Julius Bär

THE LEADING SWISS PRIVATE BANKING GROUP

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CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

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JULIUS BAER: PURE-PLAY PRIVATE BANKING GROUP

Presence in more than 50 offices and 25 countries[1], CHF 254bn AuM[2]

- Rich heritage (established in 1890)
- Premium brand in global wealth management
- Client-centric approach
- Strong expansion into growth markets
- Total client assets ~CHF 348bn[2]
- Asset under management ~CHF 254bn[2]
- Strongly capitalised[2]:
  - BIS total capital ratio 22.4%
  - BIS tier 1 ratio 20.9%
- Market capitalisation CHF 9 bn[3]

Legend

- Head Office
- Location
- Booking Centre
- TFM Asset Management Ltd. (60%)
- IWM locations still to be integrated[4]
- GPS (80%)
- Kairos Julius Baer SIM SpA, strategic minority participation of 19.9% in parent company Kairos

[1] Pro forma for integration of Merrill Lynch's International Wealth Management business outside the US (IWM)
[2] As at 31 December 2013
[3] At close of market on 21 March 2014
[4] In the case of IWM India: main office in Mumbai – plus four smaller offices in Bangalore, Kolkata, Chennai, New Dehli

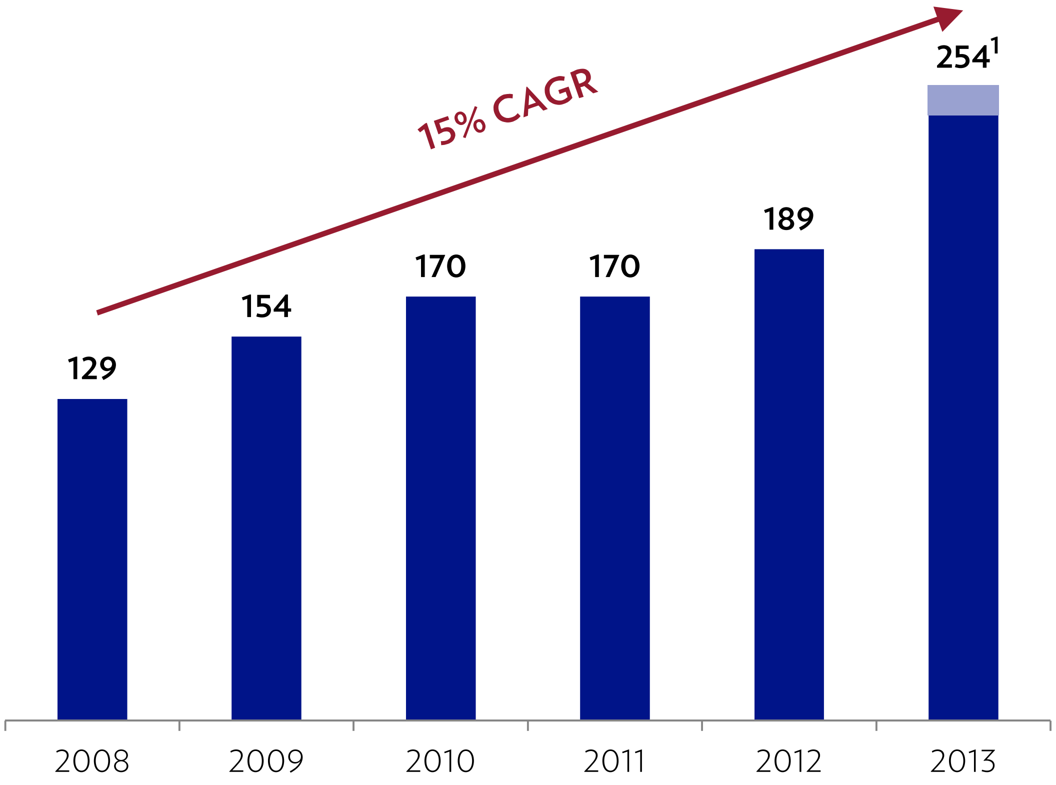
Strong asset growth on net inflows and selected acquisitions

STRONG AUM GROWTH

Supported by continued inflows and acquisitions

Development of Assets under Management (EOY)

CHF bn



- AuM increased from CHF 129bn at end 2008 to CHF 254bn at end 2013

➢ Represents CAGR of 15%

- On back of continued inflows and acquisitions

- Note: *Average* AuM[2] grew from CHF 143 bn in 2009 to CHF 229bn in 2013

➢ CAGR 10%

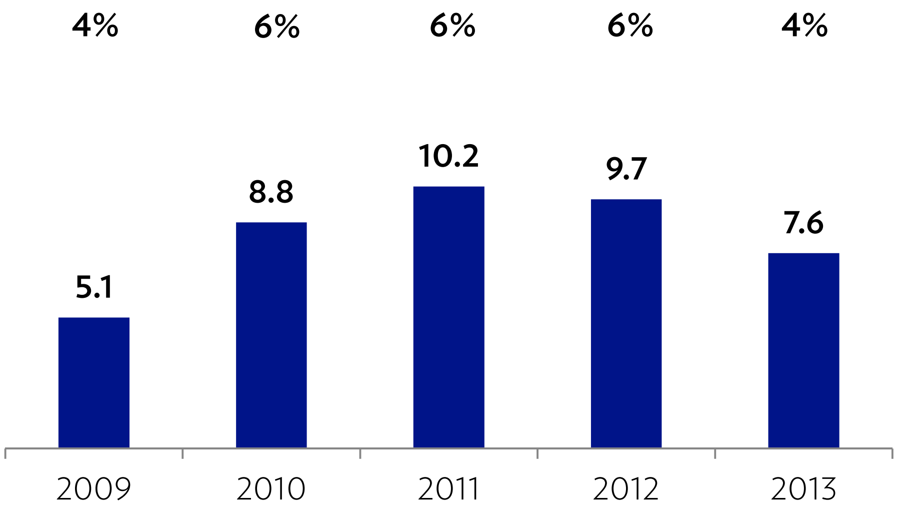
[1] Includes CHF 13.3bn of IWM advised assets (AuM reported, but not yet booked on Julius Baer platforms)
[2] Calculated on the basis of monthly AuM levels

GROWTH SUPPORTED BY CONTINUED NET INFLOWS

Last five years: 4-6% per annum, in-line with target

Development of Net New Money

in CHF bn and %[1]



