Julius Bär

Julius Bär 125 YEARS 1890 – 2015

FY 2014 RESULTS AND BUSINESS UPDATE

Presentation for Investors, Analysts & Media
Zurich, 2 February 2015

CONTENT

MAJOR PROFIT GROWTH THROUGH IWM[1] SYNERGIES

Julius Baer ready to confront 2015 Swiss franc appreciation headwind

22% increase in adjusted net profit[2] to CHF 586m

- AuM increased by 14% to CHF 291bn, a new record
- Continued strong net new money: CHF 13bn (5%)
- 2014 IWM-related rightsizing targets reached
- IWM productivity already at/above 2015 target
- Group CIR[3] inside target range, a year earlier than expected

Swiss franc headwind: Implementing ~CHF 100m cost reduction

- Swiss franc appreciation represents headwind for industry
- Mitigating measures already in implementation mode
- Julius Baer to readjust to new environment, supported by strong operating metrics and solid capital position

Targets confirmed, dividend increased to CHF 1.00

- Financial targets reconfirmed (including for 2015)
- Confidence underpinned by 67% increase in dividend

[1] Merrill Lynch's International Wealth Management business outside the US
[2] Excluding integration and restructuring expenses and the amortisation of intangible assets related to acquisitions and divestments and in 2013 the charge in relation to the withholding tax treaty between Switzerland and the UK
[3] Reported and targeted cost/income ratio are calculated excluding valuation allowances, provisions and losses

CONTENT

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 previous acquisitions or divestitures as well as, in 2013, a provision in relation to the withholding tax treaty between Switzerland and the UK (CHF 29m before tax, CHF 22m after tax)

- Reconciliation from the IFRS results to the adjusted results is outlined on slide 13

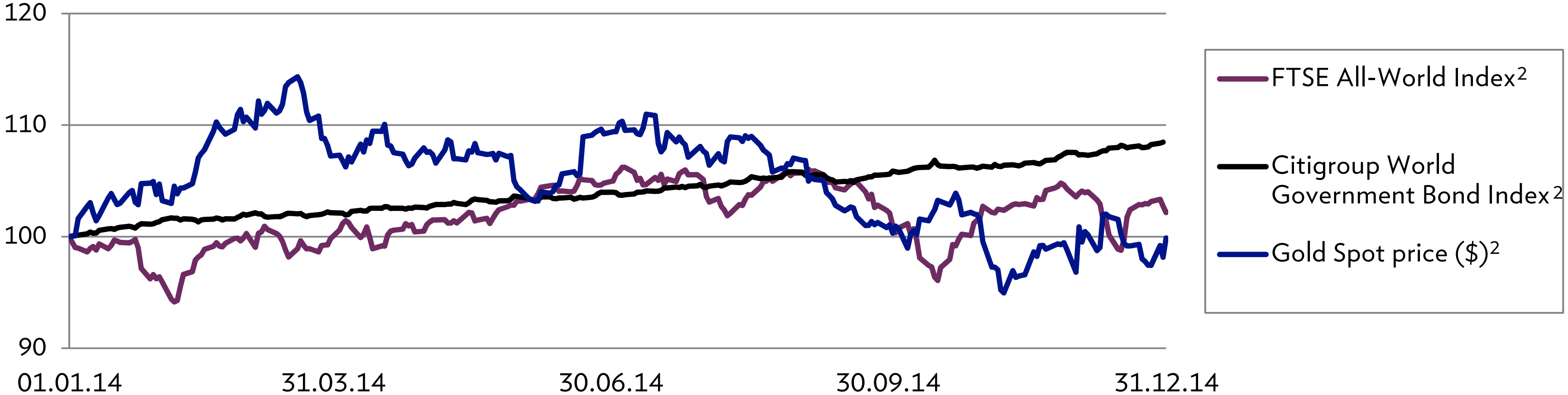
- Please refer to the Consolidated Financial Statements[1] for the full IFRS results

[1] Available from www.juliusbaer.com

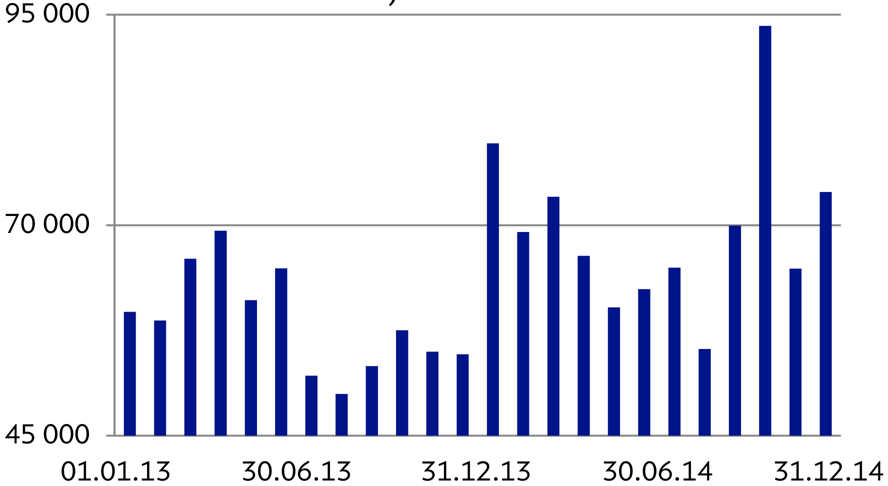
POSITIVE PERFORMANCE IN MOST INVESTMENT CLASSES

FX volatility started to increase again in H2

Comparison of development of World Stock Index, World Bond Index and Gold Price, Indexed[1]



SIX Swiss Exchange Monthly Trading Volumes (CHF m)[3], 2013 – 2014, Domestic Shares



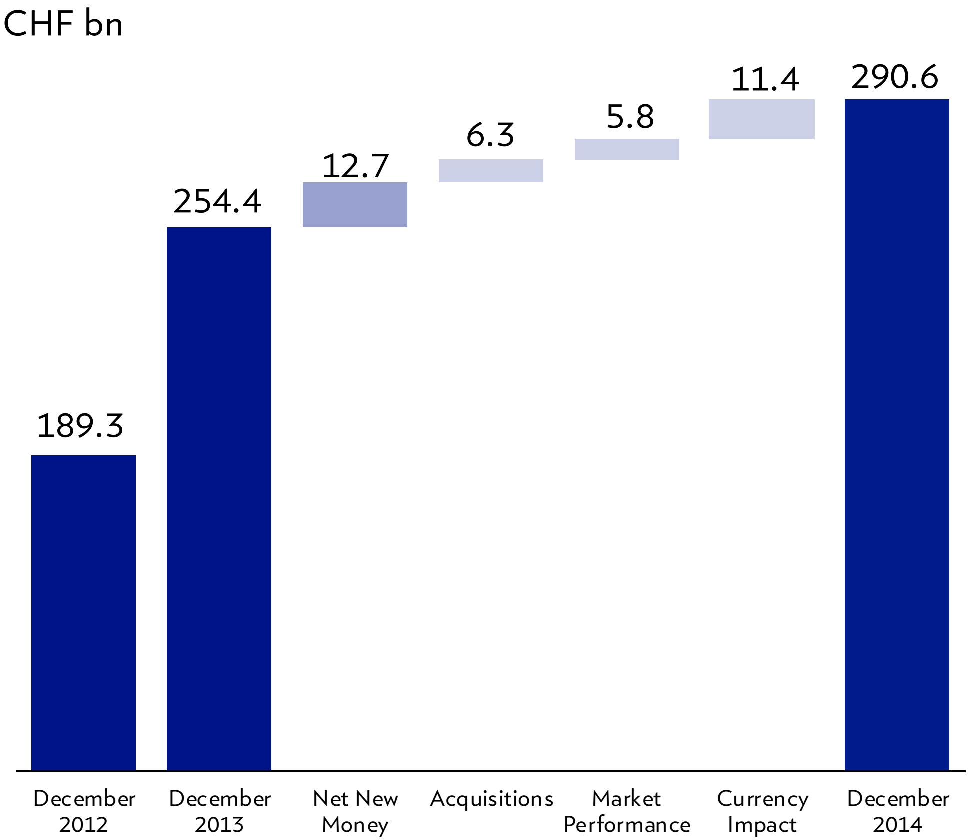
DB Currency Volatility Index[2]
2013 – Jan 2015

