	Total equity	

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

19.4% BIS TOTAL CAPITAL RATIO

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%

- November 2015: Successful placement of SGD 450m AT1 securities (CHF 315m, net of capitalised issue costs)
- December 2015: Redemption of preferred securities

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%
- -----
- 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

NEW MEDIUM-TERM TARGETS

CIR target reset to 64 - 68% (from 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%

- Updated targets following evaluation of recent operating performance, medium-term investments in growth, quality and current outlook for business and market environment
- Targets assume current level of CHF vs. key currencies

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

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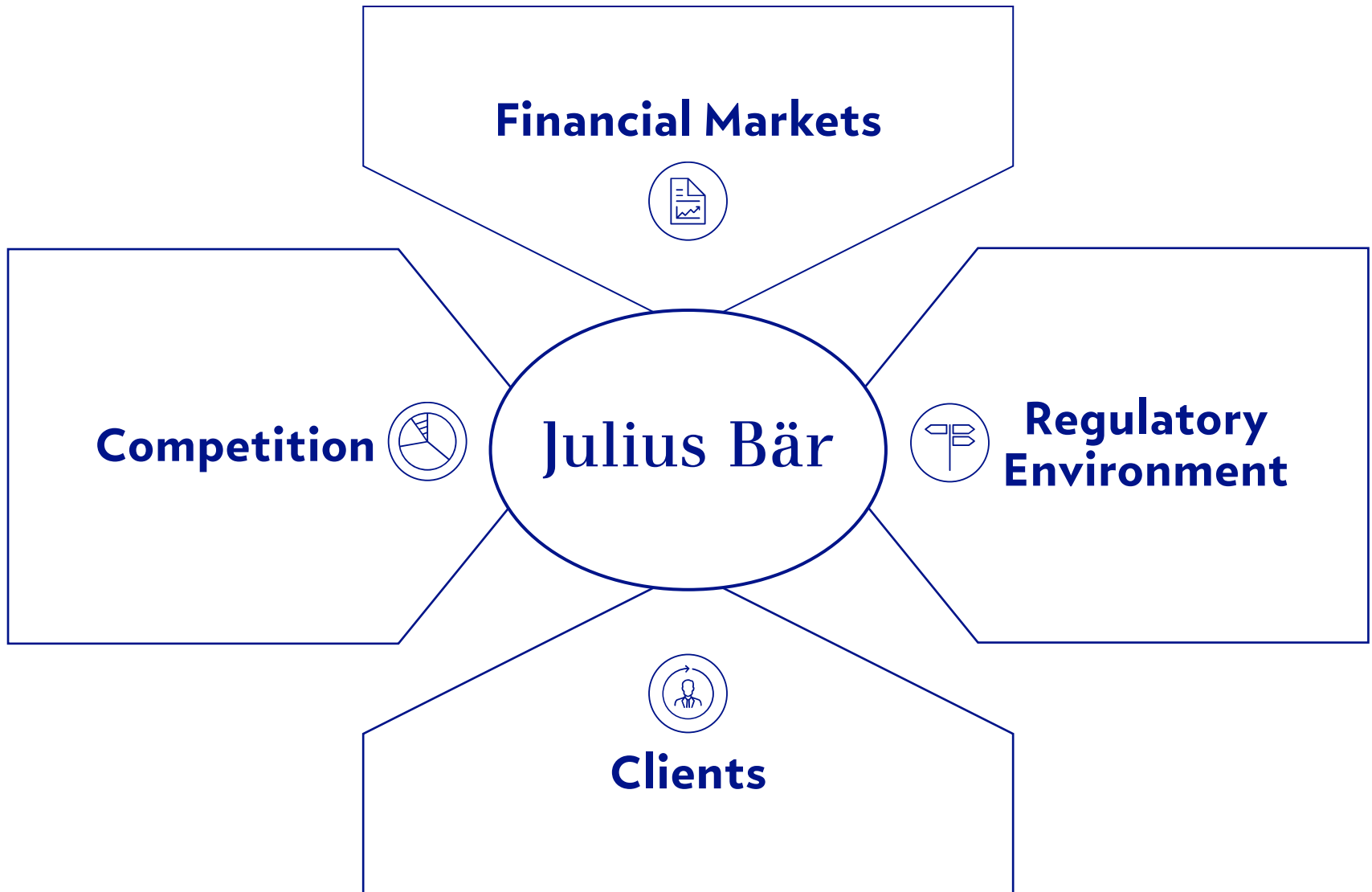
Business Update