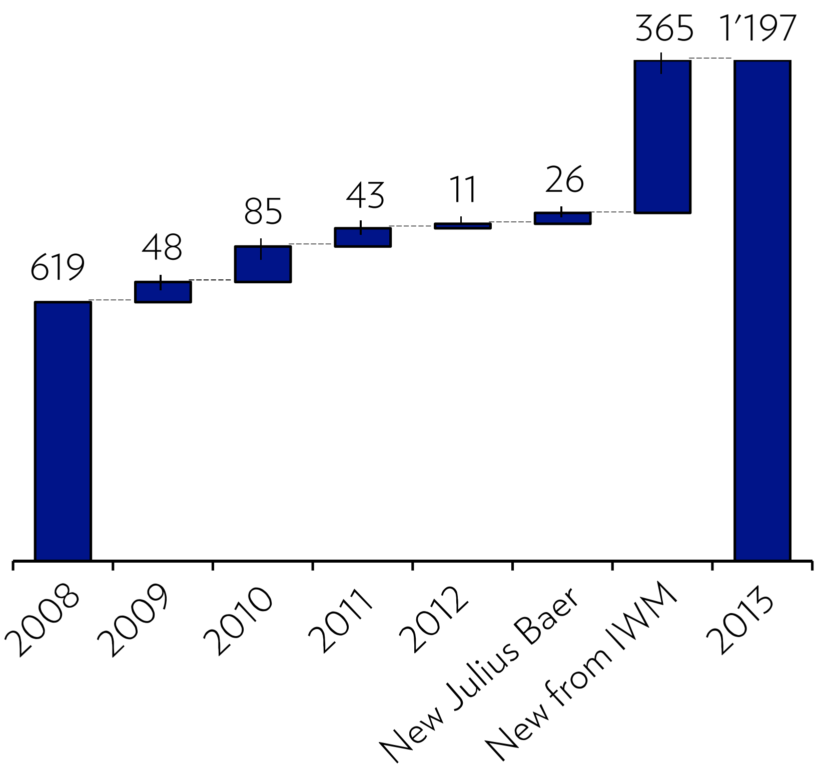
- Continued inflows from all growth markets
  - Asia
  - Latin America
  - Middle East
  - Israel
  - Russia/CEE
- Since 2010 also significantly from domestic business in Germany
- Inflows in W. European cross-border business to a large extent balanced by outflows from tax regularisations of legacy assets

[1] Annualised NNM in % of AuM at the start of the year

INFLOWS HELPED BY ABILITY TO ATTRACT QUALITY RMs

Attractive destination for top professionals in 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
- Open product platform
- Strong brand
- Solid capital position and balance sheet

Almost doubled base of RMs over the last five years

SELECTIVE M&A FURTHER SUPPORTS GROWTH

Strategic partnerships complement stand-alone offering

Acquisitions

Acquisitions considered on selective basis…

- Consolidation strategies, e.g.
  - 2010: ING Bank (Switzerland) Ltd.
  - 2013: Merrill Lynch Bank (Suisse) S.A. (as part of IWM[1])
  - 2013-15: IWM Hong Kong, Singapore, Montevideo
- Transactions to complement market strategies, e.g.
  - 2013/Italy: 19.9% in Kairos (Julius Baer SIM contributed to Kairos)
  - 2013-15: IWM EMEA
- New market entry strategies, e.g.
  - 2011-14/Brazil: GPS (from 30% in 2011 to 80% in 2014)
  - 2013/Japan: 60% stake in TFM Asset Management
  - 2015: IWM India (planned)

… subject to strict criteria:

- ➢ Strategic and cultural fit
- ➢ Creating shareholder value

Strategic Partnerships

Bank of America Merrill Lynch

Global, IB support, research

MACQUARIE

Asia, IB support, cross-referrals

中国银行 BANK OF CHINA

Corporate banking support in mainland China, cross-referrals

[1] Merrill Lynch's International Wealth Management business outside the US

Strategically well-positioned to realise further growth and enhance profitability

FOCUS ON FURTHER, MORE PROFITABLE GROWTH

IWM presents significant cost reductions potential

Further growth

- Medium-term target for NNM of 4-6% p.a.
- Selectively consider value-creating acquisitions

Enhance profitability

- Gross margin will remain dependent on client transaction & trading activity and interest rates
- However, ongoing *revenue* enhancement focus, e.g.
  - Actively managed assets
  - Structured products roll-out in Asia
  - IWM FAs and clients benefitting from Julius Baer's offering (e.g. credit, discretionary & advisory mandate offering)
- Also, significant *cost* reduction potential from IWM transaction
- Additionally, IWM also helps reduce cost base CHF exposure

➢ Adjusted cost/income ratio[2, 3] targeted to improve to 65-70% (from 2015)

➢ Pre-tax margin[2] targeted to improve to 30-35bps (from 2015)

[1] At end of 2013
[2] Excluding amortisation of intangible assets, integration and restructuring costs
[3] Cost/income ratio not including valuation allowances, provisions and losses

SWITZERLAND

Strenghtening position in home market through network and acquisitions

- Full scope of domestic private banking services
- 15 locations
- Merrill Lynch Bank (Suisse) S.A. in Geneva
  - 2013: acquisition (~CHF 11bn AuM), legal merger
  - March 2014: technical integration completed
- Benefitting from consolidation in external asset (wealth) manager (EAM) landscape
  - 2013: acquisition of WMPartners (increasing Group AuM by CHF 1.4bn)
  - 2014: to be merged with Julius Baer EAM subsidiary Infidar Investment Advisory Ltd.
  - Combined entity: client assets > CHF 4bn
    - ➢ one of largest EAMs in Switzerland

EUROPE

Significant expansion in Germany, UK – new presence in Spain, Luxembourg

Germany

- Key client market, served cross-border and on-shore
- 8 locations in Germany
- Strong NNM contribution from domestic business
- Legacy tax-regularisations largely completed
- Bank Julius Bär Europe AG (Frankfurt): from pure German onshore bank to European hub (booking facility for European IWM assets)

United Kingdom

- Expanded presence through IWM in London, creating one of the premier local private banks

Tax regularisations on-going

- Further aiming towards having European clients tax compliant by 2015

Italy

- Completed Kairos transaction, next step towards creating a leading onshore wealth manager

- Existing Julius Baer locations
- Julius Baer booking centres
- Kairos Julius Baer (Julius Baer owns 19.9% of Kairos)
- New locations from IWM, integration expected 2014

CEE / ISRAEL / MIDDLE EAST

Three key markets delivering good inflows

Central & Eastern Europe
- Dedicated desks in Zurich, Geneva, London, Monaco, Singapore and Vienna

Israel
- Extended market penetration in 2013 via additional financial advisory licence
- IWM 2013 add-on complementing our local business in Tel Aviv

Middle East
- IWM (2013):
  - Strenghtened presence in UAE/Dubai
  - Added new local presence in Lebanon/Beirut and Bahrain/Manama

ASIA

Close to 25% of Group AUM

- IWM HK & Singapore nearly doubled size of Julius Baer presence
  - ➢ Positioned well within the top 10 of Asia's wealth managers
  - ➢ Asian-resident clients: close to 25% of Group AuM
- Focus on further growth in North & South East Asia and future new growth in India (IWM)
- IWM:
  - – Asset transfers successfully completed (small additional transfer in January 2014)
  - – IWM FAs quickly productive on Julius Baer platforms: gross margin (ytd) equal to Julius Baer's 'stand-alone' margin
  - – Cost synergies will meaningfully improve Asian CIR
  - – India to be integrated early 2015

[1] IWM main office in Mumbai – plus four smaller offices in Bangalore, Kolkata, Chennai, New Delhi. Integration expected early 2015

LATIN AMERICA

Significantly growing our position along various dimensions

- IWM, 2013:
  - Expanded presence in Uruguay/Montevideo and Chile/Santiago
  - New presence in Panama
  - Panama to become Group's LatAm hub over time

- Brazil: increased investment in GPS to 80%

Existing Julius Baer locations
Julius Baer booking centre
Offices of Julius Baer partner GPS (30% stake)

BRAZIL: INCREASED INVESTMENT IN GPS TO 80%

Following strong performance since initial investment

- May 2011: Julius Baer acquired 30% stake in GPS, with clear path to control
- Since May 2011: double-digit % CAGR in AuM (to BRL 15bn), continued excellent performance
- ➢ 25 March 2014: Julius Baer exercised call option to acquire an additional 50%
- Expected to be low single-digit % accretive to 2014/15 EPS

