Julius Bär

FY 2013 RESULTS AND REVIEW

Presentation for Investors, Analysts & Media
Zurich, 3 February 2014

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

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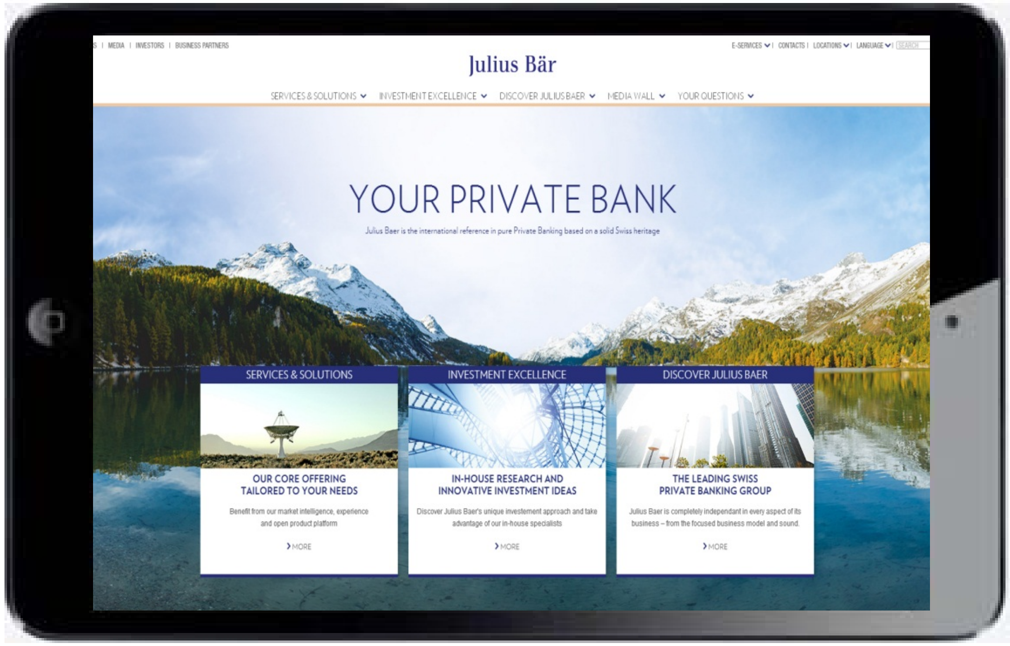
CONTENT

RE-BRANDING JULIUS BAER

Combining innovation and tradition

Rationale

- Substantial growth in terms of **international** reach
- New international reference in ***pure*** private banking
- **Innovative** new visual identity
- Taking **strong tradition** into account
- Even **closer to our clients**



Visual concept

Singularity of purpose captured in creative platform 'Purity', reflecting

- Absolute essence of who we are
- Closeness of our relationships
- Clarity of insights
- Strong Swiss heritage

- Staggered roll-out in 2014

IMPROVED OPERATING RESULT IN YEAR OF TRANSITION

Strong progress on IWM[1] helps bring AuM above CHF 250bn

Asset growth on IWM transfers and NNM

- AuM increased to CHF 254bn, a new record-high
- Net new money CHF 7.6bn (4%), despite regulatory driven outflows

Gross margin: a year of two halves

- Gross margin recovery in first half on improved client activity …
- … followed by second half characterised by reduced client trading volumes
- Year-on-year gross margin unchanged at 96bps
- Adjusted cost/income ratio[2, 3] improved to 71%, adj. net profit[2] to CHF 480m

IWM transaction: Successful first year of integration

- CHF 53bn AuM reported/CHF 40bn AuM booked
- Major contribution from Asia
- 2014: Strong focus on implementing restructuring and rightsizing measures, with objective to reach 2014/15 profitability improvement targets

[1] Merrill Lynch's International Wealth Management business outside the US
[2] Excluding amortisation of intangible assets, integration and restructuring costs, as well as provision related to bilateral treaty between Swiss and UK authorities on withholding tax
[3] Cost/income ratio not including valuation allowances, provisions and losses

IWM INTEGRATION UPDATE

Very satisfactory result after the first year of integration

Key achievements in 2013

- 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 so far slower than expected, but improving momentum towards year-end
- Overall CHF 53bn AuM reported/CHF 40bn AuM booked & paid
- 365 financial advisers joined so far
- Local transaction closings took place in 15[1] locations
- Promising first year of leveraging strategic cooperation agreement with Bank of America Merrill Lynch

Focus topics going forward

- Successfully complete asset transfers
- Integrate the remaining IWM locations
- Increase overall profitability of onboarded assets
- Realise the identified synergies
- Turn organisation's focus from transition back to business
- Expected to achieve target, towards lower end of CHF 57 – 72bn

[1] Merrill Lynch Bank Switzerland (Geneva and Zurich), Uruguay, Chile, Luxembourg, Monaco, Hong Kong, Singapore, UK, Spain, Israel, Panama, Bahrain, Lebanon, UAE

CONTENT

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 36
- Please refer to the Consolidated Financial Statements[1] for the full IFRS results