[1] Starting point is 100 [2] source: Bloomberg [3] source: SIX Swiss Exchange

AUM GROWTH OF CHF +36bn (+14%) TO CHF 291bn

Incl. CHF 60bn[1] from IWM

Development of Assets under Management



- AuM CHF 291bn, +14% vs. year-end 2013
  - Net new money CHF +12.7bn
  - Acquisitions CHF +6.3bn
  - Market performance CHF +5.8bn
  - Currency impact CHF +11.4bn
- Included CHF 60bn[1] from IWM
- *Average* AuM[2] 2014 of CHF 272bn, up +19% from CHF 229bn in 2013
- Assets under custody CHF 106bn, up CHF 12bn compared to year-end 2013
- Total client assets CHF 396bn, up 14%

[1] CHF 60bn AuM reported at market values at 31 December 2014, of which CHF 58 billion booked on the Julius Baer platforms. Based on asset values at the applicable transfer dates: CHF 54bn reported, of which CHF 51bn booked (and paid for) – see also slide 33

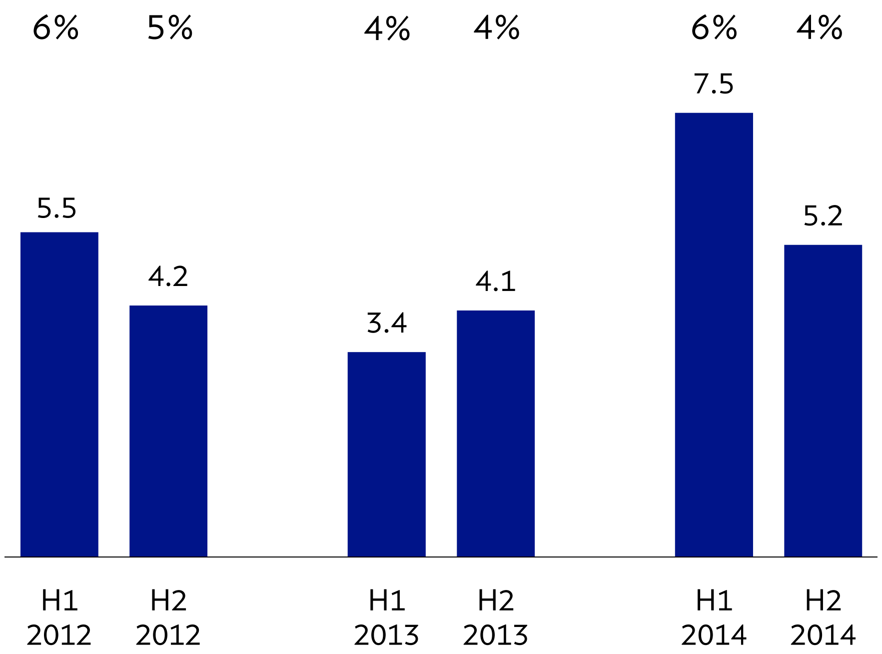
[2] Calculated on the basis of monthly AuM levels

NET NEW MONEY 5% - WELL WITHIN TARGET RANGE

Despite ongoing tax-regularisation driven impacts on European cross-border flows

Net New Money

in CHF bn and %[1]

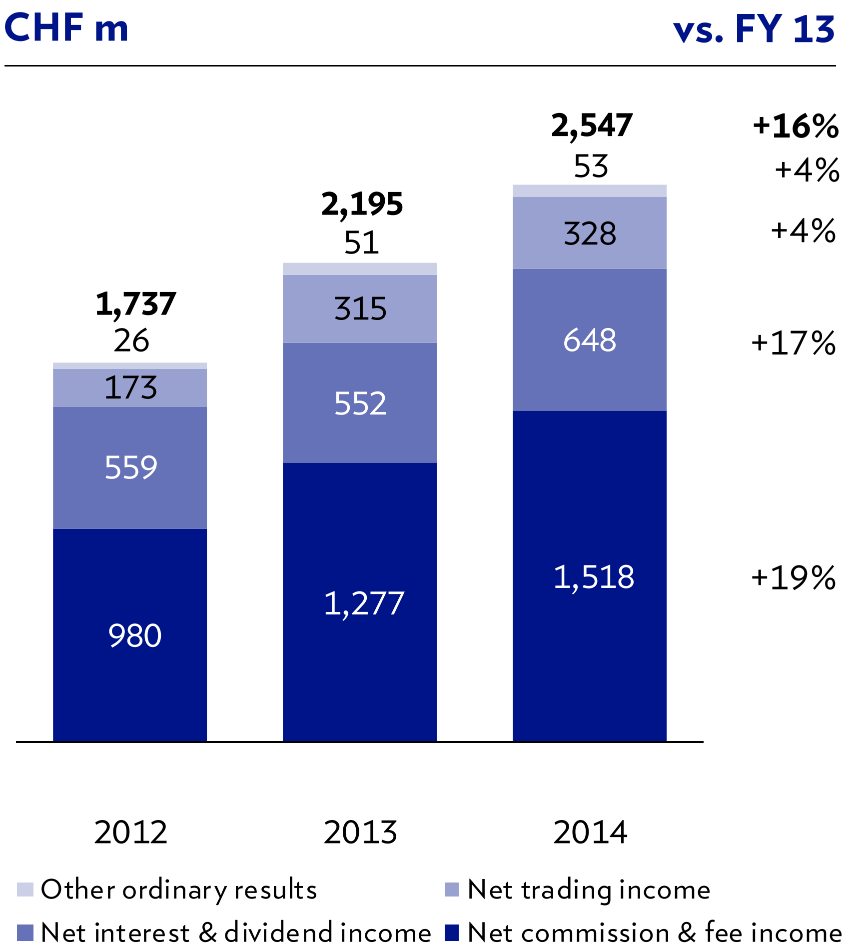


- NNM of CHF 12.7bn or 5.0%[1]
- Continued inflows from all growth markets as well as from local businesses in Germany and Switzerland
- Inflows in the cross-border European business were more than offset by continued tax regularisations of legacy assets
- Former IWM RMs contributed ~CHF 2bn

1 Annualised net new money as % of AuM at end of previous period

OPERATING INCOME +16% TO CHF 2.5bn

Average AuM +19%



Net commission/fee income +19% to CHF 1,518m

- In line with increase in average AuM

Net interest/dividend income +17% to CHF 648m

- Excluding dividend income on trading portfolios[1], underlying NII +12% to CHF 576m …
- … on the back of an increase in credit income, partially offset by interest expense on new AT1 bond issued at the end of H1 2014 and a slight decline in treasury income

Net trading income +4% to CHF 328m

- Crediting back dividend income on trading portfolios[1], underlying net trading income +13% to CHF 399m …
- … mainly on somewhat lower FX market volatility

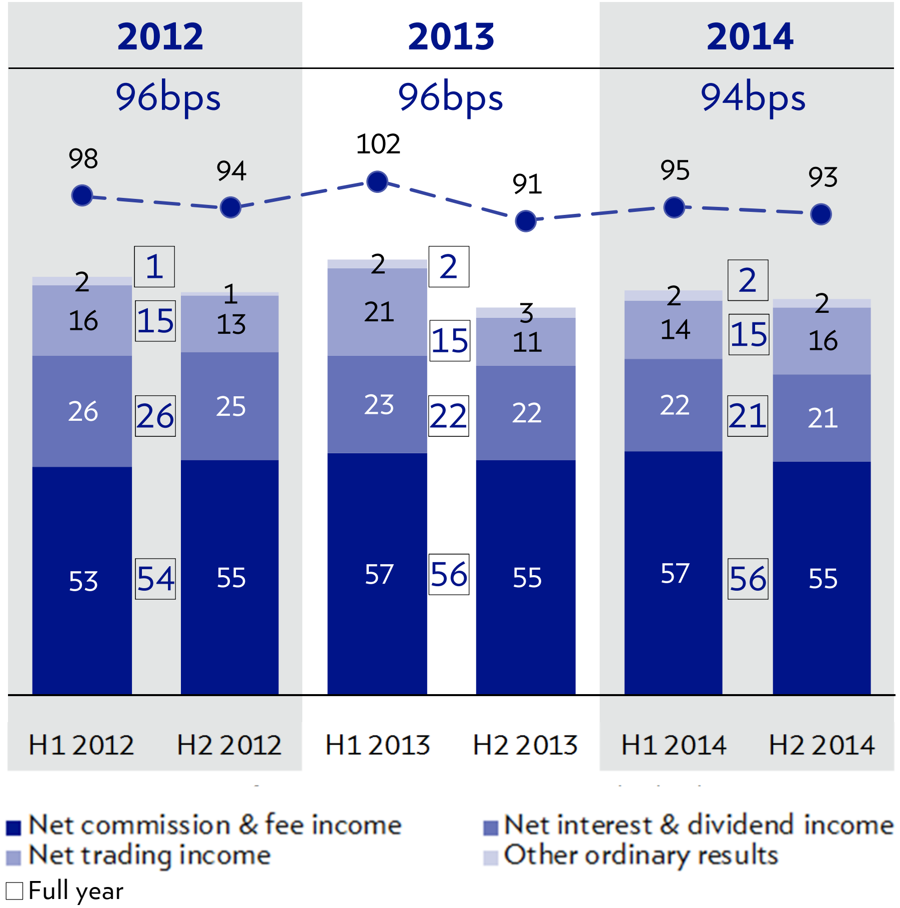
Other ordinary results +4% to CHF 53m

- Includes income from associates, brand licensing income, rental income, gains on AFS disposals