GPS
a Julius Baer Group company

Brazil: attractive WM market

- Largest WM market in Latin America: ~USD 600bn, whereof 69% booked domestically[1]
- Individuals with investable assets USD 1-20m: ~35% of total assets
- Stable political and regulatory environment

GPS: largest independent WM in Brazil

- Offices in São Paulo (HQ) and Rio de Janeiro, >100 FTEs
- Pure discretionary investment management, open architecture philosophy, no proprietary products
- Third-party custody only, 80% booked domestically, 20% internationally
- ~BRL 15bn AuM
- Long record of profitability

GPS as member of Julius Baer Group

- Senior partners will continue to lead the business
- Long-term tie-in through incentivisation scheme
- Julius Baer: majority in Board of Directors - represented in Executive Committee by two members
- Transaction expected to be low single-digit % accretive to 2014/15 EPS
- Limited impact (~60 bps) on capital ratios

[1] Source: BCG. Figures represent the segment of individuals with USD 250k+ in investable assets

DEVELOPMENT OF IWM INTEGRATION

IWM on Julius Baer platform	Actual 2013	Target[1] 2013	Target[1] 2014	Target[1] 2015
AuM reported	CHF 53bn	80% ✓	100%	100%
AuM reported & booked (& paid for)	CHF 40bn	70% ✓	100%	100%
Financial Advisers joined (net)	365	-	-	-
Net new money	negligible	limited	limited	4 – 6%
Gross margin (extrapolated)	76bps	-	-	~85bps
Adjusted cost/income ratio (estimate)	> 100%	improving towards targeted ~70% in 2015		
Pre-tax margin[2]	N/A	improving towards targeted ~25bps in 2015		

- End 2013: CHF 53 bn reported and CHF 40bn booked and paid for
- By Q1 2015, expected to achieve AuM target, towards lower end of original CHF 57-72bn range
- IWM extrapolated 2013 gross margin as expected impacted by FAs' involvement in transfer process
- In H2 2013, gross margins have tended to improve once AuM were booked on Julius Baer platforms
- So far in 2014, Asian IWM gross margin on a par with Julius Baer 'stand-alone' gross margin
- Gross margin targeted to improve to ~85bps in 2015
- At 85bps gross margin, adjusted cost/income ratio on target to improve to 70% (see also slide 18)

➢ Pre-tax margin[2] targeted to reach ~25bps in 2015

[1] As announced in 2012
[2] On basis of adjusted profit

TARGETED PROFITABILITY[1] OF IWM INTEGRATION

2014: Rightsizing

- End 2013: 1'220 IWM FTEs
- In 2014, further ~240 IWM FTEs still scheduled to join Julius Baer - does not include Italy (to Kairos) and India (expected 2015)
- ➢ Net reduction target 2014: ~400 FTEs (weighted towards H2)

2014 CIR ~90%

- Based on functions and locations of employees: cost savings (personnel & general expenses[2]) per FTE lower than average Group expenses[2] per FTE
- ➢ Implied IWM cost/income ratio[3] likely to fall to ~90%[4]

2015 CIR ~70%

- 2015: expected transfer of India business; continued focus on efficiency opportunities
- Implied IWM C/I ratio[3] targeted to fall to ~70% (at gross margin of ~85bps)

Beyond 2015

- Scope for further productivity and efficiency improvements

[1] Due to the rapid integration into Julius Baer, 'stand-alone' costs and profitability are not fully separable and thus not precisely measurable anymore; all references to IWM profit contribution and cost/income ratio are therefore approximations
[2] On basis of adjusted expenses, i.e. excluding integration and restructuring expenses and amortisation of intangible assets related to acquisitions or divestments
[3] On basis of adjusted expenses[2], and excluding valuation allowances, provisions and losses
[4] Assuming no major negative market/currency impact on AuM, and assuming IWM gross margin similar to 2013 full year gross margin

CONFIRMING MEDIUM-TERM TARGETS

	Current	Medium-Term Targets		
	Julius Baer, incl. initial IWM transferred AuM (FY 2013)	**Julius Baer stand-alone *(former medium-term targets[1])***	**IWM, integrated *(2015)***	**Combined entity *(from 2015 onwards)***
Cost/Income Ratio[2]	71%	62-66%	~70%	**65-70%**
Pre-Tax Profit Margin[3]	25.5bps	>35bps	~25bps	**30-35bps**
Net New Money[4]	4%	4-6%	4-6%	**4-6%**

[1] February 2012, before the announcement of the IWM acquisition (announced August 2012)
[2] Adjusted cost/income ratio, calculated excluding valuation allowances, provisions and losses
[3] Annualised adjusted pre-tax profit divided by period monthly average AuM, in basis points
[4] Annualised net new money as % of AuM at end of previous period

APPENDIX

Selected slides from FY 2013 results presentation

SCOPE OF PRESENTATION OF FINANCIALS

Restatement 2012

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 28
- Please refer to the Consolidated Financial Statements[1] for the full IFRS results

Restatement 2012

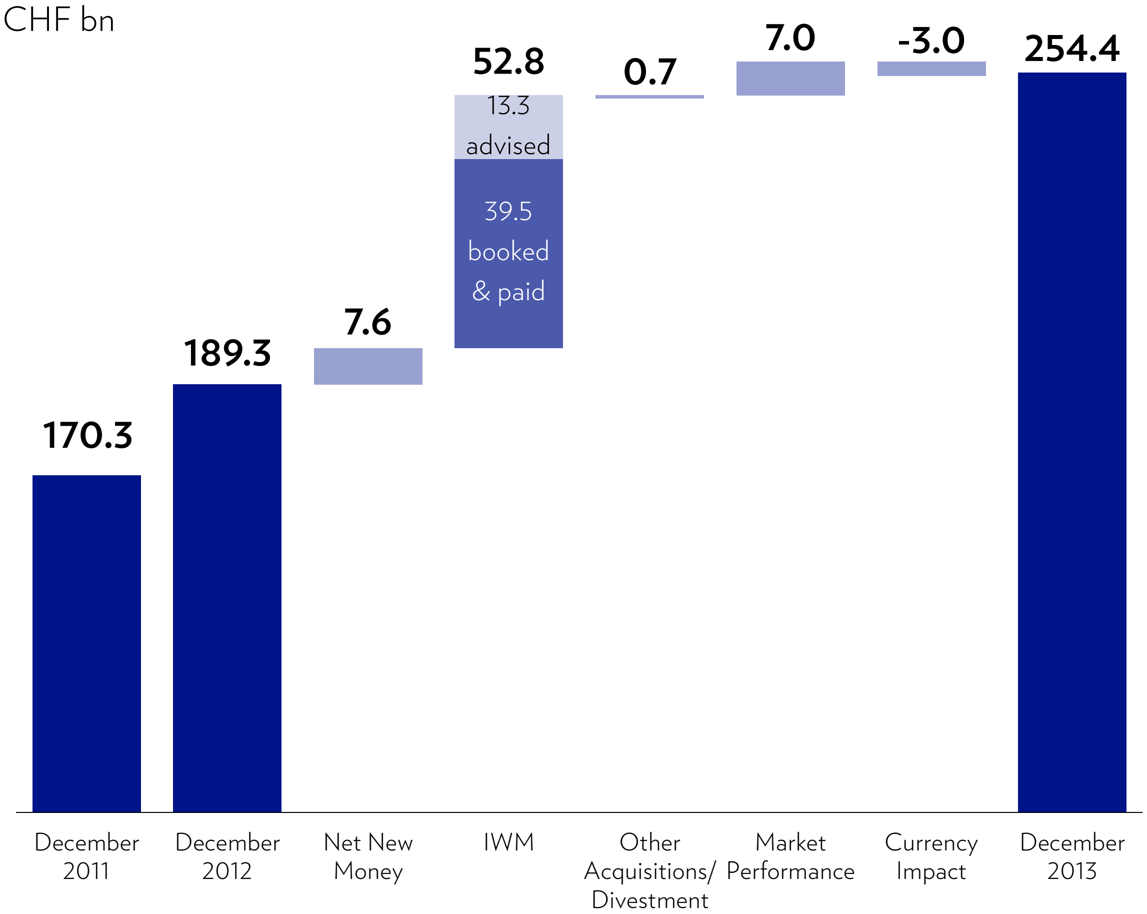
- Revised IFRS accounting standards related to the Group's pension plans (IAS 19 – Employee Benefits) that became effective on 1 January 2013 and are described in the Group's Consolidated Financial Statements[1], resulted in a restatement of personnel and tax expenses and certain balance sheet items for the 2012 reporting period
- The final restated figures for 2012 differ from the preliminary 2012 restatement initially communicated with the presentation of the H1 2013 results on 22 July 2013
- Please refer to restated adjusted P&L for FY 2012, H1 2012, and H2 2012 on slides 26 and 27