Boris F.J. Collardi, CEO

Appendix

A WORLD OF CHALLENGES AND OPPORTUNITIES

Best placed to continue to take advantage of our environment



ENTERING NEXT PHASE OF GROWTH FROM A POSITION OF STRENGTH

The end of an intense phase of transformation

- Successfully closed landmark IWM transaction
- Final agreement with the DOJ, pending court hearing
- Regularisation of European legacy business mostly completed
 - CHF 300bn AuM, >50 locations, >1' 200 RMs, balanced exposure to both growth and long-established markets

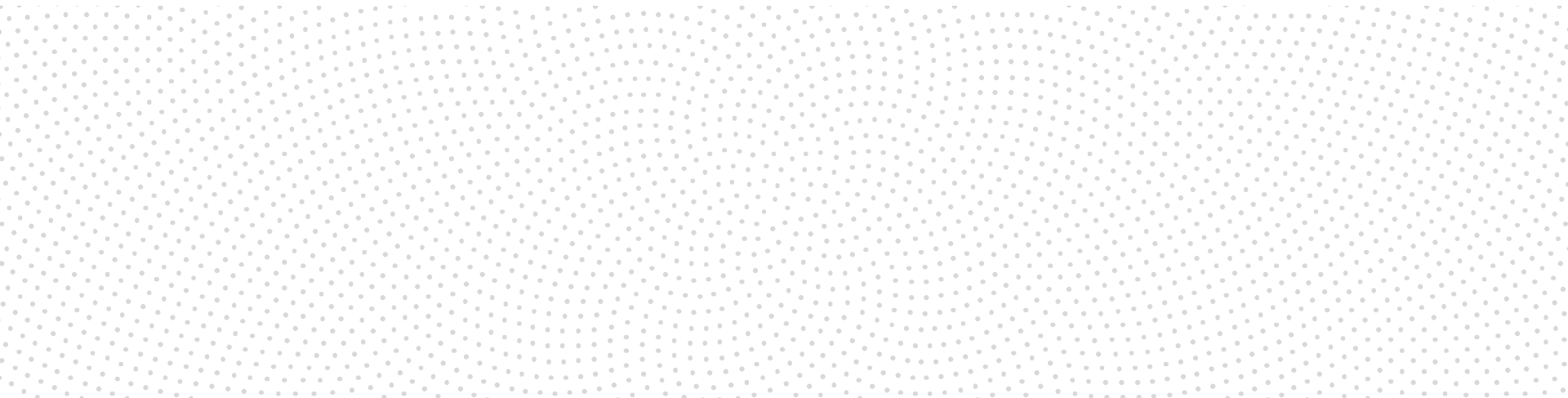
Focus the firm on further organic growth

- Well positioned to capture future growth across *all* markets
- Next phase of growth in Switzerland and Asia initiated through leadership changes and refinement of market strategies
- Attractive destination for top private banking talents
 - Attracted ~100 new RMs in 2015 (excluding acquisitions)
 - Continued record of meeting net inflow targets

Investments in enhanced client experience

- *'YOUR WEALTH'*: Tailored to clients' individual requirements and ambitions
- Introduction of new service model on-track
- New Investment Management division: further enhancing investment culture and ability to respond dynamically to market developments
- Technology investments support improved client servicing and RM effectiveness - IT platform renewal on track

