Julius Bär

Update on Acquisition of Merrill Lynch's International Wealth Management Business Outside the US and Japan

9 October 2012

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IWM[1]: Premier Wealth Management Franchise

Long-established presence in key international markets

Acclaimed International Wealth Manager

- Total AuM ~CHF 81bn[2, 3]
- Tailored solutions for HNW/UHNW clients
- Foothold in >20 key international markets
- Significant exposure to clients from growth markets, with approx. two thirds of AuM[2] coming from clients domiciled in:
  - ~1/3 AuM
    - North / South East Asia
    - India (local platform, leading presence)
  - ~1/3 AuM
    - Middle East
    - Latin America
- Pan-European onshore advisory presence in eight countries including a long-standing Swiss-based bank
- ~2'100 FTEs[2], o/w 525 financial advisers (FAs)[2]

With Long History in Key Markets

- High-quality business with long tradition
  - In Europe since 1950
  - In Asia since 1960
  - In Latin America for 40 years
- Deep talent pool with nearly half of all advisers having >10 years length of service
- Recognised player in international wealth management
- Strong brand name in multiple locations (e.g. Hong Kong, Singapore, India, Spain, UK)

Merrill Lynch Wealth Management®
A subsidiary of Bank of America Corporation

[1] Merrill Lynch's International Wealth Management business ('IWM')
[2] Based on data at 30 June 2012
[3] Throughout this presentation, USD amounts have been translated into CHF at an exchange rate of CHF 0.97 per USD 1.00

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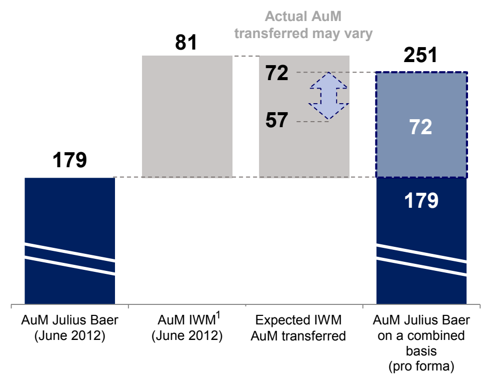
Expected AuM Acquired: CHF 57–72bn[1]

Purchase price 1.2% x AuM, at CHF 57–72bn between CHF 680–860m

Estimated AuM Expansion Range (Pro Forma), CHF bn



- Objective to transfer CHF 81bn[1], however the ultimate amount of AuM transferred may vary as a consequence of, inter alia:
  - Client / FA attrition over the period
  - Market performance
- Julius Baer estimates the transaction will result in **incremental AuM of between CHF 57bn and CHF 72bn**
- AuM actually transferred to Julius Baer platforms determines:
  - The total consideration payable to the seller, at 1.2% x AuM
  - The resources needed to support the new business

[1] Assuming AuM transfer at market values as at 30 June 2012, i.e. excluding any market performance impacts or net new money

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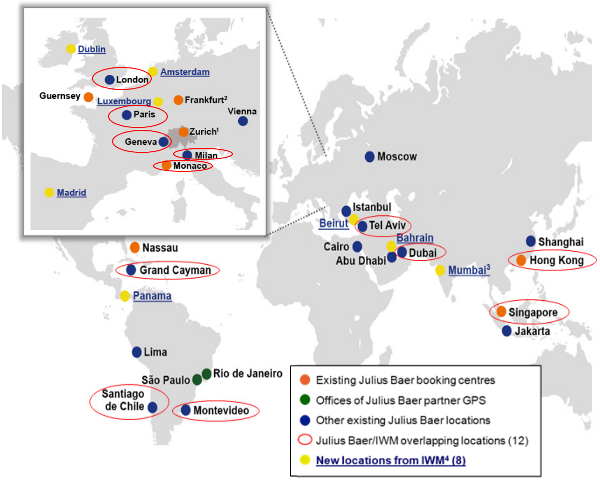
Acceleration of Julius Baer's Growth Markets Strategy

Exposure to growth markets expected to approach ~50%



- Expanded international network: more than 50 locations in nearly 30 countries, of which 8 new countries from IWM
- Significant exposure to growth markets post-transaction, approaching ~50% of pro forma AuM
- Adds significant scale to 12 of Julius Baer's existing locations and booking centres