[1] Available from www.juliusbaer.com

2013: AUM CHF +65bn (+34%) TO CHF 254bn

IWM reported AuM of CHF 53bn

Development of Assets under Management

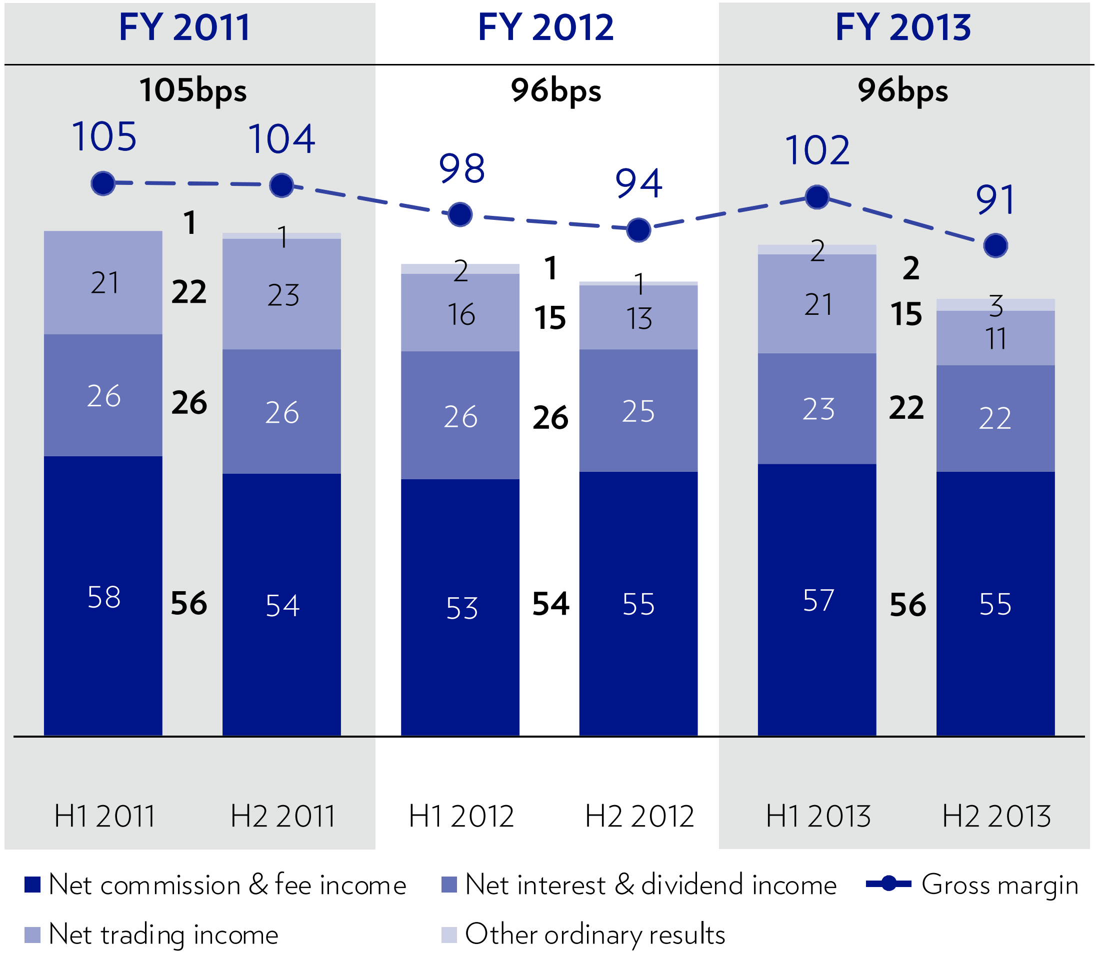


- **AuM CHF 254bn, +34%**
  - Net new money CHF +7.6bn
  - Acquisition IWM CHF +52.8bn
  - Acquisition WMPartners CHF +1.4bn
  - Acquisition TFM (60%) CHF +0.2bn
  - Divestment Alpha SIM CHF -1.0bn
  - Market performance CHF +7.0bn
  - Currency impact CHF -3.0bn
- ***Average* AuM[1] 2013 CHF 229bn, +26%**
- **Assets under custody CHF 93bn, +6%**
- **Total client assets CHF 348bn, +26%**

[1] Calculated on the basis of monthly AuM levels

GROSS MARGIN[1]

Interest & trading income adjusted for dividends on trading portfolios[2]



- Net commission/fee income 56bps (+2bps)
- Net interest income[2] 22bps (-4bps)
- Net trading income[2] 15bps : unchanged year-on-year, but "year of two halves": 21bps in H1, 11bps in H2

Extrapolated split (in bps)	H1	H2	FY 2013
Julius Baer stand-alone	102	96	99
IWM	94	70	76
Total	102	91	96