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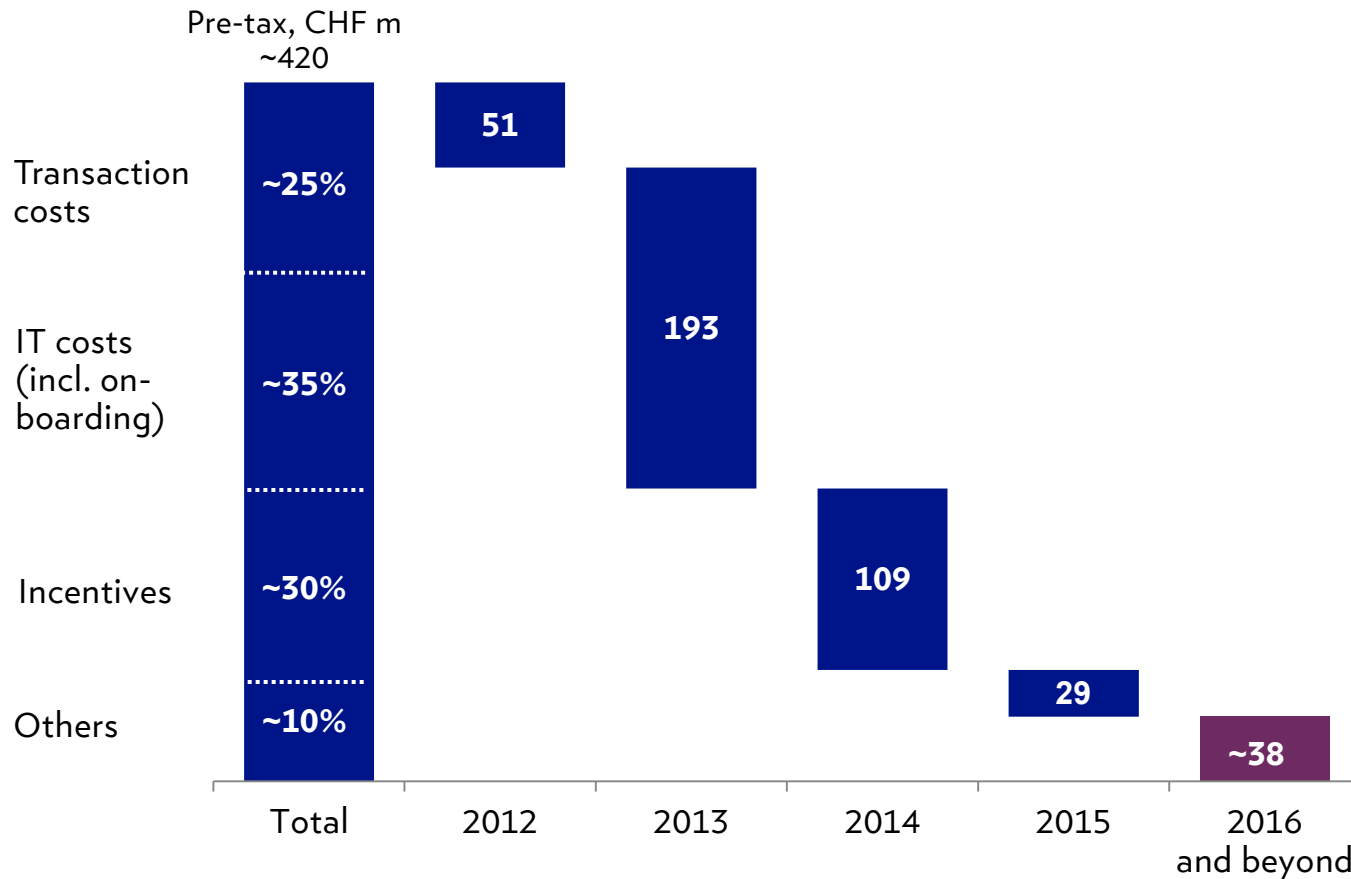
Boris F.J. Collardi, CEO