[1] Switzerland: Julius Baer in Zurich (head office) plus 14 other locations, incl. Geneva
[2] Germany: Bank Julius Bär Europe AG in Frankfurt (head office) plus six other locations
[3] India: IWM main office in Mumbai – plus four smaller offices in Bangalore, Calcutta, Chennai, New Delhi
[4] Transaction excludes some small IWM locations

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Compelling Strategic and Financial Rationale

Premier franchise with client-centric heritage	▪ Significant scale, leading franchise in pure-play private banking ▪ Ethos of client-service excellence from experienced, long-tenured advisers ▪ Client service model highly complementary with that of Julius Baer
Focus on targeted growth markets	▪ Strong foothold in >20 key international markets ▪ Significant exposure to clients from growth markets, with approx. two thirds of AuM from North/Southeast Asia, India, Middle East and Latin America
Significant strengthening of the Julius Baer franchise	▪ Up to CHF72bn[1] of incremental AuM expected ▪ Moves Julius Baer further ahead of its nearest private banking peers
Financially compelling	▪ Attractive price of 1.2% of AuM transferred – paid only if/when AuM transfer ▪ Incremental business to be acquired is profitable on a normalised basis, with synergy potential
Integration progressing well	▪ FINMA approval already received ▪ Integration master-plan validated ▪ FA compensation plan proposals rolled out

[1] Assuming AuM transfer at market values as at 30 June 2012, i.e. excluding any market performance impacts or net new money

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Three Types of Sale

Timing of FA and AuM transfer driven by type of sale

Type of Sale	Bank Sale (1 Location)	Legal Entity Sale (11 Locations)	Business Transfer (12 Locations)
Locations	▪ Switzerland	▪ Chile ▪ France ▪ India ▪ Lebanon ▪ Luxembourg ▪ Monaco ▪ Panama ▪ Spain ▪ UAE ▪ UK ▪ Uruguay	▪ Bahrain ▪ Cayman Islands ▪ Hong Kong ▪ Ireland ▪ Israel ▪ Italy ▪ Jersey ▪ Netherlands ▪ Panama (Brokerage) ▪ Singapore ▪ UAE (Advisory) ▪ UK (Advisory)
AuM	CHF 11bn	CHF 24bn[1]	CHF 46bn[1]
	Principal closing	Local closing	Local closing
1 FA joins Julius Baer	Immediately	Immediately	Gradually[2]
		AuM Reported (= advisory relationship with Julius Baer)	AuM Reported (= advisory relationship with Julius Baer)
2 AuM transferred to Julius Baer	Immediately	Gradually	Gradually
	AuM Reported *and* Booked	AuM Reported *and* Booked	AuM Reported *and* Booked

Paid 1.2% x AuM

[1] Based on total AuM of CHF 81bn as of June 30, 2012. The breakdown of AuM amongst entity sales and business transfers is an estimate by Julius Baer based on unaudited numbers as of June 30, 2012. See slide 8 regarding the estimated AuM to be acquired

[2] FAs may move immediately in some locations

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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]

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Financial Advisor

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

For more details please refer to slide 35 in the appendix

[1] For both legal entity sales and business transfers
[2] Except Merrill Lynch Bank Switzerland which will be acquired at principal closing and result in immediate AuM transfer
[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 BofA to the IWM business in 2011, which were USD 81.3 million. Allocation charges will be calculated on a monthly basis and are capped at the lower of (i) one-twelfth of USD 81.3 million and (ii) a specified percentage of revenue for a given month