[1] Dividend income on trading portfolios FY 2014: CHF 72m (FY 2012: CHF 93m, FY 2013: CHF 38m)

GROSS MARGIN[1,2]

IWM extrapolated gross margin exceeding 2015 target level



- Net commission/fee income 56bps (same vs. 2013; H2 2014 -2bps vs. H1)
- Net interest income[2] 21bps (-1bp vs. 2013; H2 2014 -1bps vs. H1)
- Net trading income[2] 15bps (same vs. 2013; H2 2014 +2bps vs. H1)

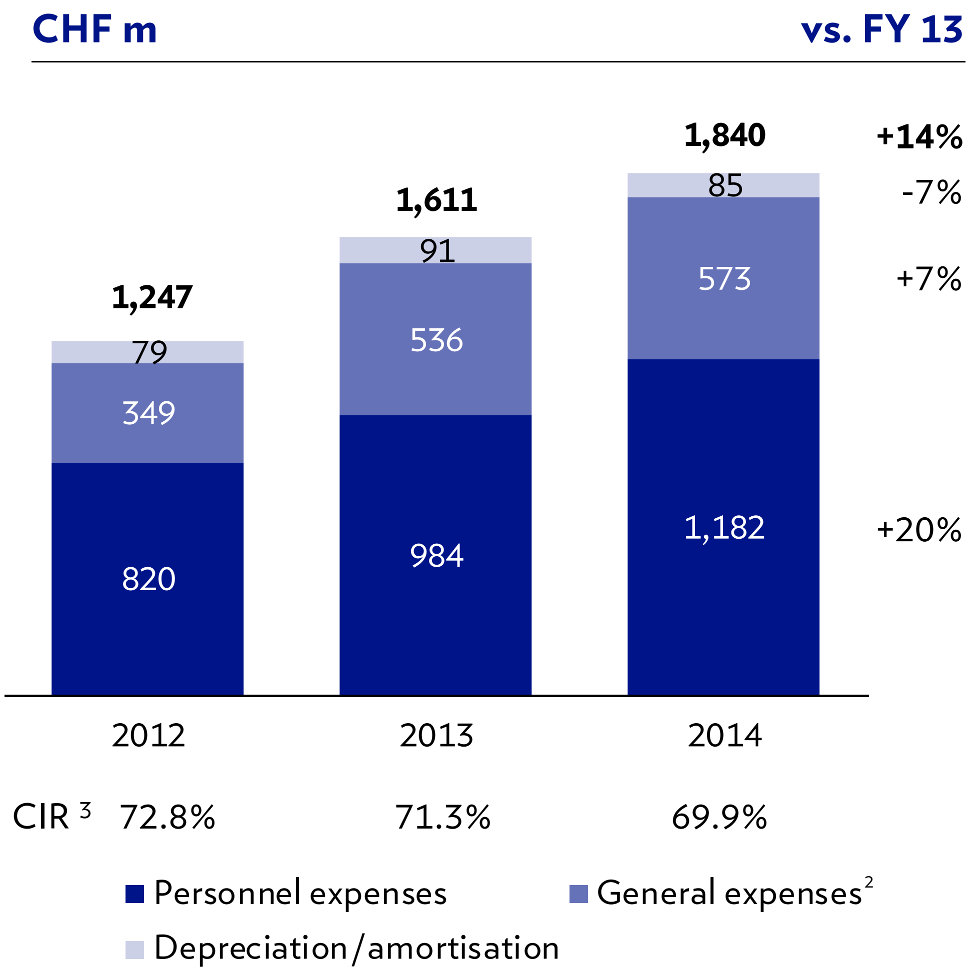
Extrapolated split (in bps)	FY 2013	H1 2014	H2 2014	FY 2014
Julius Baer stand-alone	99	97	94	95
IWM	76	84	89	86
Total	**96**	**95**	**93**	**94**

[1] Operating income divided by period monthly average AuM in basis points. Average AuM for H2 2014 was CHF 283bn, up 15% compared to H2 2013 and up 8% from CHF 261bn in H1 2014

[2] Net interest income adjusted to exclude dividends on trading portfolios, net trading income adjusted to include the same (H1 2012: CHF 90m, H2 2012: CHF 3m, H1 2013: CHF 33m, H2 2013: CHF 5m, H1 2014: CHF 63m, H2 2014: CHF 9m)

OPERATING EXPENSES[1] +14% TO CHF 1.8bn

Below the increase in average AuM – Reflecting IWM synergies coming through



[1] Excluding amortisation of intangible assets, integration and restructuring costs, as well as provision for UK withholding tax (2013)
[2] Including valuation allowances, provisions and losses
[3] Cost/income ratio not considering valuation allowances, provisions and losses

Personnel expenses +20% to CHF 1,182m

- Monthly avg #FTEs +17% due to timing of IWM-related net reductions during the year, as well as first-time consolidation of GPS

General expenses[2] +7% to CHF 573m

- Excluding valuation allowances, provisions and losses: +5%
- Increase significantly below growth of business
- Reflects realisation of significant IWM general expense synergies (mainly decommissioning of Geneva platform)

Cost/income ratio[3] just below 70%

- Improving from 71-73% in preceding two years, despite some pressure on gross margin
- Helped by IWM synergies
- CIR in H2 2014: 69%

ADJUSTED NET PROFIT FY 2014: CHF 586m

Increase of 22% vs. 2013 result

CHF m	2012	2013	2014	Change 2014/2013
Operating income	**1,737**	**2,195**	**2,547**	**+16%**
Net interest and dividend income	559	552	648	+17%
Net commission and fee income	980	1,277	1,518	+19%
Net trading income	173	315	328	+4%
Other ordinary results	26	51	53	+4%
Operating expenses	**1,247**	**1,611**	**1,840**	**+14%**
Personnel expenses	820	984	1,182	+20%
General expenses	349	536	573	+7%
Depreciation and amortisation	79	91	85	-7%

Profit before taxes	**490**	**583**	**706**	**+21%**
Pre-tax margin (bps)	**27.0**	**25.5**	**25.9**	**+0.4 bps**
Income taxes	86	103	121	+17%
Adjusted net profit[1]	**404**	**480**	**586**	**+22%**
Adjusted EPS (in CHF)	**2.00**	**2.24**	**2.68**	**+20%**
Tax rate	**17.6%**	**17.7%**	**17.1%**	**-0.6 pts**

[1] Excluding amortisation of intangible assets, integration and restructuring costs as well as the provision for UK withholding tax (2013). Including these positions (see also slide 13), the net profit was CHF 367m in 2014, up 96% from CHF 188m in 2013.