Appendix

IWM: INTEGRATION COSTS

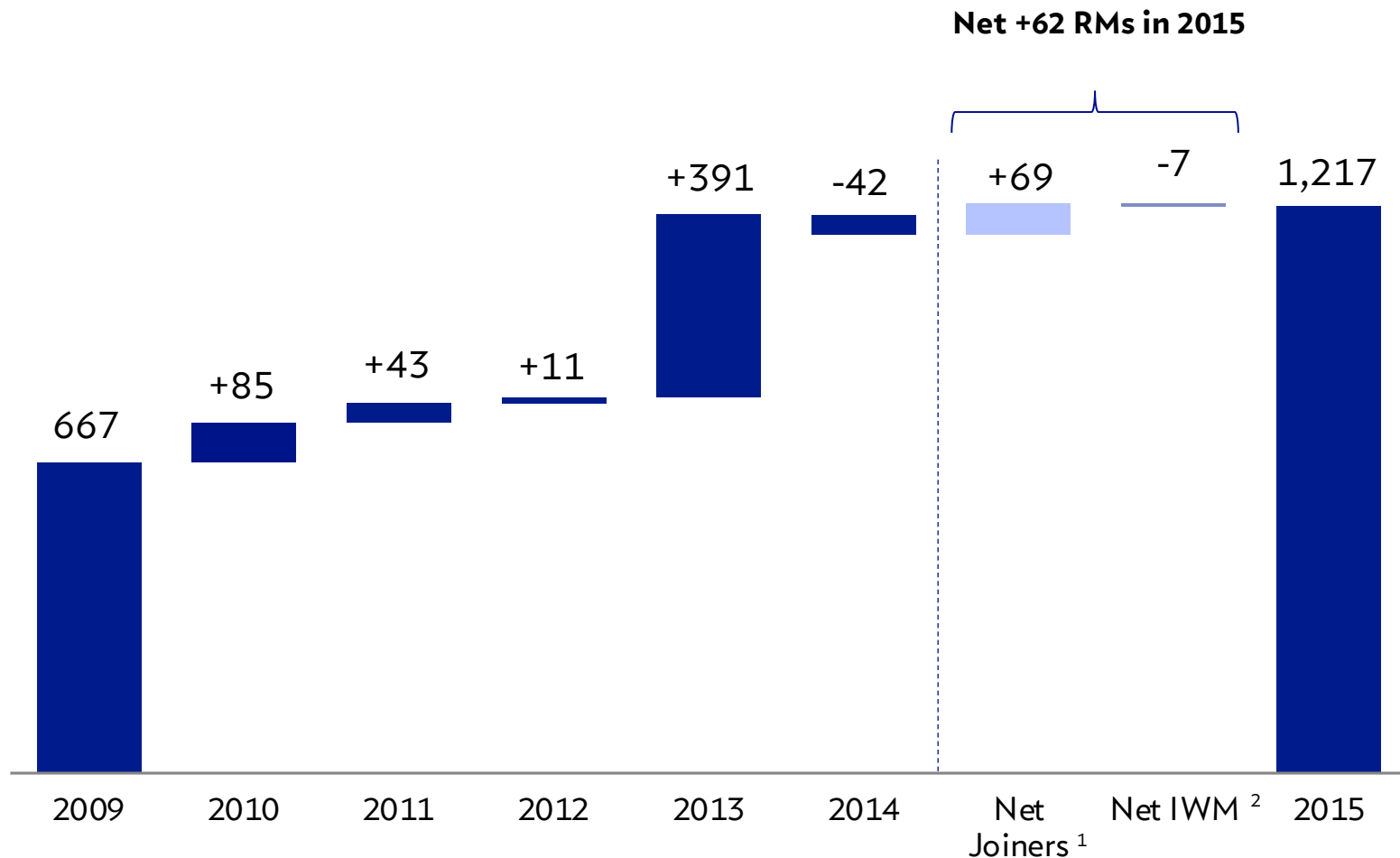
Transaction, restructuring & integration costs estimate revised down to CHF ~420m¹

Update and estimated breakdown over time



¹ Previously CHF ~435m

MORE THAN 1,200 RELATIONSHIP MANAGERS



¹ Including net hiring of +40 RMs, +23 RMs from Leumi PB and +6 RMs from Fransad

² Including +33 RMs in India

ADJUSTED* NET PROFIT CHF 279m

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%	51%
General expenses ²	536	573	1,083	+89%	45%
Depreciation and amortisation	91	85	95	+12%	4%
Operating expenses	1,611	1,840	2,385	+30%	100%
Profit before taxes	583	706	309	-56%	
Pre-tax margin (bps) ⁴	25.5	25.9	10.7	-15.2 bps	
Income taxes	103	121	30	-75%	
Adjusted net profit ³	480	586	279	-52%	
Adjusted EPS (in CHF)	2.24	2.68	1.28	-52%	
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%	9.7%	-7.4% pts	
Staff (FTE)	5,390	5,247	5,364	+2%	
Valuation allowances, provisions and losses	45.7	59.9	574.6	-	
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

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

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

ADJUSTED* 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%	52%
General expenses ²	322	604	479	+49%	-21%	43%
Depreciation and amortisation	46	45	50	+8%	+10%	5%
Operating expenses	958	1,280	1,106	+15%	-14%	100%
Profit before taxes	353	128	181	-49%	+41%	
Pre-tax margin (bps) ⁴	24.9	9.0	12.4	-12.5 bps	+3.3bps	
Income taxes	55	19	10	-81%	-47%	
Adjusted net profit ³	298	109	170	-43%	+57%	
Adjusted EPS (in CHF)	1.37	0.50	0.78	-43%	+57%	
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%	15.2%	5.7%	-9.7% pts	-9.4% pts	
Staff (FTE)	5,247	5,378	5,364	+2%	-0%	
Valuation allowances, provisions and losses	52.2	368.5	206.1	+295%	-44%	
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