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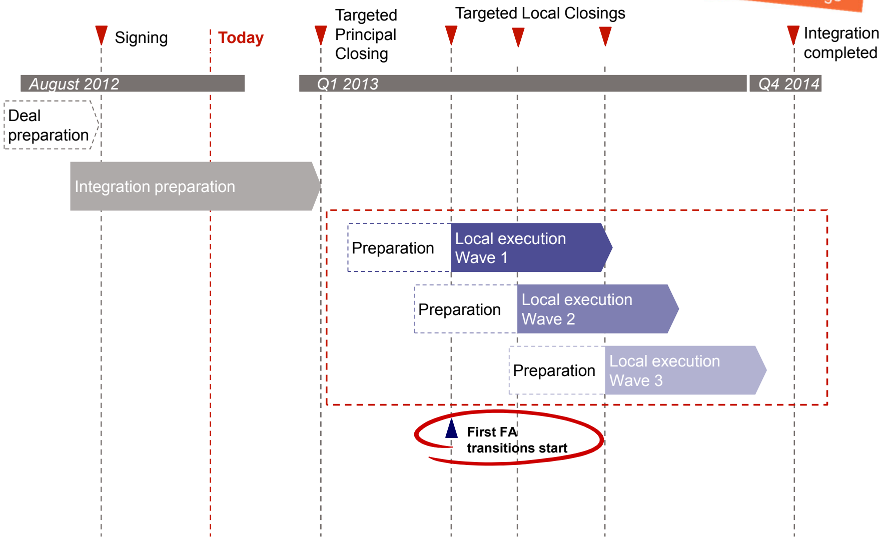
Transitions to Start with Local Closing

Project timeline (simplified – for illustrative purposes)

Current planning – subject to change



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Global Sequencing by Jurisdictions Along Three Waves

Current planning – subject to change

Wave 1	Wave 2	Wave 3
Switzerland[1]	Spain	India
UK	Chile	Netherlands
Hong Kong	Panama	France
Singapore	Bahrain	Italy
Uruguay	Israel	Ireland
Monaco	Lebanon	Jersey
Luxembourg	UAE	

Prioritisation of jurisdictions defines dedication of resources

[1] Acquired immediately at Principal Closing

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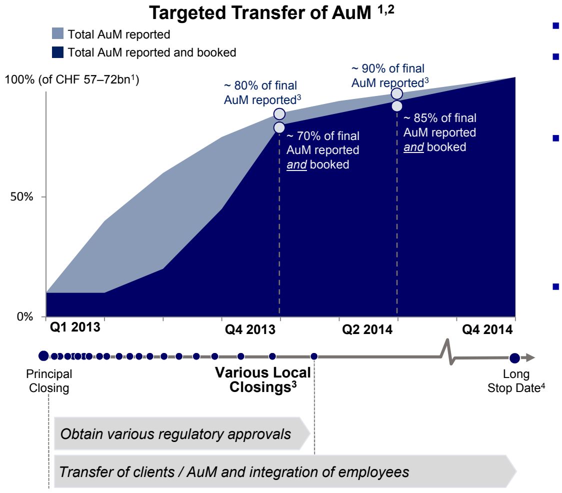
Targeted Development of AuM Transfer[1]

Of total AuM expected to be acquired, ~80% estimated to be reported by end 2013

Targeted Transfer of AuM [1,2]



- Principal Closing: Expected Q1 2013
- At Principal Closing: FAs and corresponding AuM of ML Bank Switzerland to transfer immediately
- Afterwards, further FAs and AuM transferred in steps, depending on
  - Local regulatory approvals
  - FA and client consent
  - Operational readiness
- Long Stop Date:
  - Two years after Principal Closing
  - Julius Baer may contractually require BofAML to close the accounts of any remaining clients within six months

[1] Julius Baer estimates, based on CHF 57-72bn AuM; actual transfer quantum and timing may differ materially due to unforeseen circumstances
[2] Based on value of AuM ultimately acquired/transferred
[3] Subject to local approvals and conditions, as well as operational readiness
[4] Two years after Principal Closing

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Selected Key Terms of Sale and Purchase Agreement

Alignment of economic interests, reducing execution risk

Consideration

- 1.2% x AuM to be paid, once AuM are actually transferred[1] (booked with Julius Baer)
  - First USD 150m in cash
  - Subsequent USD 500m payable 50% cash and 50% shares[2]
  - Remainder 100% in cash
- For Merrill Lynch Bank Switzerland: contractual price adjustment for any significant AuM outflows within 12 months[3]

Contractual non-compete and non-solicit protections

- For three years post Principal Completion, BofA is restricted from:
  - Competing in all jurisdictions in which the business sold to Julius Baer currently operates
  - Advising (i.e. establishing a wealth management advisory relationship) any client within the scope of the sale to Julius Baer