IFRS PROFIT UP BY 96% TO CHF 367m

Reconciliation consolidated financial statement (IFRS) to adjusted net profit

CHF m	2012	2013	2014	Change 2014/2013
Profit after tax per consolidated Financial Statements (IFRS)	**268.5**	**187.8**	**367.4**	**+96%**
Amortisation of intangible assets related to the UBS transaction	74.0	74.0	74.0	
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	
Amortisation of intangible assets related to the GPS transaction	-	-	4.5	
Integration and restructuring costs	57.3	199.1	113.0	-43%
Switzerland/UK agreement on withholding tax	-	28.6	-	
Tax impact	-12.6	-36.6	-17.8	
Net impact	**135.0**	**292.0**	**218.4**	**-25%**
Adjusted net profit	**403.6**	**479.8**	**585.8**	**+22%**

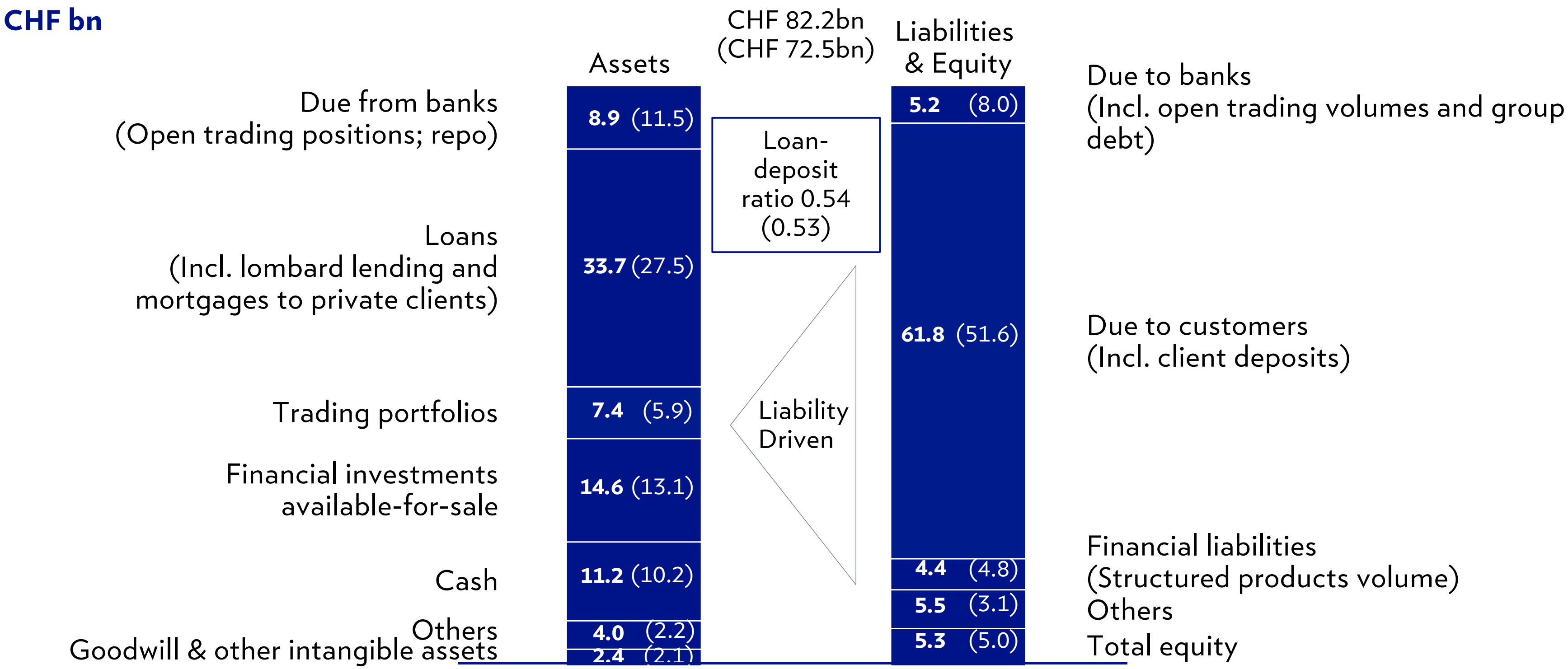
- Amortisation of intangibles: CHF 74.0m p.a. (until 2015[2]) for the 2005 UBS transaction and CHF 16.3m p.a. (until 2019) for the 2010 ING transaction
- Amortisation of intangibles related to IWM transaction was CHF 28.4m in 2014
- Amortisation of intangibles related to GPS transaction was CHF 4.5m in 2014

[1] Please see detailed financial statements in the Consolidated Financial Statements 2014

[2] The UBS transaction-related amortisation of CHF 74.0m p.a. started in December 2005 and will end at end of November 2015
In 2015 this amortisation amount will therefore amount to CHF 67.8m

SOLID BALANCE SHEET – LOW RISK PROFILE

Loan-deposit ratio 0.54



Figures as at 31 December 2014, summarised and regrouped from Financial Statements. In brackets: figures as at 31 December 2013

- Balance sheet is matched from currency perspective
- The Group is, on a net basis, not yet directly impacted by 0.75% negative interest rate on sight deposit balances at the Swiss National Bank
- However, overall net interest income will in 2015 be impacted by the decline in interest rates in the Swiss franc and euro markets (see also slide 18)
- CHF and EUR deposit rates: closely monitoring market developments

23.4% BIS TOTAL CAPITAL RATIO

Capital targets: total capital ratio > 15%; tier 1 ratio > 12%

BIS approach / CHF m	31.12.2013 *Basel III* [3]	31.12.2014 *Basel III* [3]	31.12.2013 *Basel III fully applied*	31.12.2014 *Basel III fully applied*
Total risk-weighted positions	**15,908**	**16,978**	**16,223**	**17,205**
CET1 capital [1]	3,328	3,740	2,665	2,713
Tier 1 capital [1]	3,328	3,740	2,913	3,306
- of which tier 1 capital 'preferred securities' [2]	*203*	*180*	*0*	*0*
- of which tier 1 capital 'fully eligible Basel III instruments'	*248*	*593*	*248*	*593*
Eligible total capital [1]	3,561	3,980	2,979	3,380
- of which lower tier 2 instruments [2]	*218*	*193*	*0*	*0*
CET1 capital ratio [1]	**20.9%**	**22.0%**	**16.4%**	**15.8%**
Tier 1 capital ratio [1]	**20.9%**	**22.0%**	**18.0%**	**19.2%**
Total capital ratio [1]	**22.4%**	**23.4%**	**18.4%**	**19.6%**
Loan-to-deposit ratio	0.53	0.54	0.53	0.54
Liquidity coverage ratio (LCR) [4]	110.5%	200.9%	110.5%	200.9%
Net stable funding ratio (NSFR)	121.3%	123.9%	119.0%	122.2%
Leverage ratio (LERA)	4.7%	4.7%	4.1%	4.1%

- CHF appreciation (since end 2014): no negative impact from direct currency translation effect on Group capital ratios or on significant excess capital position

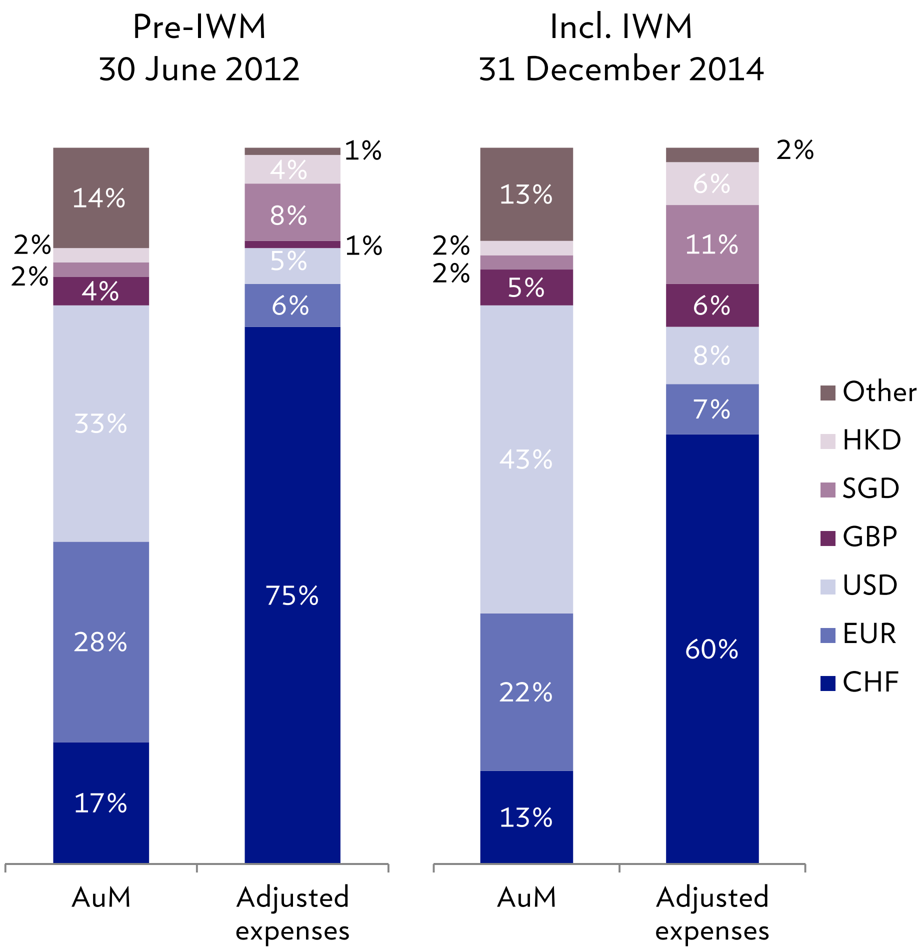
[1] After dividend
[2] Old style capital instruments, which do not qualify under Basel III. Phase out period is 10 years, straight-line, starting 2013
[3] In Switzerland the Basel III framework came into effect on 1 January 2013. The Basel III effects but also the effects of IAS 19-revised relating to 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
[4] In 2014, the definition for the LCR calculation was changed; the LCR shown for 31.12.2014 is therefore not comparable with those of earlier points in time