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

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

RECONCILIATION ON HALF-YEAR BASIS

IFRS to adjusted / underlying net profit

CHF m	H2 2014	H1 2015	H2 2015	Change H2 15/H2 14	Change H2 15/H1 15
Profit after tax per consolidated Financial Statements (IFRS)	188.5	39.7	82.8	-56%	+108%
Amortisation of intangible assets related to the UBS transaction	37.0	37.0	30.8	-17%	-17%
Amortisation of intangible assets related to the ING transaction	8.2	8.2	8.2	-	-
Amortisation of intangible assets related to the IWM transaction	15.7	16.8	17.7	+12%	+5%
Amortisation of intangible assets related to the GPS transaction	4.5	2.4	2.0	-55%	-17%
Amortisation of intangible assets related to the Leumi transaction	-	0.3	0.5	-	+50%
Amortisation of intangible assets related to the Fransad transaction	-	-	0.2	-	-
Integration and restructuring costs	53.2	10.1	36.2	-32%	+258%
Tax impact	-8.9	-5.7	-7.8	-12%	+36%
Net impact	109.7	69.1	87.6	-20%	+27%
Adjusted net profit	298.2	108.8	170.4	-43%	+57%
US settlement, provision	-	326.0	195.3	-	-40%
Tax impact	-	-50.8	-48.2	-	-5%
Net impact	-	275.2	147.1	-	-47%
Underlying net profit	298.2	384.0	317.5	+6%	-17%

Note:

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 30.8m in H2 2015

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

STRONG CAPITAL BASE

Impacted partly by the US provision

CHF m	31.12.2014 Basel III	31.12.2015 Basel III	Change
Equity at the beginning of the year	5,039	5,338	+6%
Julius Baer Group Ltd. dividend	-133	-224	+68%
Net profit (IFRS)	367	123	-67%
Capital increase	79	-	-100%
Change in treasury shares	-9	-40	-
Treasury shares and own equity derivative activity	12	10	-16%
Other components of equity	-25	-261	-
<i>Financial investments available-for-sale</i>	37	-85	-
<i>Remeasurement of defined benefit obligation</i>	-78	-98	+27%
<i>FX translation differences</i>	16	-77	-
Others	7	-4	-
Equity at the end of the year	5,338	4,942	-7%
- Goodwill & intangible assets (as per capital adequacy rules)	-2,137	-2,131	-0%
- Other deductions	-332	-318	-4%
+ Effects of IAS 19 revised relating to pension liabilities	98	133	+36%
+ Tier 1 instruments	773	908	+17%
= BIS tier 1 capital	3,740	3,534	-6%
+ Tier 2 capital	240	214	-11%
= BIS total capital	3,980	3,748	-6%

BALANCE SHEET – FINANCIAL INVESTMENTS AFS

CHF m	31.12.2013	31.12.2014	31.12.2015	in %	Change vs. 31.12.2014
Money market instruments	2,494	2,312	2,298	14%	-1%
Debt instruments	10,549	12,204	14,177	86%	+16%
Government and agency bonds	2,060	1,571	3,560	21%	+127%
Financial institution bonds	5,293	7,056	6,187	37%	-12%
Corporate bonds	3,191	3,574	4,388	26%	+23%
Other bonds	6	3	42	0%	-
Equity instruments	82	82	97	1%	+19%
Total financial investments available-for-sale	13,125	14,597	16,573	100%	+14%
Cash with central banks	10,207	11,159	9,154		-18%

Debt instruments by credit rating classes (excluding money market instruments)	Fitch, S&P	Moody's	31.12.2013	31.12.2014	31.12.2015	in %	Change vs. 31.12.2014
1–2	AAA – AA-	Aaa – Aa3	7,318	7,332	9,122	64%	+24%
3	A+ – A-	A1 – A3	2,819	4,345	4,662	33%	+7%
4	BBB+ – BBB-	Baa1 – Baa3	287	267	287	2%	+7%
5–7	BB+ – CCC-	Ba1 – Caa3	46	47	43	0%	-9%
8–9	CC – D	Ca – C		3	4	0%	+42%
Unrated ¹			79	209	59	0%	-72%
Total			10,549	12,204	14,177	100%	+16%

¹ New issues or unrated bonds from top rated issuers

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

JULIUS BAER: PURE-PLAY PRIVATE BANKING GROUP

Well positioned for further growth



Legend

- Head Office
- Location
- Booking Centre
- GPS (80%)
- Julius Baer Wealth Management AG (60%)
- Kairos (19.9%)
- NSC (40%)

- Rich heritage – celebrated 125 years in 2015
- Premium brand in global wealth management
- Client-centric approach
- Strong expansion into growth markets
- Present in more than 50 locations
- >5,300 highly dedicated staff, incl. more than 1,200 RMs
- Total client assets CHF 385bn¹
- AuM CHF 300bn¹
- Strongly capitalised:
 - BIS total capital ratio 19.4%¹
 - BIS CET1 ratio 18.3%¹
- Market capitalisation: CHF 10bn²

¹ At 31 December 2015

² At 29 January 2016

³ Additional advisory locations in Bangalore, Chennai, Kolkata and New Delhi