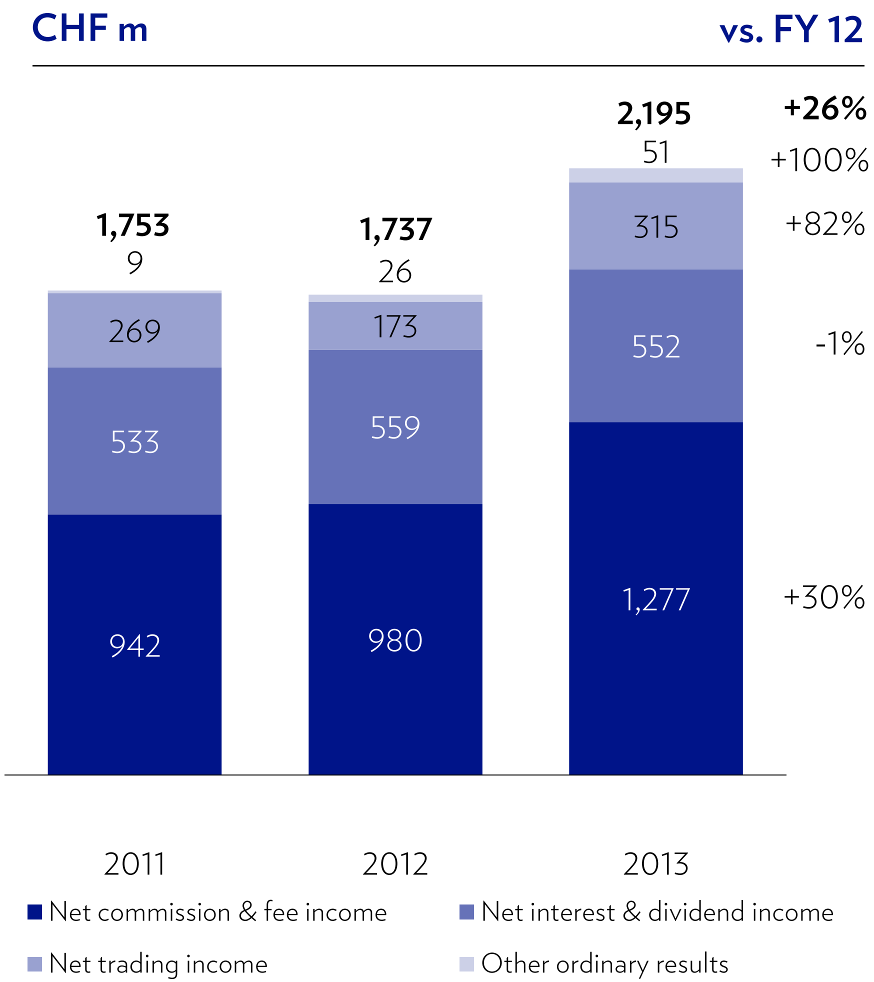
- IWM extrapolated H2 gross margin was negatively impacted by the preparations for the significant asset transfers that took place in that period

[1] Operating income divided by period monthly average AuM in basis points. Average AuM for H2 2013 was CHF 246bn, up 33% compared to H2 2012 and up 16% from CHF 212bn in H1 2013

[2] Net interest income adjusted to exclude dividends on trading portfolios, net trading income adjusted to include the same (H1 2011: CHF 97m, H2 2011: CHF 4m, H1 2012: CHF 90m, H2 2012: CHF 3m, H1 2013: CHF 33m, H2 2013: CHF 5m)

2013: OPERATING INCOME +26% TO CHF 2,195m

In line with increase in average AuM



[1] Dividend income on trading portfolios CHF 38m (2012: CHF 93m, 2011: CHF 101m)

Net commission/fee +30% to CHF 1,277m

- Mainly on increase in average AuM
- Partly helped by allocated revenues from BAML platform being booked under c&f income

Net interest/dividend income -1% to CHF 552m

- Excluding dividend income on trading portfolios[1], underlying NII +10% ...
- ... as increase in credit income was partly offset by increased interest expense on debt issued and slightly lower treasury income

Net trading income +82% to CHF 315m

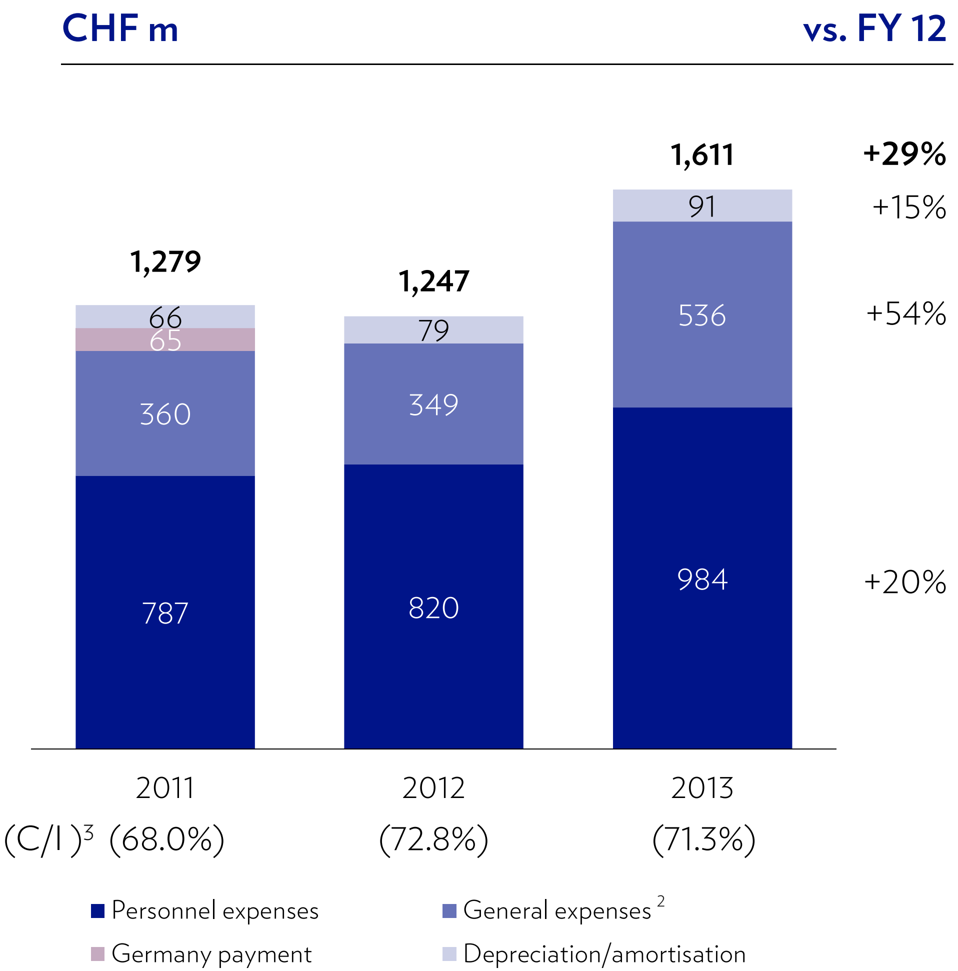
- Crediting back dividend income on trading portfolios[1], underlying net trading income +33%

Other ordinary results doubled to CHF 51m

- Includes a.o. income from associates (GPS, Kairos), brand licensing income, rental income, gains on AFS disposals

2013: OPERATING EXPENSES[1] +29% TO CHF 1,611m

Excluding swing in valuation allowances, provisions and losses: +24%



Personnel expenses +20% to CHF 984m

- Avg #FTEs (relevant for adjusted result) +29% mainly on transfer of IWM business

General expenses[2] +54% to CHF 536m

- Mainly due to IWM integration and swing in valuation allowances, provisions and losses (excluding the latter: +34% to CHF 490m)
- Includes CHF 35m for US tax situation (2012: CHF 38m), of which CHF 15m as provisions for future legal costs

Cost/income ratio[3] at 71% (2012: 73%)

- Excluding costs related to US tax situation: 70% (2012: 71%)

NB: IWM rightsizing measures only started in Q4 2013, as planned

[1] Excluding amortisation of intangible assets, integration and restructuring costs, as well as provision for UK withholding tax. 2012 is restated for final assessment of the amended standard (IAS 19)
[2] Including valuation allowances, provisions and losses
[3] Cost/income ratio not considering valuation allowances, provisions and losses