CONTENT

STRONGER CHF PROVIDES HEADWIND

Applying current exchange rates to end-2014 AuM: 9% lower AuM 'starting point'

Julius Baer currency exposure[1]



- AuM: 13% denominated in CHF
- Adjusted expenses: 60% in CHF
  - ➢ 47% net mismatch
- AuM:
  - Applying impact of CHF appreciation[2] to 2014 year-end AuM of CHF 291bn…
  - … would result in 9% lower 'starting point' for 2015 (AuM CHF 265bn)
  - ➢ To achieve profitability targets: need for **cost measures** and enhanced **revenue focus**

[1] adjusted expenses breakdown is an estimate
[2] Swiss franc exchange rates as at 30 January 2015 relative to 2014 year-end exchange rates

MITIGATING ACTIONS REQUIRED

Reconfirming <70% CIR target[1] – subject to no further major adverse market impacts

Costs: initiated savings measures of ~CHF 100m p.a.[2], of which ~CHF 60m[2] effective in 2015

- Decreasing personnel expenses[2] via
  - controlled hiring
  - resource reallocation
  - additional rightsizing in relation to IWM integration
  - reduction of ~200 FTEs through natural attrition and staff reductions, predominantly in mid- and back-office functions
- General expense savings[2], e.g.
  - reduced marketing and travel spending
  - short/medium-term efficiency gains in IT and operations
  - locations review

Revenues

- Gross margin 2015:
  - Somewhat reduced contribution from net interest income (lower rates and spreads) …
  - … likely to be balanced by increased contribution from trading and transaction revenues
- Enhanced focus on pricing and advisory discipline and conceivable further increase in cross-sell from Julius Baer's service offering to former IWM clients offer potential for gross margin support

[1] adjusted cost/income ratio, calculated excluding valuation allowances, provisions and losses
[2] on top of translation benefit resulting from revaluation of Swiss franc

CONTENT

IWM LARGELY COMPLETED - STRENGTHENING GROUP

Productivity exceeding our expectations

Transfer and integration essentially completed

- 17 locations have been transferred
- Only India business to follow in 2015 – process well on track
- AuM target within reach (at 2014 year-end market value: CHF 60bn)

2014 rightsizing targets fully realised

- 2014 rightsizing targets were achieved:
  - 563 integration-related FTE reductions ('gross')
  - 398 FTE reductions net of IWM staff joining during 2014
- 2015: further rightsizing

Productivity ahead of expectations

- Estimated gross margin at ~86bps, ahead of *2015* target
- Potential for further productivity improvements
- Accelerated cross-sell to (former) IWM clients
- RMs contributed meaningfully to inflows - year earlier than expected

Strenghtened Group's business mix, profile and competencies

- Doubled our business volume in Asia (to close to 25% of Group)
- Approx. half of AuM now from clients in growth markets
- 316 top-quality RMs added
- Gained further integration experience and expertise (incl. for first time in Asia) – could be leveraged in potential future transactions

RENEWAL OF IT PLATFORM GLOBALLY

Launched in Asia first

Goal

- Improved client experience, operating efficiency and flexibility …
- … through renewal of IT platform globally

Modular approach – Retaining flexibility

- Selected Temenos to initiate planning of core banking platform renewal
- Retaining flexibility to select optimal providers for additional components and applications

Launch in Asia

- Launch in Asia, fastest-growing business with volumes representing close to 25% Group total
- To serve as template for future implementation in other regions after anticipated completion (in Asia) in 2017
- Selected enhancements in Switzerland in parallel

CIR-neutral during implementation

- Managed within Group's normal operating and financial planning
- Not expected to impact targeted CIR negatively during implementation period
- To result in improved efficiency upon completion

BUILDING ON OUR STRENGTHS

Investments in client service and operating efficiency will deliver shareholder value

Starting from strong position

- Strong heritage – celebrating 125 years in 2015
- Group delivered greatly improved results in 2014
- IWM transaction benefits being realised
- Julius Baer highly attractive for top talents and demanding clients
- Solid capital position

CHF impact will make us stronger

- Recent Swiss franc appreciation provides headwind for industry – but also opportunities
- Mitigating steps already being implemented – but will not impact ability to grow business
- Monitoring interest rate developments and pricing opportunities

Ongoing investments in client service

- Proceeding with platform renewal in order to achieve even better client experience ...
- ... as well as improved operating and cost efficiency over time

Creating shareholder value

- Highly confident that Group will realise further profitable growth
- Confidence further underlined by substantially increased dividend
- Targets confirmed

CONFIRMING MEDIUM-TERM TARGETS

Including for 2015, assuming no further short-term market dislocations

	Current (FY 2014)	Medium-Term Targets
Cost/Income Ratio[1]	70%	65-70%
Pre-Tax Profit Margin[2]	26bps	30-35bps
Net New Money[3]	5%	4-6%

[1] Adjusted cost/income ratio, calculated excluding valuation allowances, provisions and losses
[2] Annualised adjusted 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

Julius Bär

CONTENT

Introduction
Boris F.J. Collardi, CEO

Financial Results FY 2014
Dieter A. Enkelmann, CFO

Update on Swiss Franc Appreciation Impact
Dieter A. Enkelmann, CFO

Business Update
Boris F.J. Collardi, CEO

Q&A

Appendix

ADJUSTED* NET PROFIT CHF 586m

CHF m	2012	2013	2014	Change 2014/2013	2014 in %
Net interest and dividend income [1]	559	552	648	+17%	25%
Net commission and fee income	980	1,277	1,518	+19%	60%
Net trading income [1]	173	315	328	+4%	13%
Other ordinary results	26	51	53	+4%	2%
Operating income	**1,737**	**2,195**	**2,547**	**+16%**	**100%**
Personnel expenses	820	984	1,182	+20%	64%
General expenses [2]	349	536	573	+7%	31%
Depreciation and amortisation	79	91	85	-7%	5%
Operating expenses	**1,247**	**1,611**	**1,840**	**+14%**	**100%**
Profit before taxes	**490**	**583**	**706**	**+21%**	
Pre-tax margin (bps) [4]	27.0	25.5	25.9	+0.4 bps	
Income taxes	86	103	121	+17%	
Adjusted net profit [3]	**404**	**480**	**586**	**+22%**	
Adjusted EPS (in CHF)	2.00	2.24	2.68	+20%	
Gross margin (bps) [4]	95.9	95.9	93.5	-2.4 bps	
Cost/income ratio (%) [5]	72.8	71.3	69.9	-1.4% pts	
Tax rate	17.6%	17.7%	17.1%	-0.6% pts	
Staff (FTE)	3,721	5,390	5,247	-3%	
Valuation allowances, provisions and losses	-17.1	45.7	59.9	+31%	
Net new money (CHF bn)	9.7	7.6	12.7	+68%	
Assets under management (CHF bn)	189.3	254.4	290.6	+14%	
Average assets under management (CHF bn)	181.1	229.0	272.2	+19%	

* Excluding the integration and restructuring expenses and amortisation of intangible assets related to acquisitions and divestments, as well as in 2013 the charge in relation to the withholding tax treaty between Switzerland and the UK

[1] Net interest income includes dividend income (FY 2012: CHF 93m, FY 2013: CHF 38m, FY 2014: CHF 72m) on trading portfolios

[2] Including valuation allowances, provisions and losses

[3] Including non-controlling interests (FY 2012: CHF 0.6m, FY 2013: CHF 0.3m, FY 2014: CHF 1.8m)