Restatement 2012

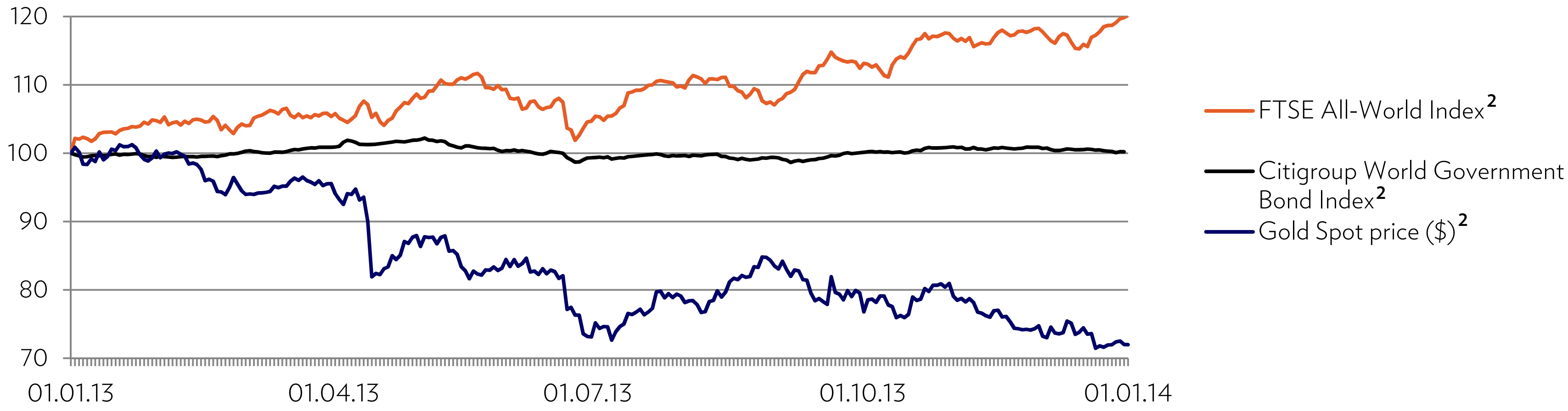
- Revised IFRS accounting standards related to the Group's pension plans (IAS 19 – Employee Benefits) that became effective on 1 January 2013 and are described in the Group's Consolidated Financial Statements[1], resulted in a restatement of personnel and tax expenses and certain balance sheet items 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 15, 37 and 38

[1] Available from www.juliusbaer.com

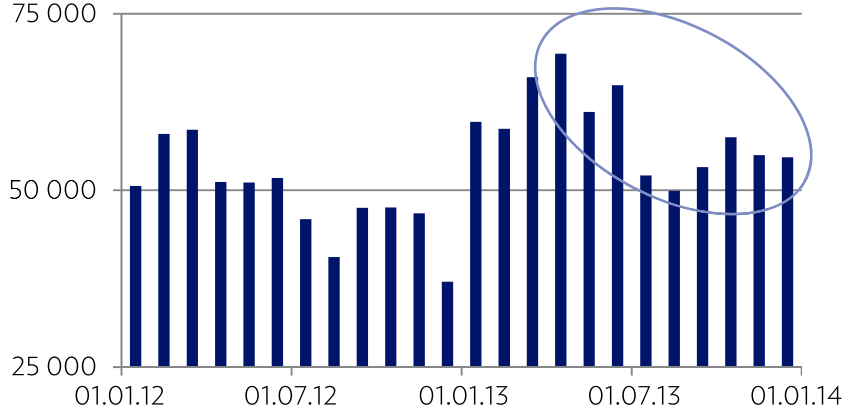
2013: INVESTMENT RESULT VARIED WIDELY BY CATEGORY

Equity and FX volumes trending down in H2

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



SIX Swiss Exchange Monthly Trading Volumes (CHFm)[3], 2012 – 2013, Domestic Shares



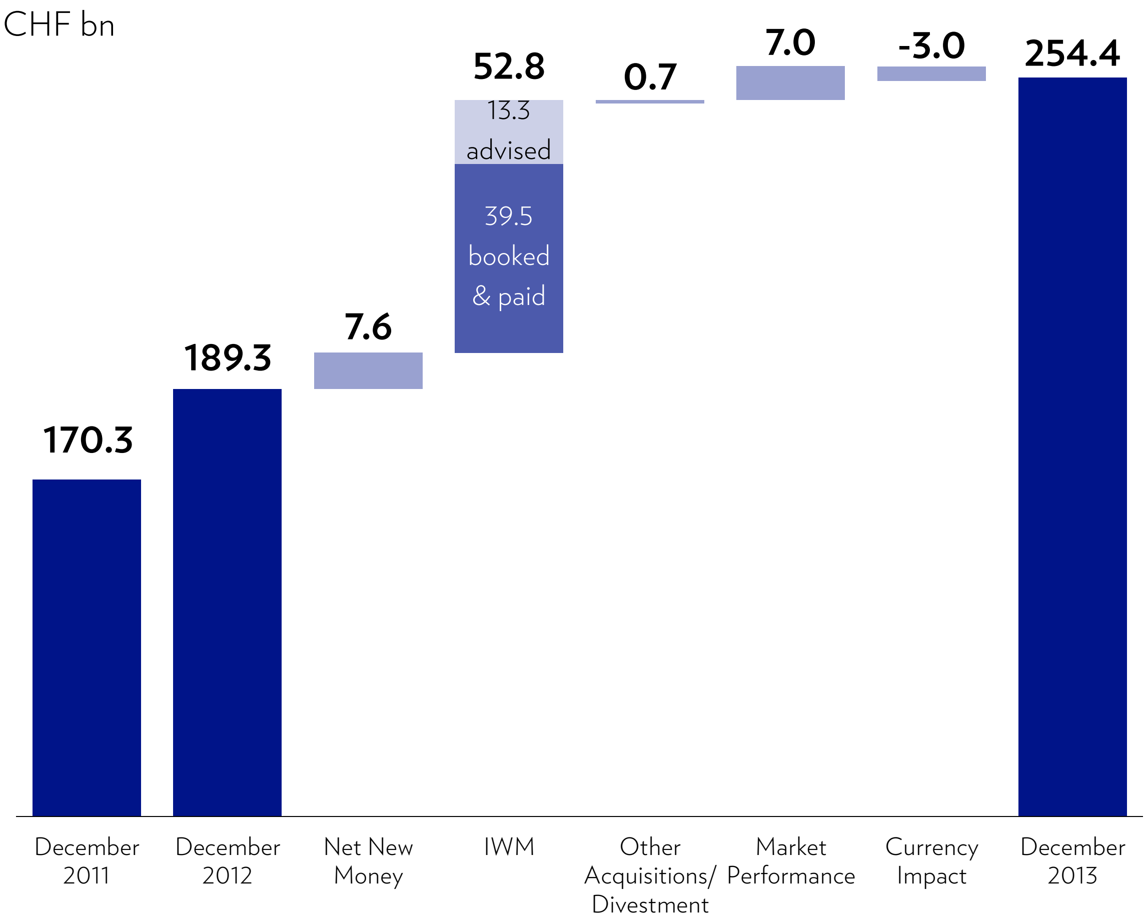
DB Currency Volatility Index[2] 2012 - 2013