2013: ADJUSTED* NET PROFIT CHF 480m

CHF m	2011	2012 (restated)	2013	Change 2013/2012	2013 in %
Net interest and dividend income [1]	533	559	552	-1%	25%
Net commission and fee income	942	980	1,277	+30%	58%
Net trading income [1]	269	173	315	+82%	14%
Other ordinary results	9	26	51	+100%	2%
Operating income	**1,753**	**1,737**	**2,195**	**+26%**	**100%**
Personnel expenses	787	820	984	+20%	61%
General expenses [2]	425	349	536	+54%	33%
Depreciation and amortisation	66	79	91	+15%	6%
Operating expenses	**1,279**	**1,247**	**1,611**	**+29%**	**100%**
Profit before taxes	**474**	**490**	**583**	**+19%**	
Pre-tax margin (bps) [4]	28.2	27.0	25.5	-1.6 bps	
Income taxes	73	86	103	+20%	
Adjusted net profit [3]	**401**	**404**	**480**	**+19%**	
Underlying net profit (excl. Germany payment)	**452**	**404**	**480**	**+19%**	
Adjusted EPS (in CHF)	1.93	2.00	2.24	+12%	
Underlying EPS (in CHF)	2.18	2.00	2.24	+12%	
Gross margin (bps) [4]	104.5	95.9	95.9	-0.1 bps	
Cost/income ratio (%) [5]	68.0	72.8	71.3	-1.4% pts	
Tax rate	15.4%	17.6%	17.7%	+0.1% pts	
Staff (FTE)	3,643	3,721	5,390	+45%	
Valuation allowances, provisions and losses	87.5	-17.1	45.7	-	
Net new money (CHF bn)	10.2	9.7	7.6	-22%	
Assets under management (CHF bn)	170.3	189.3	254.4	+34%	
Average assets under management (CHF bn)	167.7	181.1	229.0	+26%	

* Excl. amortisation of intangible assets, integration and restructuring costs, as well as provision related to bilateral treaty between Swiss and UK authorities on withholding tax
[1] Net interest income contains dividend income (FY 2011: CHF 101m, FY 2012: CHF 93m, FY 2013: CHF 38m) on trading portfolios
[2] Including valuation allowances, provisions and losses
[3] Including non-controlling interests of CHF 0.2m for FY 2011, CHF 0.6m for FY 2012 and CHF 0.3m for FY 2013
[4] Based on average AuM
[5] Not considering valuation allowances, provisions and losses

ADJUSTED* CONSOLIDATED INCOME STATEMENT

Half-yearly

CHF m	H1 2012 (restated)	H2 2012 (restated)	H1 2013	H2 2013	Change H2 13/H2 12	Change H2 13/H1 13	H2 2013 in %
Net interest and dividend income [1]	323	236	275	277	+18%	+1%	25%
Net commission and fee income	471	510	599	678	+33%	+13%	61%
Net trading income [1]	52	121	185	130	+8%	-29%	12%
Other ordinary results	18	8	19	32	+303%	+74%	3%
Operating income	**863**	**874**	**1,077**	**1,118**	**+28%**	**+4%**	**100%**
Personnel expenses	419	401	488	496	+24%	+2%	58%
General expenses [2]	161	188	226	310	+65%	+37%	36%
Depreciation and amortisation	32	47	44	47	+1%	+7%	6%
Operating expenses	**612**	**636**	**758**	**854**	**+34%**	**+13%**	**100%**
Profit before taxes	**251**	**239**	**319**	**264**	**+11%**	**-17%**	
Pre-tax margin (bps) [4]	28.5	25.8	30.1	21.5	-4.3 bps	-8.7bps	
Income taxes	42	45	57	46	+3%	-20%	
Adjusted net profit [3]	**210**	**194**	**261**	**218**	**+13%**	**-16%**	
Adjusted EPS (in CHF)	1.05	0.96	1.23	1.02	+6%	-17%	
Gross margin (bps) [4]	97.7	94.3	101.8	90.7	-3.6 bps	-11.1 bps	
Cost/income ratio (%) [5]	72.1	73.4	69.3	73.3	-0.1% pts	+4.1% pts	
Tax rate	16.6%	18.7%	18.0%	17.4%	-1.3% pts	-0.6% pts	
Staff (FTE)	3’649	3,721	4,505	5,390	+45%	+20%	
Valuation allowances, provisions and losses	-10.7	-6.4	12.1	33.5	-	+176%	
Net new money (CHF bn)	5.5	4.2	3.4	4.1	-2%	+20%	
Assets under management (CHF bn)	178.8	189.3	217.7	254.4	+34%	+17%	
Average assets under management (CHF bn)	176.6	185.3	211.5	246.4	+33%	+16%	

* Excl. amortisation of intangible assets, integration and restructuring costs, ,as well as provision related to bilateral treaty between Swiss and UK authorities on withholding tax
[1] Net interest income contains dividend income (H2 2012: CHF 3m, H1 2013: CHF 33m, H2 2013: CHF 5m) on trading portfolios
[2] Including valuation allowances, provisions and losses
[3] Including non-controlling interests of CHF 0.4m for H2 2012, CHF 0.3m for H1 2013 and CHF -0.03m for H2 2013
[4] Based on average AuM
[5] Not considering valuation allowances, provisions and losses

RECONCILIATION CONSOLIDATED FINANCIAL STATEMENT 2013[1] TO ADJUSTED/UNDERLYING NET PROFIT

CHF m	2011	2012 (restated)	2013	Change 2013/2012
Profit after tax per consolidated Financial Statements	**258.1**	**268.5**	**187.8**	**-30%**
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	-
Integration and restructuring costs	64.5	57.3	199.1	+248%
Swiss and UK agreement on withholding tax			28.6	-
Tax impact	-12.4	-12.6	-36.6	+190%
Net impact	**142.4**	**135.0**	**292.0**	**+116%**
Adjusted net profit	**400.5**	**403.6**	**479.8**	**+19%**
One-off Germany payment	65.2	-	-	-
Tax impact	-13.9	-	-	-
Net impact	**51.2**	**-**	**-**	**-**
Underlying net profit	**451.8**	**403.6**	**479.8**	**+19%**