Exclusion of certain clients

- Julius Baer is entitled to exclude certain clients from transfer (e.g. for regulatory reasons) and the seller will (except in certain circumstances) be required to terminate these relationships[4]

Two years after Principal Closing, Long Stop Date

- Clients who have not consented to transfer will have their relationship terminated by the seller

[1] Plus any NAV transferred with businesses
[2] Based on a fixed reference share price of USD 36.0102 calculated by reference to the VWAP for the 20 trading day period ending on the date of the acquisition agreement. Julius Baer shares held by BofAML are not permitted to be hedged and are locked up for 12 months
[3] Post Principal Closing
[4] Including all U.S. clients

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Summary IWM Carve-out Financials (IFRS)

USDm	2010	2011	H1 2012
Total revenues	851	812	376
Total non-interest expenses	876	925	414
Profit before taxes	**-25**	**-113**	**-38**
Income taxes	-12	-30	-7
Net profit	**-13**	**-83**	**-30**
Assets under management (USDbn)	93	83	84
Net new money (USDbn)[1]	-0.5	0.7	0.8
Gross margin[2] (bps)	n/a	92	90
Cost-income ratio (%)	103%	114%	110%

[1] Unaudited data based on estimates
[2] Calculated as total (annualised) revenues divided by the average of the AuM at the beginning and at the end of the period

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On Normalised Basis, IWM Business to be Acquired is Profitable

Bridge from audited to normalised IWM financials

Normalisation Adjustments to IWM Carve-out Financials[1]

USDm	2010	2011	H1 2012[2]
Total revenues	**851**	**812**	**752**
Revenue adjustments	**-26**	**-24**	**-23**
Normalised total revenues	**826**	**788**	**729**
Total non-interest expenses	**876**	**925**	**827**
Reductions and eliminations	**-233**	**-251**	**-192**
Allocations & support costs	-121	-122	-129
Corporate overhead	-64	-64	-58
One-off expenses	-48	-64	-5
Normalised total non-interest expenses	**643**	**674**	**635**
Profit before taxes	**-25**	**-113**	**-75**
Revenue and expense adjustments	**208**	**226**	**169**
Normalised profit before taxes	**183**	**114**	**94**
Cost-income ratio	***103%***	***114%***	***110%***
Normalised cost-income ratio	***78%***	***86%***	***87%***

- Normalisation adjustments to annualised H1 2012 figures include:
  - normalisation of net interest margin, reflecting funding assumptions under Julius Baer ownership : USD ~23m
  - reduction of overhead and other allocations not required in the Julius Baer structure: USD ~187m
  - elimination of one-off costs: USD ~5m
- Julius Baer's assessment of the IWM normalised H1 2012 cost-income ratio (CIR): ~87%

[1] Julius Baer assessment of items that can be eliminated; this assessment involves estimates
[2] H1 2012 annualised

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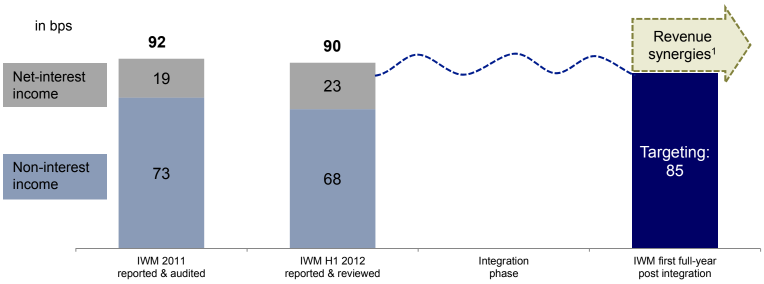
IWM Gross Margin

Targeted gross margin on IWM AuM of 85bps in first full year post integration



- Currently, IWM's gross margin is lower than Julius Baer's, predominantly driven by:
  - structurally higher portion of client activity-based income than at Julius Baer
  - currently subdued client activity and elevated risk aversion across wealth management sector
- Normalising net interest income[2], Julius Baer estimates H1 2012 gross margin to be ~87bps
- During integration phase, gross margin may vary as assets transfer (FAs focused on AuM transfer and client on-boarding)
- Julius Baer targets gross margin of 85bps for first full year after integration (excluding any potential revenue synergies)