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

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%**

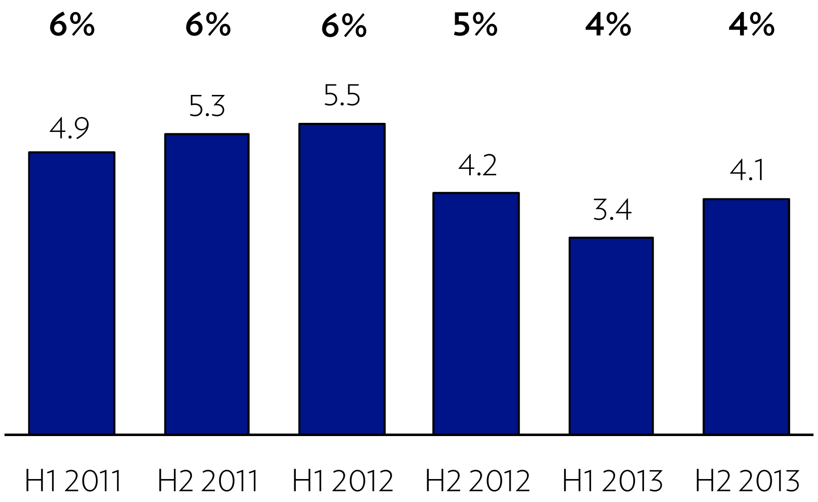
[1] Calculated on the basis of monthly AuM levels

NET NEW MONEY 4%

Despite tax-regulatory driven impact

Net New Money

in CHF bn and %[1]

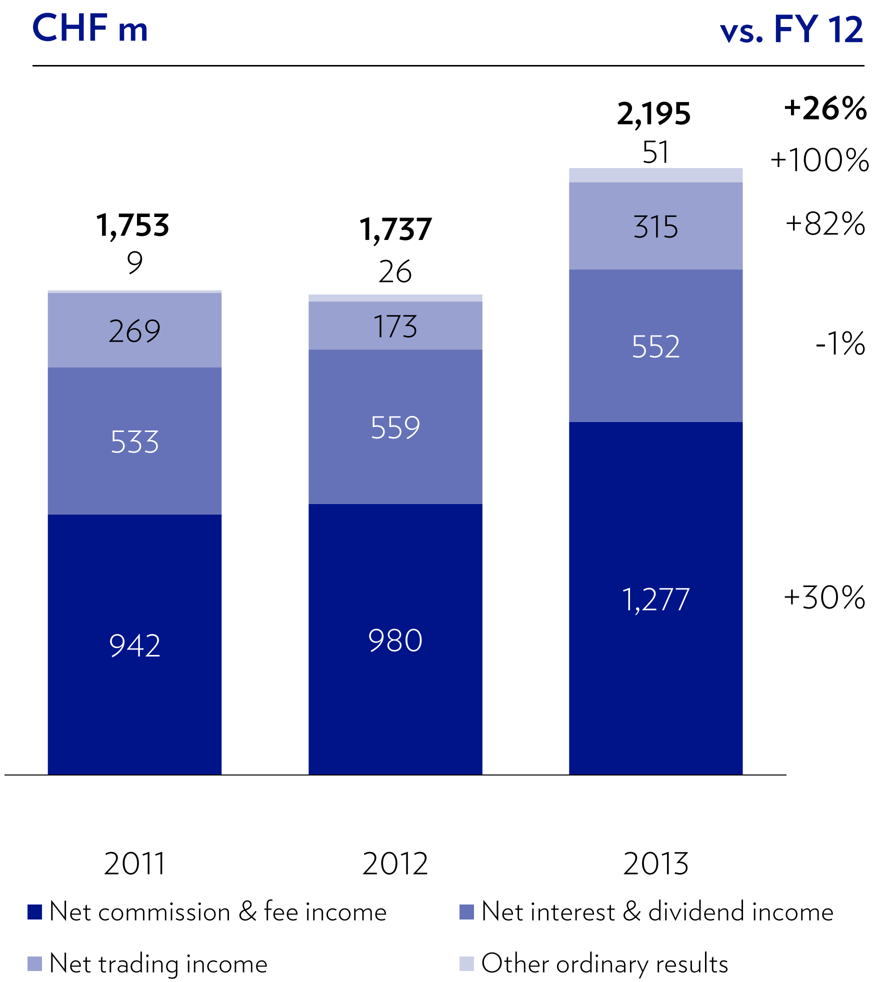


- NNM of CHF 7.6bn or 4.0%[1]
- Continued inflows from all growth markets and domestic business in Germany
- Inflows in W. European cross-border business more than offset by outflows from tax regularisations of legacy assets