[4] Calculated on monthly average AuM

[5] Not considering valuation allowances, provisions and losses

ADJUSTED* CONSOLIDATED INCOME STATEMENT

Half-yearly

CHF m	H2 2013	H1 2014	H2 2014	Change H2 14/H2 13	Change H2 14/H1 14	H2 2014 in %
Net interest and dividend income [1]	277	347	301	+9%	-13%	23%
Net commission and fee income	678	746	772	+14%	+4%	59%
Net trading income [1]	130	115	212	+63%	+85%	16%
Other ordinary results	32	28	25	-22%	-11%	2%
Operating income	**1,118**	**1,236**	**1,311**	**+17%**	**+6%**	**100%**
Personnel expenses	496	592	590	+19%	-0%	62%
General expenses [2]	310	251	322	+4%	+28%	34%
Depreciation and amortisation	47	39	46	-3%	+18%	5%
Operating expenses	**854**	**882**	**958**	**+12%**	**+9%**	**100%**
Profit before taxes	**264**	**354**	**353**	**+33%**	**-0%**	
Pre-tax margin (bps) [4]	21.5	27.1	24.9	+3.4 bps	-2.2bps	
Income taxes	46	66	55	+19%	-17%	
Adjusted net profit [3]	**218**	**288**	**298**	**+37%**	**+4%**	
Adjusted EPS (in CHF)	1.02	1.32	1.37	+34%	+3%	
Gross margin (bps) [4]	90.7	94.6	92.6	+1.9 bps	-2.0 bps	
Cost/income ratio (%) [5]	73.3	70.8	69.1	-4.2% pts	-1.7% pts	
Tax rate	17.4%	18.7%	15.5%	-1.9% pts	-3.2% pts	
Staff (FTE)	5,390	5,557	5,247	-3%	-6%	
Valuation allowances, provisions and losses	33.5	7.7	52.2	+56%	+579%	
Net new money (CHF bn)	4.1	7.5	5.2	+27%	-30%	
Assets under management (CHF bn)	254.4	274.2	290.6	+14%	+6%	
Average assets under management (CHF bn)	246.4	261.4	283.1	+15%	+8%	

* Excluding the integration and restructuring expenses and amortisation of intangible assets related to acquisitions and divestments, as well as in 2013 the charge in relation to the withholding tax treaty between Switzerland and the UK

[1] Net interest income includes dividend income (H2 2013: CHF 5m, H1 2014: CHF 63m, H2 2014: CHF 9m) on trading portfolios

[2] Including valuation allowances, provisions and losses

[3] Including non-controlling interests (H2 2013: CHF -0.0m, H1 2014: CHF 0.6m, H2 2014: CHF 1.2m)

[4] Calculated 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	H1 2013	H2 2013	H1 2014	H2 2014	Change H2 14/H2 13	Change H2 14/H1 14
Profit after tax per consolidated Financial Statements (IFRS)	**114.3**	**73.5**	**178.9**	**188.5**	**+156%**	**+5%**
Amortisation of intangible assets related to the UBS transaction	37.0	37.0	37.0	37.0	-	-
Amortisation of intangible assets related to the ING transaction	8.2	8.2	8.2	8.2	-	-
Amortisation of intangible assets related to the IWM transaction	2.9	7.7	12.6	15.7	+105%	+25%
Amortisation of intangible assets related to the GPS transaction				4.5	-	-
Integration and restructuring costs	98.9	100.2	59.8	53.2	-47%	-11%
Switzerland/UK agreement on withholding tax	28.0	0.6			-	-
Tax impact	-27.9	-8.7	-9.0	-8.9	+1%	-1%
Net impact	**147.0**	**145.0**	**108.6**	**109.7**	**-24%**	**+1%**
Adjusted net profit	**261.4**	**218.5**	**287.6**	**298.2**	**+37%**	**+4%**

STRONG CAPITAL BASE

CHF m	31.12.2013 Basel III	31.12.2014 Basel III	Change
Equity at the beginning of the year	**4,698**	**5,039**	**+7%**
Julius Baer Group Ltd. dividend	-130	-133	+2%
Net profit (IFRS)	188	367	+95%
Capital increase	211	79	-62%
Change in treasury shares	-42	-9	-78%
Treasury shares and own equity derivative activity	35	12	-66%
Other components of equity	81	-25	-131%
- of which financial investments available-for-sale	*-20*	*37*	-285%
- of which hedging reserve for cash flow hedges	*10*	*-*	-100%
- of which remeasurement of defined benefit obligation	*98*	*-78*	-179%
- of which FX translation differences	*-8*	*16*	-305%
Others	-2	7	-
Equity at the end of the year	**5,039**	**5,338**	**+6%**
- Goodwill & intangible assets (as per capital adequacy rules)	1,925	2,137	+11%
- Other deductions	281	333	+19%
+ Effects of IAS 19 revised relating to pension liabilities	45	98	+118%
+ Tier 1 instruments	450	773	+72%
= BIS tier 1 capital	**3,328**	**3,739**	**+12%**
+ Tier 2 capital	233	241	+3%
= BIS total capital	**3,561**	**3,980**	**+12%**

RWA AND CAPITAL: ADDITIONAL DETAILS

Capital targets: total capital ratio > 15%; tier 1 ratio > 12%

BIS approach / CHF m	31.12.2013 *Basel III* [3]	30.06.2014 *Basel III* [3]	31.12.2014 *Basel III* [3]	Absolute Change vs. 31.12.2013	31.12.2013 *Basel III fully applied*	31.12.2014 *Basel III fully applied*	Absolute Change
Risk-weighted positions							
Credit risk	10,664	11,410	12,207	+1,543	11,181	12,599	+1,418
Non-counterparty-related risk	588	548	*548*	-40	386	*383*	-3
Market risk	969	,516	*347*	-622	969	*347*	-622
Operational risk	3,687	3,773	3,876	+189	3,687	3,876	+189
Total risk-weighted positions	**15,908**	**16,247**	**16,978**	**+1,070**	**16,223**	**17,205**	**+982**
CET1 capital [1]	3,328	3,634	3,740	+412	2,665	2,713	+48
Tier 1 capital [1]	3,328	3,634	3,740	+412	2,913	3,306	+393
- of which tier 1 capital 'preferred securities' [2]	*203*	*180*	*180*	*-23*	*0*	*0*	*+0*
- of which tier 1 capital 'fully eligible Basel III instruments'	*248*	*586*	*593*	*+345*	*248*	*593*	*+345*
Eligible total capital [1]	3,561	3,876	3,980	+419	2,979	3,380	+401
- of which lower tier 2 instruments [2]	*218*	*193*	*193*	*-25*	*0*	*0*	*+0*
CET1 capital ratio [1]	**20.9%**	**22.4%**	**22.0%**	**+1.1 pts**	**16.4%**	**15.8%**	**-0.6 pts**
Tier 1 capital ratio [1]	**20.9%**	**22.4%**	**22.0%**	**+1.1 pts**	**18.0%**	**19.2%**	**+1.2 pts**
Total capital ratio [1]	**22.4%**	**23.9%**	**23.4%**	**+1.1 pts**	**18.4%**	**19.6%**	**+1.2 pts**
Loan-to-deposit ratio	0.53	0.56	0.54	+0.01	0.53	0.54	+0.01
Liquidity coverage ratio (LCR) [4]	110.5%	112.5%	200.9%	+90.4 pts	110.5%	200.9%	+90.4 pts
Net stable funding ratio (NSFR)	121.3%	120.2%	123.9%	+2.6 pts	119.0%	122.2%	+3.2 pts
Leverage ratio (LERA)	4.7%	5.0%	4.7%	+0.0 pts	4.1%	4.1%	+0.0 pts

[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
[4] In 2014, the definition for the LCR calculation was changed; the LCR shown for 31.12.2014 is therefore not comparable with those of earlier points in time

BALANCE SHEET – FINANCIAL INVESTMENTS AFS

CHF m	31.12.2012	31.12.2013	31.12.2014	in %	Change vs. 31.12.2013
Money market instruments	**635**	**2,494**	**2,312**	**16%**	**-7%**
Debt instruments	**11,051**	**10,549**	**12,204**	**84%**	**+16%**
Government and agency bonds	1,775	2,060	1,571	11%	-24%
Financial institution bonds	5,203	5,293	7,056	48%	+33%
Corporate bonds	4,072	3,191	3,574	24%	+12%
Other bonds		6	3	0%	-52%
Equity instruments	**90**	**82**	**82**	**1%**	**-1%**
Total financial investments available-for-sale	**11,775**	**13,125**	**14,597**	**100%**	**+11%**
Cash with central banks	9,546	10,207	11,159		+9%