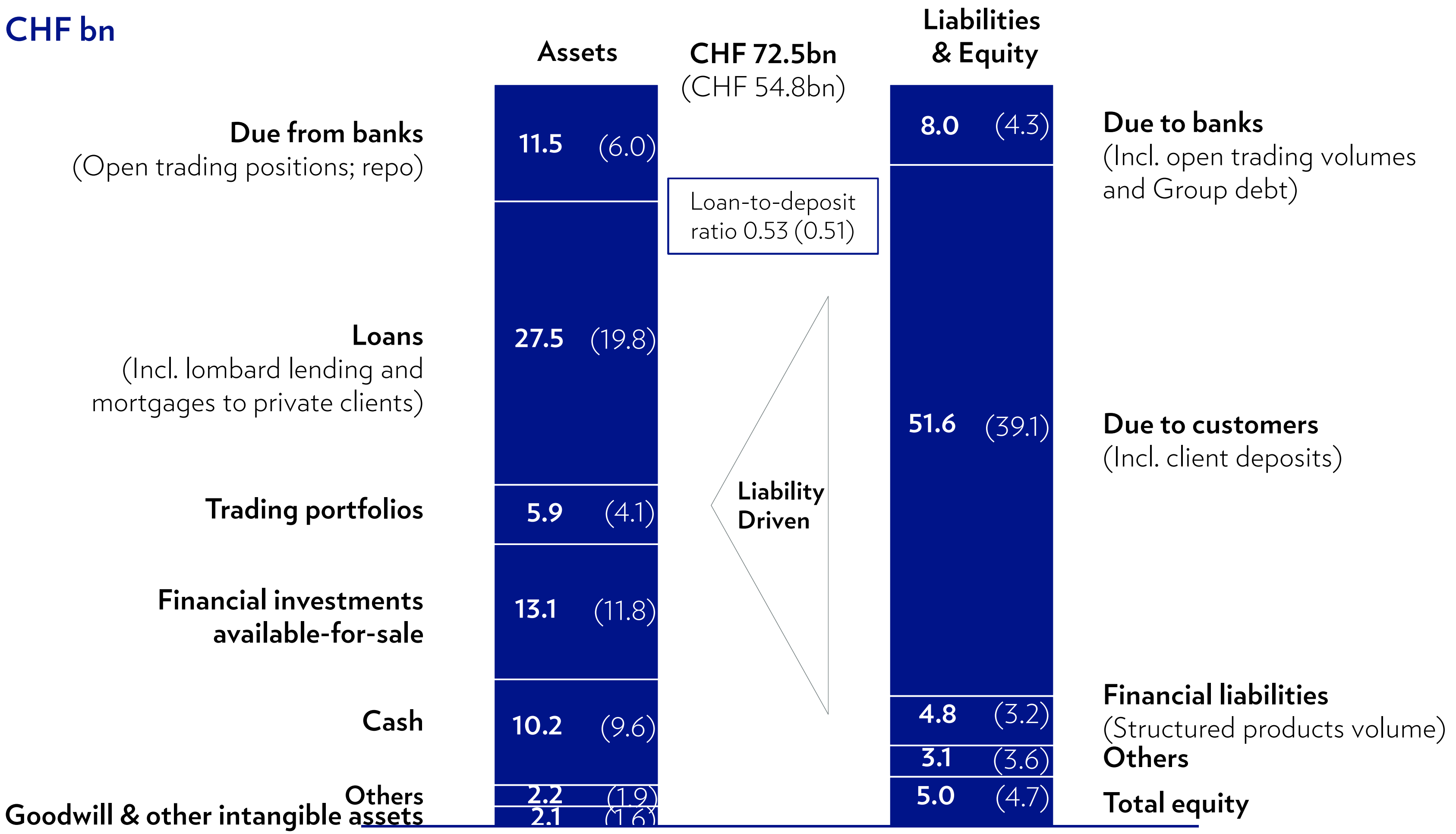
- Amortisation of intangibles: CHF 74.0m p.a. (until 2015) for the 2005 UBS transaction[2] and CHF 16.3m p.a. (until 2019) for the 2010 ING transaction
- Amortisation of intangibles related to IWM transaction was CHF 10.7m in 2013, and will increase in 2014 (i) since 2013 was included only pro-rata temporis and (ii) as more IWM AuM are transferred and paid for

[1] Please see detailed financial statements in the Consolidated Financial Statements 2013 (2012 is restated for the final assessment of the amended standard IAS 19)

[2] The UBS transaction-related amortisation of CHF 74.0m per annum 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

Deposits +32%, loans +39%, broadly in line with AuM growth



Figures as at 31 December 2013, summarised and regrouped from Financial Statements. In brackets: figures as at 31 December 2012 (restated for IAS 19 revised)

22.4% BIS TOTAL CAPITAL RATIO

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

BIS approach / CHF m	31.12.2012 *Basel 2.5*	31.12.2012 *Basel III* [2] *pro forma*	31.12.2013 *Basel III* [2]	31.12.2012 *Basel III fully applied* [4]	31.12.2013 *Basel III fully applied* [4]
Total risk-weighted positions	**12,451**	**12,551**	**15,908**	**12,770**	**16,223**
CET1 capital [1]	-	3,622	3,328	3,000	2,665
Tier 1 capital [1]	3,645	3,622	3,328	3,470	3,115
Eligible total capital [1]	3,940	3,893	3,561	3,788	3,399
CET1 capital ratio [1]	**-**	**28.9%**	**20.9%**	**23.5%**	**16.4%**
Tier 1 capital ratio [1]	**29.3%**	**28.9%**	**20.9%**	**27.2%**	**19.2%**
Total capital ratio [1]	**31.6%**	**31.0%**	**22.4%**	**29.7%**	**21.0%**
Tangible equity in % of total assets	5.6%	5.6%	4.0%	5.6%	4.0%
Loan-to-deposit ratio	0.51	0.51	0.53	0.51	0.53
Liquidity coverage ratio (LCR)	145.7%	145.7%	110.5%	145.7%	110.5%
Net stable funding ratio (NSFR)	123.4%	123.2%	121.3%	122.7%	120.7%
Leverage ratio [3]	6.8%	6.7%	4.7%	6.4%	4.4%

For further details on capital and capital ratios please refer to slides 39 and 40 in the appendix

1 After dividend
2 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 (2012 Basel III pro forma phased out as in 2013)
3 Basel III framework (tier 1 capital divided by the sum total of: on-balance sheet exposures net of provisions, minus derivatives and reverse repo exposures, plus securities financing transaction exposures netted, plus derivative exposures netted, plus off-balance sheet items)
4 Assuming that old-style capital instruments are replaced with Basel-III compliant instruments

EXPECTED FURTHER ISOLATED IMPACT OF IWM TRANSACTION ON CAPITAL RATIOS

- Expecting AuM acquired towards lower end of range[1]
- At end of 2013, 5.1m shares have been transferred to BofA, therefore further 2m shares still to be transferred[1,2]
- Assuming current share price[3]

1. • **Expected further goodwill impact: CHF ~275m**

- Total expected transaction, restructuring and integration costs[4]: CHF ~455m
- Of which already expensed[4]: CHF 244m

2. • **Expected further cost impact (after tax): CHF~180m**

- Further 2m shares to be transferred – assuming current share price

3. • **Expected further pos. capital impact: CHF ~90m**

- Total expected incremental RWA from IWM transaction: CHF ~2.1bn (at AuM towards lower end of range)
- Already included at end 2013: CHF ~1.8bn

4. • **Expected further RWA impact: CHF ~0.3bn**

−	**Goodwill impact**	neg CHF ~275m	1.
−	**Transaction costs**	neg CHF ~180m	2.
+	**Shares issued to BofA**	pos CHF ~90m	3.
−	**Total capital impact**	neg CHF ~365m	
	∆ RWA	incr CHF ~0.3bn	4.

Isolated expected further impact (e.g. ignoring expected profit etc.) on total capital and tier 1 ratios, at AuM acquired towards lower end of CHF 57-72bn range: ~2.7 percentage points

[1] Initial target range CHF 57-72bn. Agreed transaction price 1.2%. First USD150m payable in cash; next USD 500m payable in 50% cash and 50% equity; remainder again in cash
[2] The number of shares to be issued to BofA was fixed in 2012 based on the then prevailing share price and USD/CHF exchange rate, resulting in (a maximum of) 7.1m shares to be issued. These shares were created in January 2013 and are transferred as and when payments are due. At the end of 2013, 5.1m shares had been transferred
[3] The impact on goodwill and capital is determined by the market value of the shares at the moment of transfer
[4] Excluded from adjusted expenses

IWM: ECONOMICS TRANSFERRED IN TWO STAGES

Transfer of FAs and advised AuM drives the timing of transfer of economics

1. Transfer of client advisory relationships[1] (FAs/clients)

Julius Bär

Financial Adviser

FA joins Julius Baer

Revenues & costs follow, AuM remains booked on BofAML platforms[2]

- + Revenues
- − Associated direct costs
- − Platform allocation charges to BofAML[3] (max. 10bps)

AuM Reported

2. Transfer of custody relationships to Julius Baer platform

Client Assets

- Shares
- Bonds
- Funds
- Deposits
- ...