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

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

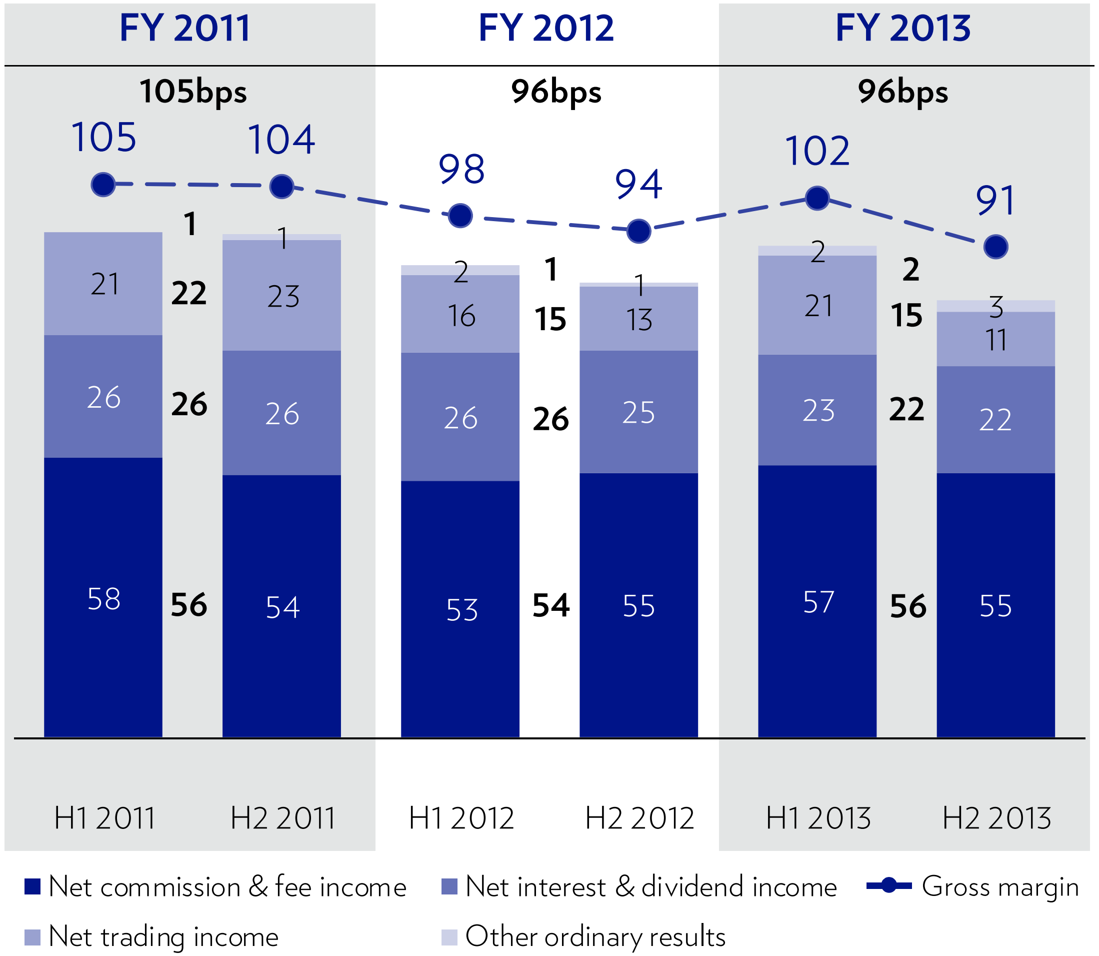
- Crediting back dividend income on trading portfolios[1], underlying net trading income +33%

Other ordinary results doubled to CHF 51m

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

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

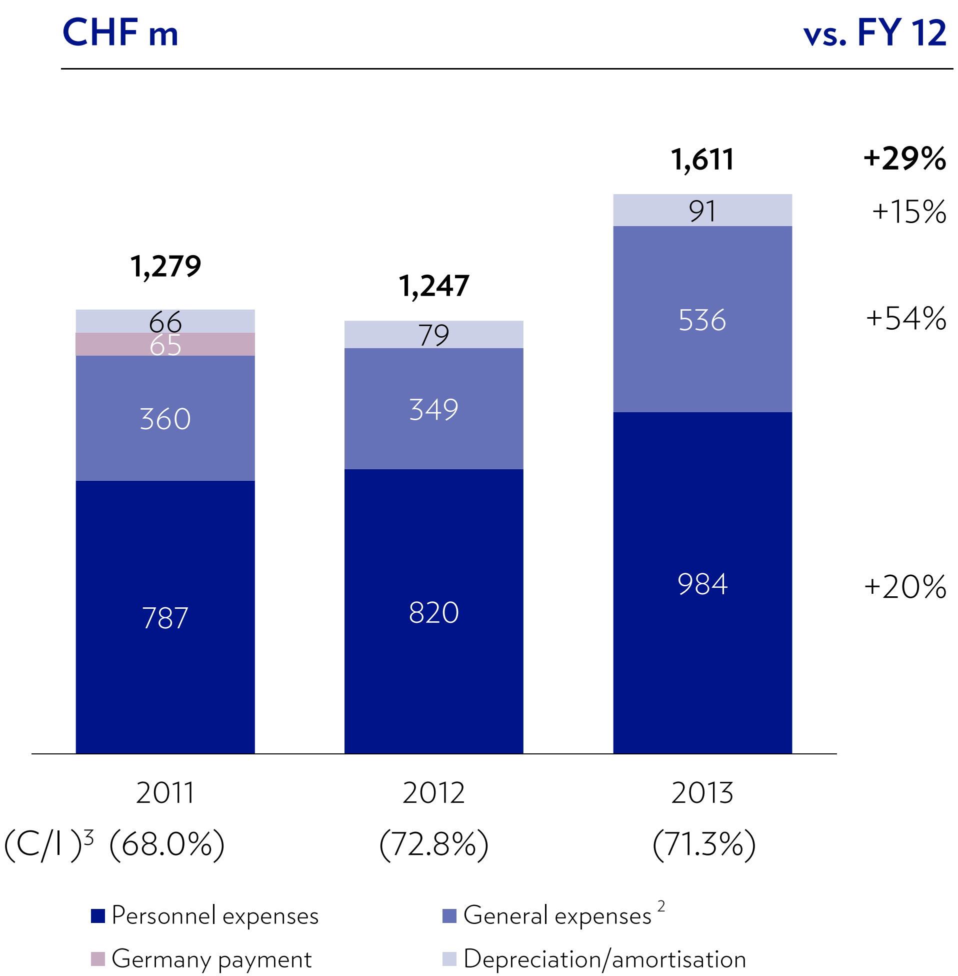
- IWM extrapolated H2 gross margin was negatively impacted by the preparations for the significant asset transfers that took place in that period