Debt instruments by credit rating classes (excluding money market instruments)

Fitch, S&P	Moody's	31.12.2012	31.12.2013	31.12.2014	in %	Change vs. 31.12.2013
AAA - AA-	Aaa - Aa3	8,259	7,318	7,332	*60%*	+0%
A+ - A-	A1 - A3	2,375	2,819	4,345	*36%*	+54%
BBB+ - BBB-	Baa1 - Baa3	236	287	267	*2%*	-7%
BB+ - CCC-	Ba1 - Caa3	93	46	47	*0%*	+2%
CC - D	Ca - C			3	*0%*	-
Unrated[1]	Unrated[1]	88	79	209	*2%*	+164%
Total		**11,051**	**10,549**	**12,204**	***100%***	**+16%**

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

BREAKDOWN OF AUM

Asset mix	31.12.2012	31.12.2013	31.12.2014
Equities	25%	27%	26%
Bonds (including Convertible Bonds)	23%	20%	19%
Investment Funds [1]	20%	22%	24%
Money Market Instruments	7%	5%	4%
Client Deposits	18%	20%	21%
Structured Products	5%	5%	5%
Other [2]	2%	1%	1%
Total	**100%**	**100%**	**100%**

Currency mix	31.12.2012	31.12.2013	31.12.2014
CHF	17%	14%	13%
EUR	27%	24%	22%
USD	34%	39%	43%
GBP	3%	5%	5%
SGD	2%	2%	2%
HKD	2%	3%	2%
RUB	1%	1%	1%
CAD	2%	1%	1%
Other	12%	11%	11%
Total	**100%**	**100%**	**100%**

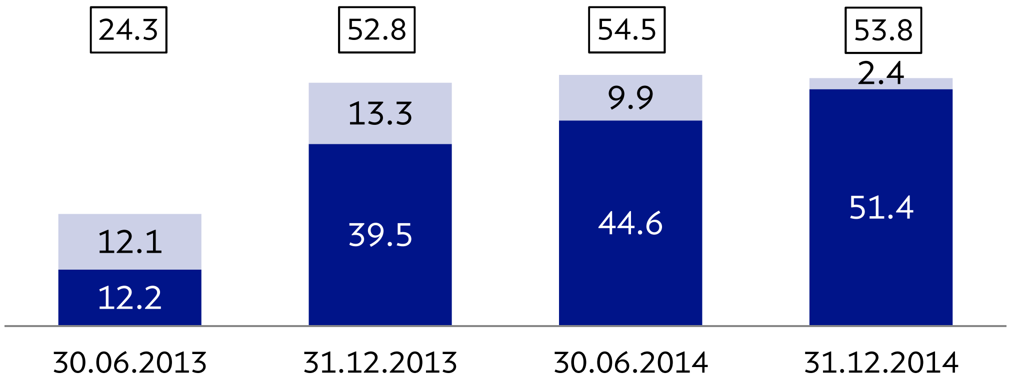
[1] Includes, amongst other asset classes, further exposure to equities and bonds
[2] Including alternative investment assets

IWM: AUM DEVELOPMENT

Only India left to be transferred

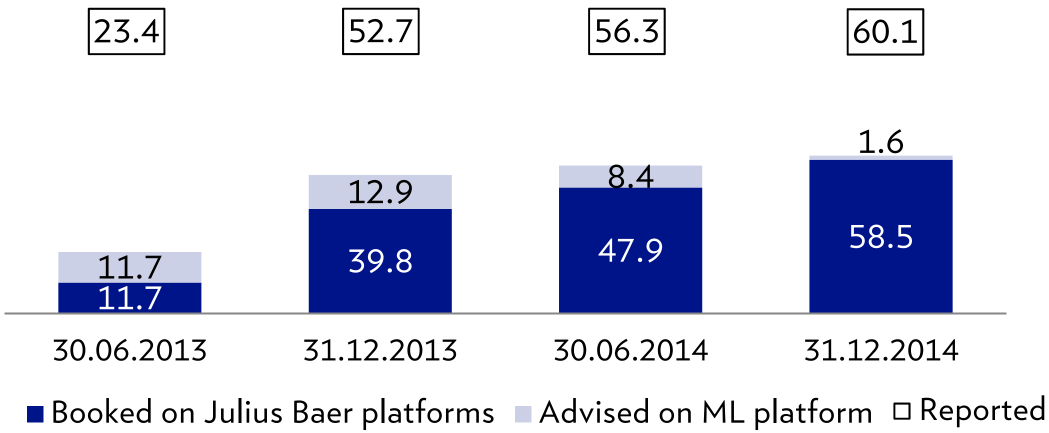
IWM AuM based on value at applicable transfer dates*

CHF bn



IWM AuM at current values**

CHF bn



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]

Expected in 2015:

- India[1]

[1] Legal entity acquisition
[2] Business transfer

* Acquisition payments to BAML are based on value of booked assets at applicable transfer dates
** Including appreciation since applicable transfer dates

IWM: ON TRACK TO MEET OR EXCEED TARGETS

Productivity improvements ahead of plan – 2014 rightsizing targets fully realised

IWM - Estimated productivity[1]

IWM on Julius Baer platform	Actual 2014	Target [2] 2015
Gross margin (extrapolated)	~86bps	~85bps
Adjusted cost/income ratio (estimate) [3]	<80%	~70%
Pre-tax margin [3]	>17bps	~25bps

IWM - Net inflows

	Actual 2014	Target [2] 2014	Target [2] 2015
Net new money	CHF 2bn (~5%)	'Limited'	4-6%

IWM – Synergy realisation

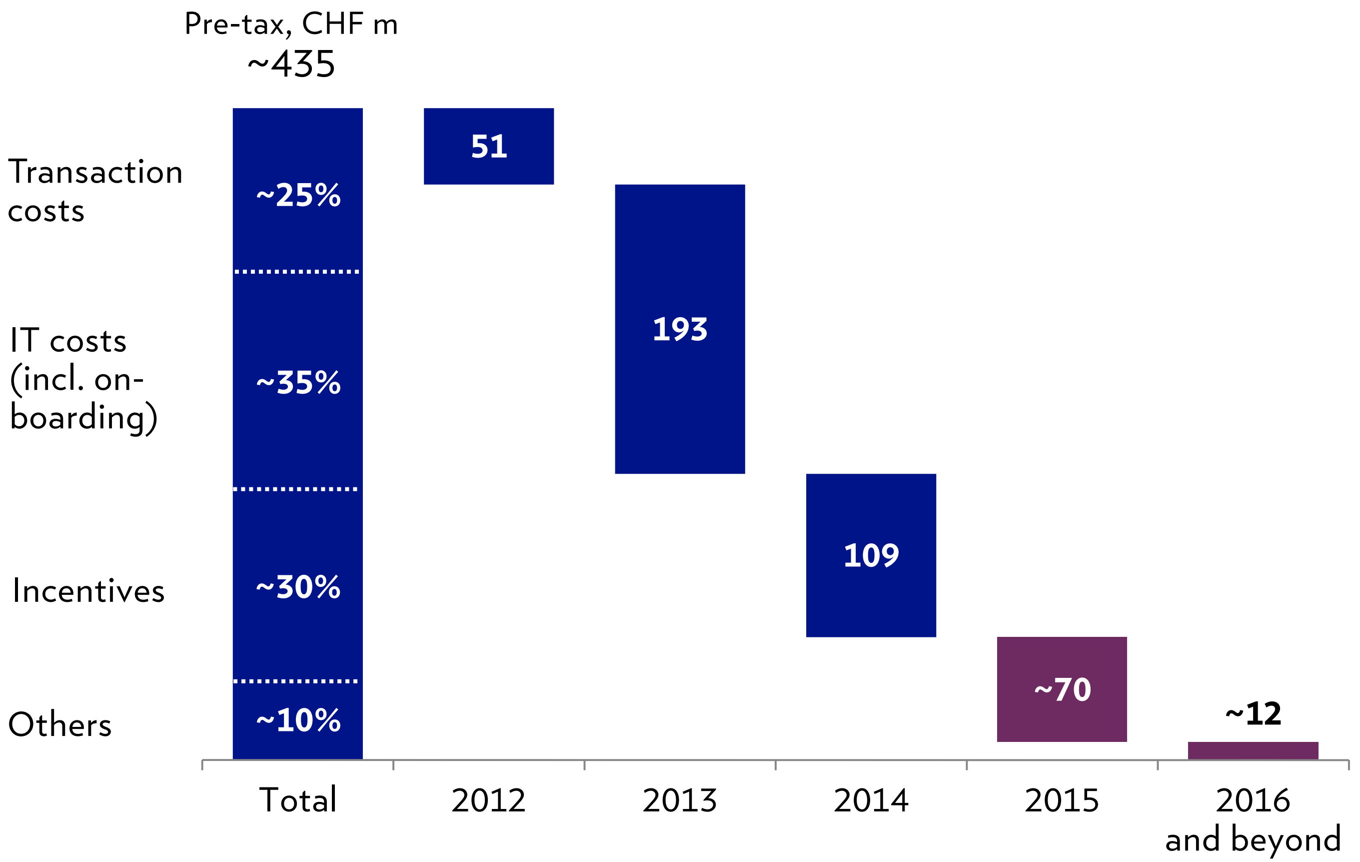
FTE Reduction	Actual 2014	Target 2014
Gross	564	550-650
Net (P&L relevant)	398	~400