AuM transferred

BofAML platform allocation charges cease

- + Revenues
- − Associated direct costs
- − Julius Baer platform costs

PAID

1.2% x AuM

AuM Reported **and** Booked

[1] For both legal entity sales and business transfers
[2] Except Merrill Lynch Bank (Suisse) S.A. which was acquired at principal closing on 1 February 2013
[3] Allocation charges, which relate primarily to custody services provided with respect to AuM that remain on IWM platforms, are calculated by reference to allocations made by Bank of America to the IWM business in 2011, which were USD 81.3m. Allocation charges will be calculated on a monthly basis and are capped at the lower of (i) one-twelfth of USD 81.3m and (ii) a specified percentage of revenue for a given month

IWM: CHF 53bn AUM REPORTED / CHF 40bn AUM BOOKED[1]

Expected to achieve target, towards lower end of range

- Asia: successfully completed transfer process in Hong Kong and Singapore:
  - Close to half of AuM booked at year-end from Asia
  - Asia now represents almost quarter of Group AuM
- EMEA generally on target
- LatAm slower than expected

- Expected to achieve target – towards lower end of CHF 57 - 72bn range, based on
  - Expected remaining local closings and transfers
  - Market and currency performance
  - Outflows from the BAML platform
    - Clients not seeking private banking services
    - Clients leaving with FAs
    - Small clients, excluded as agreed with BAML
    - Compliance-driven non-acceptance

Applicable local closings of the transaction in 2013:

- Feb: Merrill Lynch Bank Switzerland
- April: Uruguay[2], Chile[2], Luxembourg[2], Monaco[2]
- May: Hong Kong[3], Singapore[3]
- July: UK[2, 3], Spain[2], Israel[3]
- Nov: Panama[3]
- Dec: Bahrain[3], Lebanon[2], UAE[3]

Expected in 2014:

- France[2], Ireland[3], Netherlands[3]
- Italy[3] (to Kairos)

Expected in early 2015:

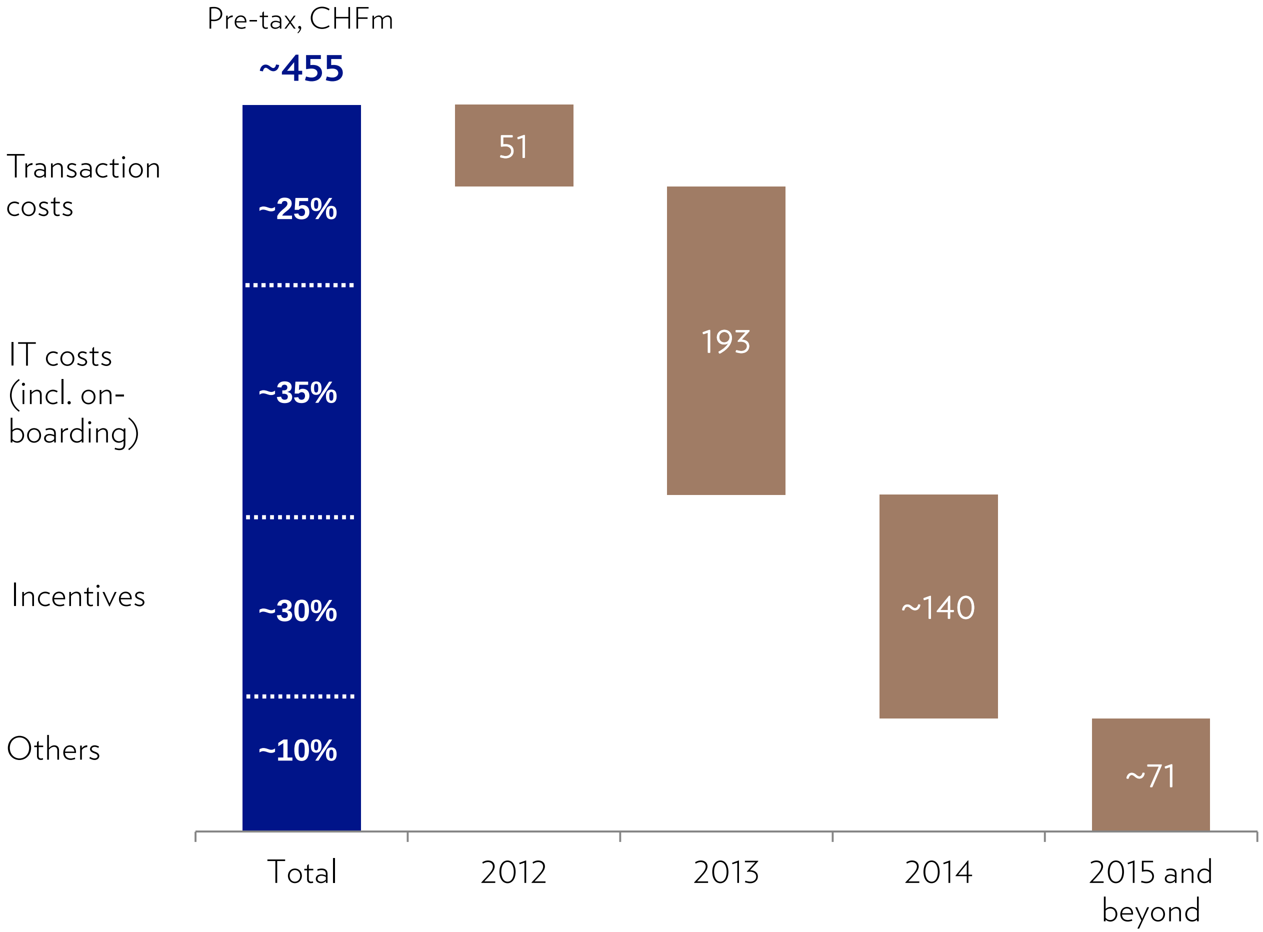
- India[2]

[1] Booked = booked and paid
[2] Legal entity acquisition
[3] Business transfer

IWM

Transaction, restructuring and integration costs

Update and estimated breakdown over time



BREAKDOWN OF JULIUS BAER GROUP AUM

Including in 2013 the AuM of the transferred IWM businesses

Asset mix	31.12.2011	31.12.2012	31.12.2013
Equities	25%	25%	27%
Bonds (including Convertible Bonds)	23%	23%	20%
Investment Funds [1]	19%	20%	22%
Money Market Instruments	8%	7%	5%
Client Deposits	18%	18%	20%
Structured Products	5%	5%	5%
Other [2]	2%	2%	1%
Total	**100%**	**100%**	**100%**

Currency mix	31.12.2011	31.12.2012	31.12.2013
CHF	17%	17%	14%
EUR	29%	27%	24%
USD	32%	34%	39%
GBP	4%	3%	5%
SGD	2%	2%	2%
HKD	2%	2%	3%
RUB	1%	1%	1%
CAD	2%	2%	1%
Other	11%	12%	11%
Total	**100%**	**100%**	**100%**

[1] Includes further exposure to equities and bonds through equity funds and bond funds
[2] Including alternative investment assets

Julius Bär