[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)

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

ADJUSTED NET PROFIT FY 2013: CHF 480m

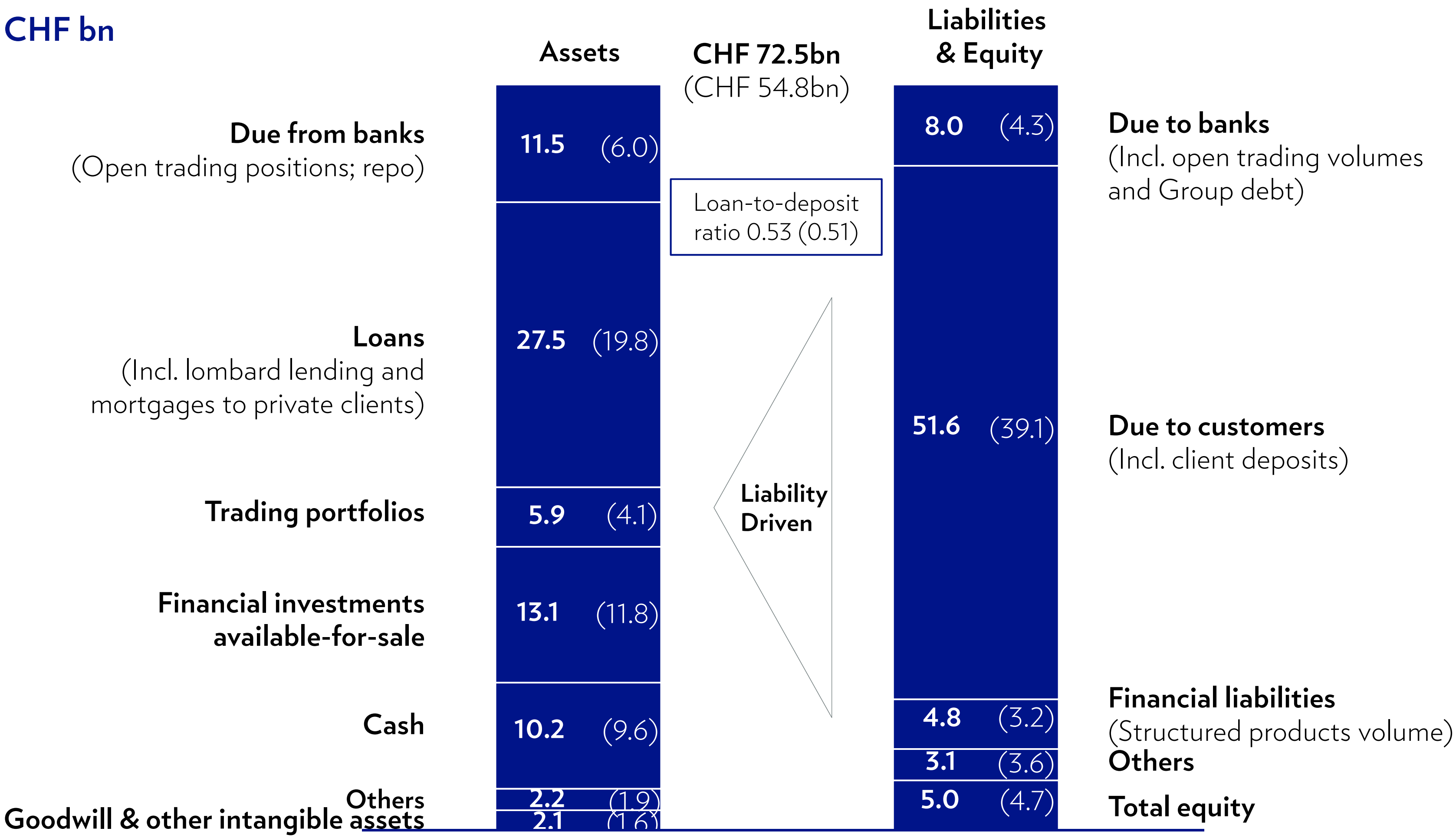
Increase of 19% vs. restated 2012 result

CHF m	2011	2012 (reported)	Change	2012 (restated)	2013	Change 2013/2012
Operating income	**1,753**	**1,737**		**1,737**	**2,195**	**+26%**
Net interest and dividend income	533	559		559	552	-1%
Net commission and fee income	942	980		980	1,277	+30%
Net trading income	269	173		173	315	+82%
Other ordinary results	9	26		26	51	+100%
Operating expenses	**1,279**	**1,216**	**+31**	**1,247**	**1,611**	**+29%**
Personnel expenses	787	788	+31	820	984	+20%
General expenses	425	349		349	536	+54%
Depreciation and amortisation	66	79		79	91	+15%
Profit before taxes	**474**	**521**	**-31**	**490**	**583**	**+19%**
Pre-tax margin (bps)	**28.2**	**28.8**	**-1.8 bps**	**27.0**	**25.5**	**-1.6 bps**
Income taxes	73	88	-2	86	103	+20%
Adjusted net profit[1]	**401**	**433**	**-29**	**404**	**480**	**+19%**
Adjusted EPS (in CHF)	**1.93**	**2.14**	**-0.14**	**2.00**	**2.24**	**+12%**
Tax rate	**15.4%**	**16.9%**	**+0.7 pts**	**17.6%**	**17.7%**	**+0.1 pts**