- Significant progress in productivity
  - IWM RMs contributed considerably to NNM, earlier than expected
  - IWM estimated gross margin at ~86bps, ahead of *2015* target
- 2014 rightsizing process completed on-target
- 2015 and beyond: Scope for further productivity and efficiency gains

[1] Due to the nearly complete integration into Julius Baer, 'stand-alone' costs and profitability are not fully separable and therefore not precisely measurable anymore. All references to IWM profitability are therefore approximations
[2] As announced in 2012
[3] On basis of adjusted profit, and for cost/income ratio excluding valuation allowances, provisions and losses

IWM: TRANSACTION, RESTRUCTURING AND INTEGRATION COSTS

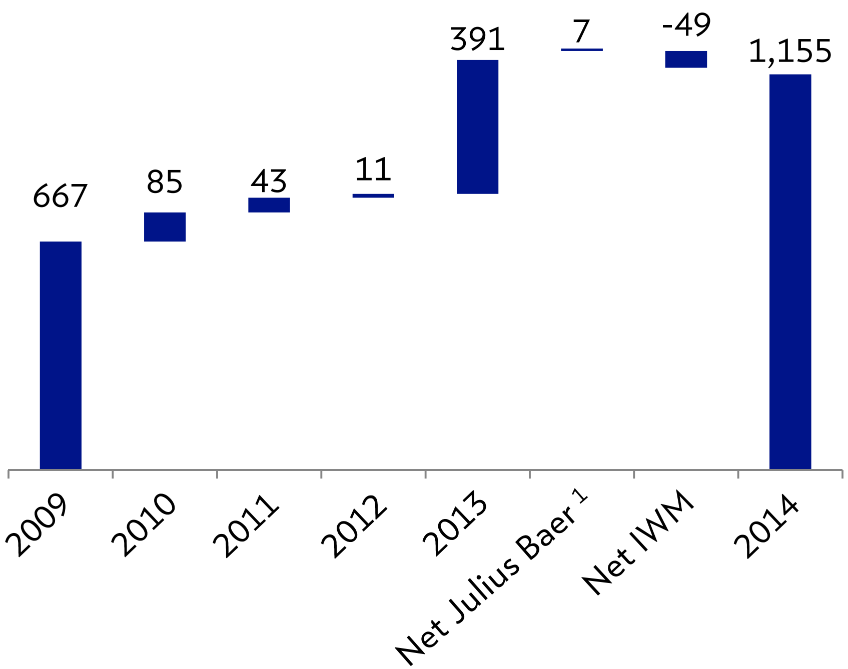
Update and estimated breakdown over time



JULIUS BAER ATTRACTIVE FOR TOP PROFESSIONALS

Appeal of independence and pure private banking

Number of Relationship Managers (RMs)



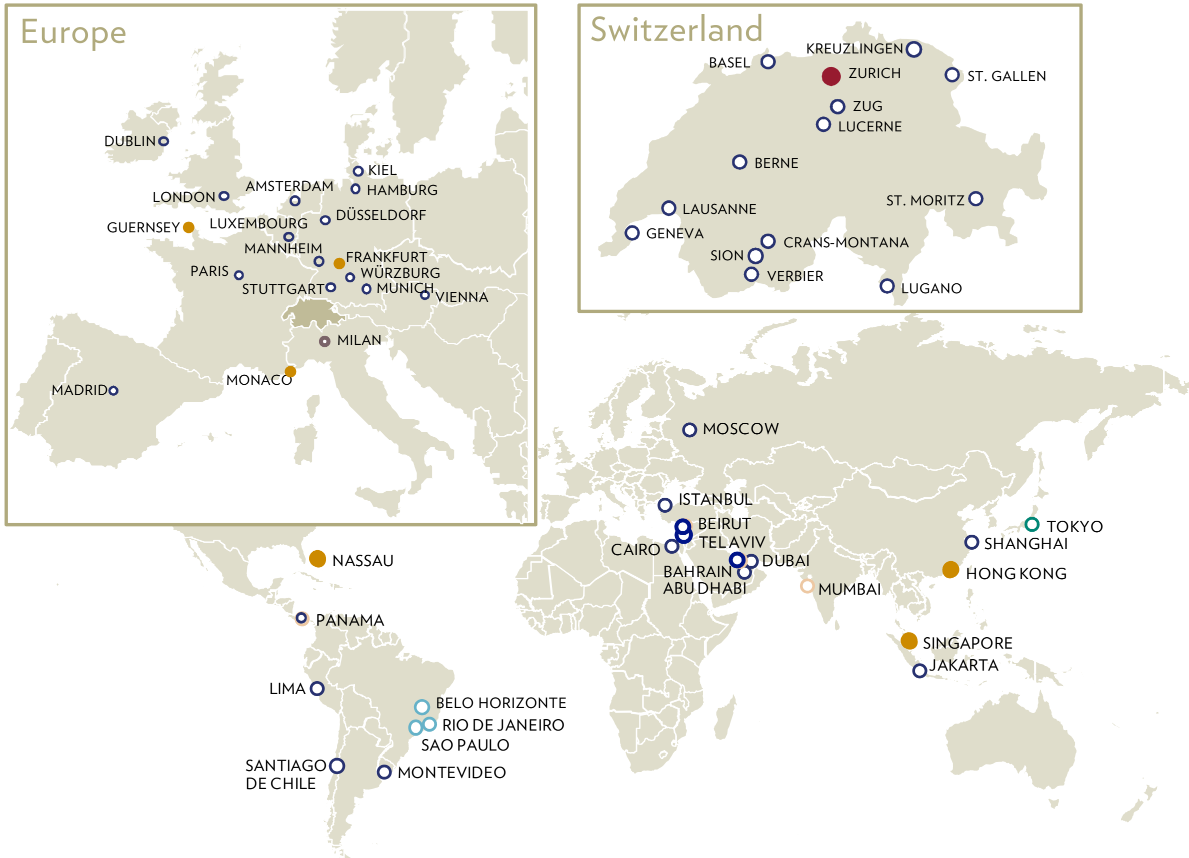
Attractive platform for top private banking talents:

- Independence/pure private banking
- Client-centric approach
- Wide range of first-class products and services
- Strong brand
- Solid capital position and balance sheet

[1] incl. GPS

JULIUS BAER: PURE-PLAY PRIVATE BANKING GROUP

Well positioned for further growth



- Rich heritage – celebrating 125 years in 2015
- Premium brand in global wealth management
- Client-centric approach
- Strong expansion into growth markets
- Present in over 25 countries and 50 locations[1]
- >5,000 highly dedicated staff, incl. more than 1,000 RMs
- Total client assets CHF 396bn
- Asset under management CHF 291bn
- Strongly capitalised:
  - BIS total capital ratio 23.4%
  - BIS tier 1 ratio 22.0%

Legend

- Head Office
- Location
- Booking Centre
- TFM Asset Management (60%)
- IWM locations still to be integrated[2]
- GPS (80%)
- Kairos Julius Baer SIM SpA, strategic minority participation of 19.9% in parent company Kairos

[1] Pro forma for integration of IWM India
[2] In the case of IWM India: main office in Mumbai – plus four smaller offices in Bangalore, Chennai, Kolkata, New Dehli

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