[1] Excluding amortisation of intangible assets, integration and restructuring costs as well as the provision for UK withholding tax. Including these positions (see also slide 36), the net profit was CHF 188m in 2013, down 30% from CHF 269m in 2012 (restated for final assessment of the amended standard IAS 19)

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

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Boris F.J. Collardi, CEO

Financial Results FY 2013
Dieter A. Enkelmann, CFO

IWM Integration: Finance Update
Dieter A. Enkelmann, CFO

Business Update
Boris F.J. Collardi, CEO

Q&A Session

Appendices

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 so far slower than expected, but improving momentum towards year-end

- 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
    - Small clients, excluded as agreed with BAML
    - Clients leaving with FAs
    - Clients not seeking private banking services
    - 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

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		

- 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
- 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 21)
- ➢ 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

- October 2012 target: 'Reduction by 15-18% of pro forma combined FTE base of 5,700' – depending on AuM transferred
  - ➢ This implied ~850-1,000 FTE reductions
- By end 2013, FTE base already reduced by net ~300 FTEs (leavers, terminations, out-scoping, new hires)
  - ➢ 2014 gross reduction target: 550-650 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

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A JOURNEY OF CORPORATE TRANSFORMATION

From a traditional Swiss private bank to the International Reference in pure private banking

2005

- Reputable Swiss private bank with a longstanding tradition
- Typical Swiss offshore private banking model
- ~16% of client base from growth markets
- Subdued growth & profitability

2013

- Premium brand in global wealth management
- Early adopters of the new Swiss private banking model
- Strong growth
- 5,390 employees
- Net profit of CHF 480m[1]

2014 and beyond

- The international reference in pure private banking, driven by clients' needs
- ~50% of assets from growth markets
- Continued growth & profitability
- Reaching critical mass in our focus markets
- Developing a state of the art operating platform

[1] Excluding amortisation of intangible assets, integration and restructuring costs, as well as provision related to bilateral treaty between Swiss and UK authorities on withholding tax

THE INTERNATIONAL REFERENCE IN PURE PRIVATE BANKING
2014 and beyond

Ambition

Julius Baer is the **international** reference in pure private banking driven by **clients' needs.** Founded on a solid **Swiss heritage.** Our commitment to **pure private banking** is more important than ever to our existing and potential clients.

Focus topics going forward

Market strategies

Our people

Value creation

SWITZERLAND

Increasing penetration in our home market

- Region Switzerland continued to develop successfully
- Offering full scope of domestic private banking services
- Merrill Lynch Bank (Suisse) S.A. in Geneva: acquisition and legal merger in 2013
- Honoured for second time in a row as "Best Private Bank Switzerland"[1]
- Benefitting from consolidation in EAM landscape: acquired WMPartners, one of the largest EAMs in Switzerland[2]

[1] The trade publication CFI Capital Finance International honours Julius Baer as "Best Private Bank Switzerland" in 2013
[2] Increasing AuM by CHF 1.4bn

EUROPE

Well-positioned for changing regulatory environment

Germany

- Named as "Best Private Bank in Germany"[1]
- Strong NNM contribution from domestic business
- Successfully completed transformation from pure onshore bank to European hub (booking facility for European IWM assets)

Italy

- Completed Kairos transaction, next step towards creating a leading onshore wealth manager
- IWM local closing 2014 – to be integrated into Kairos Julius Baer

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

- Existing Julius Baer booking centres
- Other existing Julius Baer advisory locations
- Offices Kairos (Julius Baer owns 19.9% of Kairos)
- New locations from IWM
- * Integration expected in 2014

[1] Julius Baer named "Best Private Bank in Germany" by Manager Magazin

CENTRAL & EASTERN EUROPE AND MIDDLE EAST

Strong franchise supporting NNM

Central & Eastern Europe

- Solid franchise in the region leading to continued net inflows
- Further strengthened our dedicated desks in Zurich, Geneva, London, Monaco, Singapore and Vienna

Israel

- Extended market penetration via additional financial advisory license
- IWM add-on complementing our local business

Middle East

- Strong inflows thanks to on-going increase of market coverage
- Additional local presence in Beirut and Manama through IWM transaction

ASIA
Close to 25% of Group AUM

- Positioned well within the top 10 of Asia's wealth managers
- Perfect constellation to tackle new growth in North & South East Asia as well as India
- IWM asset transfers successfully completed
- India to be integrated early 2015

Japan

- Increased coverage of Japanese market together with TFM Asset Management AG (60% owned)

Named "Best Boutique Private Bank in Asia"[2] for the 4th time in a row

Another year of successful collaboration with our partners

- Existing Julius Baer booking centres
- Other existing Julius Baer advisory locations
- TFM Asset Management AG, majority participation of 60%
- New locations from IWM (integration expected in early 2015)

[1] IWM main office in Mumbai – plus four smaller offices in Bangalore, Kolkata, Chennai, New Delhi. Integration expected early 2015
[2] Julius Baer again named "Best Boutique Private Bank in Asia" by The Asset Triple A award

LATIN AMERICA

Significantly growing our position along various dimensions

- Well established as Group's second pillar of growth
- Solid inflows in competitive market

- All IWM local transaction closings took place in 2013 (Montevideo, Santiago, Panama)
- Panama to become Group's LatAm hub over time
- LatAm so far slower than expected, but improving momentum towards year-end

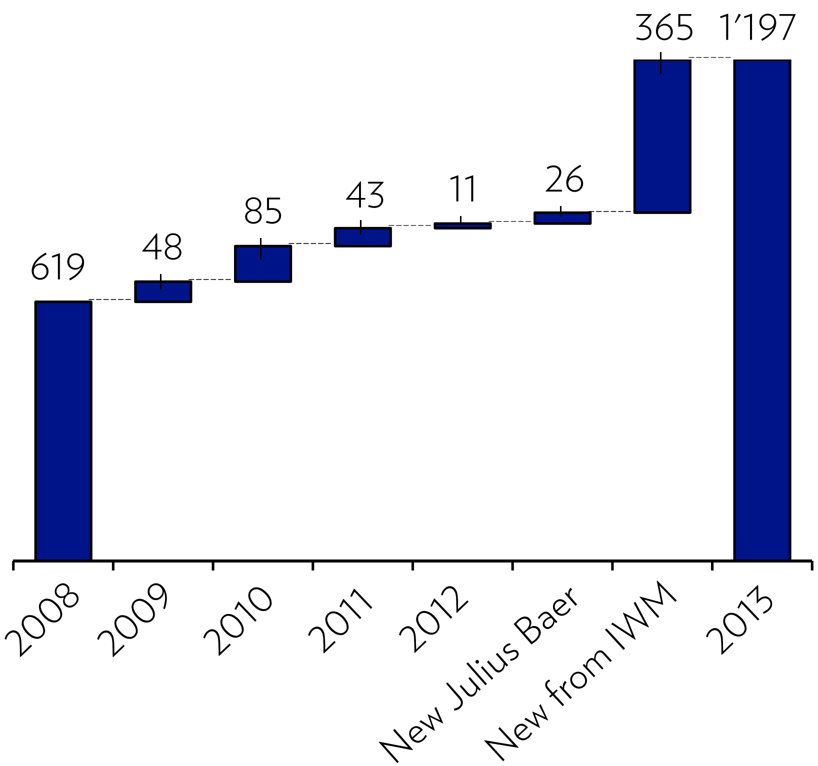
GPS (Brazilian partner, 30% stake)

- Successful collaboration with one of Brazil's largest independent wealth managers
- Reached BRL 15bn (~CHF 6bn) in 2013, again double-digit asset growth

OUR PEOPLE

Julius Baer the 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
- Strong brand
- Solid capital position and balance sheet

Almost doubled base of RMs over the last five years

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)***	**IWM, integrated *(2015)***	**Combined entity *(from 2015 onwards)***
Cost/Income Ratio[1]	71%	62-66%	~70%	**65-70%**
Pre-Tax Profit Margin[2]	25.5bps	>35bps	~25bps	**30-35bps**
Net New Money[3]	4%	4-6%	4-6%	**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

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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 re-mains 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

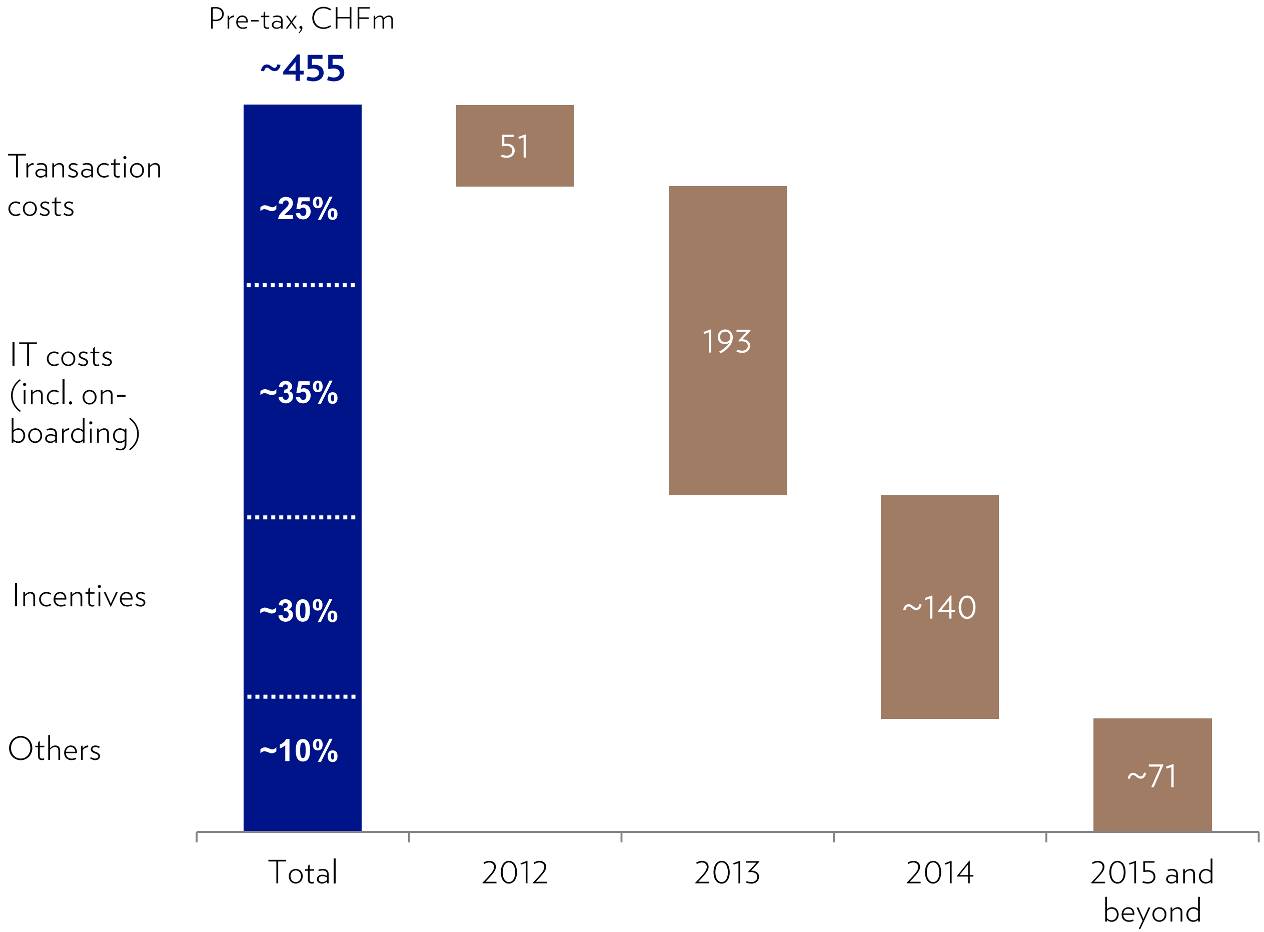
[2] Except Merrill Lynch Bank (Suisse) S.A. which was acquired at principal closing on 1 February 2013

[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

Transaction, restructuring and integration costs

Update and estimated breakdown over time



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

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

STRONG CAPITAL BASE

CHF m	31.12.2012 Basel 2.5	31.12.2013 Basel III
Equity at the beginning of the year	**4,168**	**4,698**
Julius Baer Group Ltd. dividend	-196	-130
Net profit (IFRS)	268	188
Capital reduction	-352	-
Capital increase	471	211
Change in treasury shares	175	-42
Other components of equity	164	116
Financial investments available-for-sale	*143*	*-20*
Treasury shares and own equity derivative activity	*25*	*35*
Hedging reserve for cash flow hedges	*-5*	*10*
Remeasurement of defined benefit obligation	*-4*	*98*
FX translation differences	*6*	*-8*
Others	0	-2
Equity at the end of the year	**4,698**	**5,039**
- Goodwill & intangible assets (as per capital adequacy rules)	1,453	1,925
- Other deductions	214	281
+ Effects of IAS 19 revised relating to pension liabilities	144	45
+ Tier 1 instruments	470	450
= BIS tier 1 capital	**3,645**	**3,328**
+ Tier 2 capital	295	233
= BIS total capital	**3,940**	**3,561**

RWA AND CAPITAL: ADDITIONAL DETAILS

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

BIS approach / CHF m	31.12.2011 *Basel 2.5*	31.12.2012 *Basel 2.5*	31.12.2013 *Basel III* [3]
Risk-weighted positions			
Credit risk	8,717	7,886	10,664
Non-counterparty-related risk	530	542	588
Market risk	672	1'098	969
Operational risk	2,892	2,925	3,687
Total risk-weighted positions	**12,811**	**12,451**	**15,908**
CET1 capital [1]	-	-	3,328
Tier 1 capital [1]	2,789	3,645	3,328
- of which tier 1 capital 'preferred securities' [2]	225	225	203
- of which tier 1 capital 'fully eligible Basel III instruments'	-	245	248
CET1 capital ratio [1]	**-**	**-**	**20.9%**
Tier 1 capital ratio [1]	**21.8%**	**29.3%**	**20.9%**
Eligible total capital [1]	3,067	3,940	3,561
- of which lower tier 2 instruments [2]	*242*	*246*	*218*
Total capital ratio [1]	**23.9%**	**31.6%**	**22.4%**
Tangible equity in % of total assets	4.9%	5.6%	4.0%
Eligible tier 1 capital in % of total assets	5.3%	6.6%	4.6%
Loan-to-deposit ratio	0.47	0.51	0.53
Liquidity coverage ratio (LCR)	141.1%	145.7%	110.5%
Net stable funding ratio (NSFR)	108.8%	123.4%	121.3%
Leverage ratio[4]	5.1%	6.8%	4.7%

[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] 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)

BALANCE SHEET – FINANCIAL INVESTMENTS AFS

CHF m	31.12.2011	31.12.2012	31.12.2013	*in %*	Change vs. 31.12.2012
Money market instruments	**3,421**	**635**	**2,494**	**19%**	**+293%**
Debt instruments	**8,672**	**11,051**	**10,549**	**80%**	**-5%**
Government and agency bonds	1,733	1,775	2,060	16%	+16%
Financial institution bonds	4,430	5,203	5,293	40%	+2%
Corporate bonds	2,509	4,072	3,191	24%	-22%
Other bonds			6	0%	-
Equity instruments	**74**	**90**	**82**	**1%**	**-9%**
Total financial investments available-for-sale	**12,168**	**11,775**	**13,125**	**100%**	**+11%**

Debt instruments by credit rating classes (excluding money market instruments)	Fitch, S&P	Moody's	31.12.2011	31.12.2012	31.12.2013	*in %*	Change vs. 31.12.2012
1-2	AAA - AA-	Aaa - Aa3	6,420	8,259	7,318	*69%*	-11%
3	A+ - A-	A1 - A3	2,001	2,375	2,819	*27%*	+19%
4	BBB+ - BBB-	Baa1 - Baa3	139	236	287	*3%*	+22%
5-7	BB+ - CCC-	Ba1 - Caa3	56	93	46	*0%*	-50%
Unrated[1]			56	88	79	*1%*	-10%
Total			**8,672**	**11,051**	**10,549**	***100%***	**-5%**

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

EXPECTED FURTHER ISOLATED IMPACT OF IWM TRANSACTION ON CAPITAL RATIOS

1.

- 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]
- **Expected further goodwill impact: CHF ~275m**

2.

- Total expected transaction, restructuring and integration costs[4]: CHF ~455m
- Of which already expensed[4]: CHF 244m
- **Expected further cost impact (after tax): CHF~180m**

3.

- Further 2m shares to be transferred – assuming current share price
- **Expected further pos. capital impact: CHF ~90m**

4.

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

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