[1] After 2015, for more information see next page
[2] As described on page 20

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Potential for Revenue Synergies Beyond Integration

No revenue synergies incorporated into financial & accretion targets

Trading

- Internalising additional trading flow in FX, precious metals products (derivatives as well as physical), equity derivatives, structured products and fixed income instruments
- Julius Baer FX team purely dedicated to serve private clients
- Servicing and developing sophisticated clients via Julius Baer's Direct Access client offering

Centralised offering of discretionary and advisory mandates (mainly Asia/LatAm)

- Portfolio Management: increase of the penetration rate for mandates
- Investment Advisory: increase of the penetration rate for direct/indirect mandates

Centralised credit offering

- Offer mortgages at selected locations
- Increase loan penetration to Julius Baer levels

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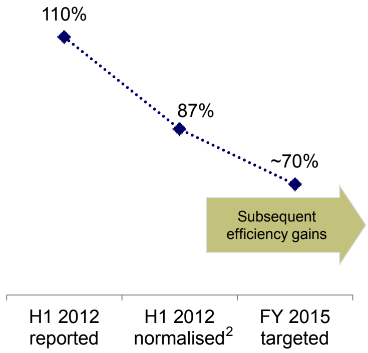
Targeted IWM Cost Base

Targeting ~70% cost-income ratio in first full year after integration

IWM Cost Income Ratio



Key metrics required to deliver targeted CIR of ~70% in first full year post integration:

- CHF 57 - 72bn[1] AuM is expected to be transferred
- Targeted cost base adjustments:
  - Restructuring of IWM business (stand-alone)
  - Right-sizing mid-/back-office on Julius Baer platform
  - Exploiting immediate scalability effects

  Reducing pro forma combined FTE base of ~5,700 by 15 - 18%
- Beyond 2015: Potential revenue synergies and subsequent scalability and efficiency gains expected to deliver further CIR improvements

[1] Assuming AuM transfer at market values as at 30 June 2012, i.e. excluding any market performance impacts or net new money
[2] Julius Baer estimated normalised figure, as set out on slide 20

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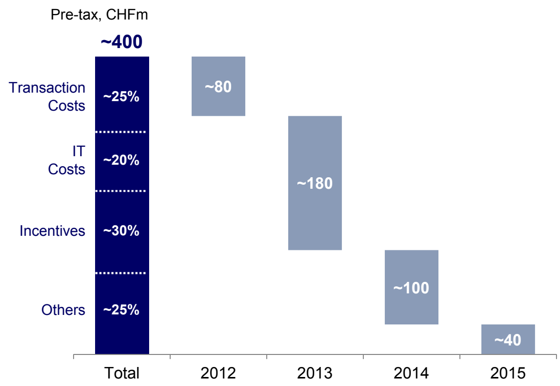
Transaction, Restructuring and Integration Costs

Estimated breakdown over time

Estimated Breakdown Over Time



- Estimated total transaction, restructuring and integration costs of ~CHF 400m (pre-tax)
- Additional USD 125m contribution from BofAML toward right-sizing of employee base
- Julius Baer's adjusted profit presentation *excludes*:
  - Transaction, restructuring and integration costs
  - Amortisation of acquired client relationships (intangible assets)[1]

[1] For the IWM acquisition, out of ~CHF 860m goodwill, ~CHF450m expected to be booked as amortisable acquired client relationships (intangible assets), to be amortised on a straight-line basis over ten years following Principal Closing

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2013–2015 Summary Financial Targets for IWM

Targets for acquired IWM AuM	2013	2014	2015
AuM reported (year-end), of CHF 57–72bn	80%	100%	100%
AuM reported & booked (year-end), of CHF 57–72bn	70%	100%	100%
Market performance, currency impact	Unknown	Unknown	Unknown
Net new money	Limited	Limited	4 - 6%
Gross margin (see slide 19)			~85bps
Cost-income ratio	– improving towards targeted ~70% in 2015 –		
Pre-tax margin	– improving towards targeted ~25bps in 2015 –		
Effective Tax rate[1], *entire* Julius Baer Group (adj. profit basis)	– expected to decline to below 16% in 2015 –		

Independent of level of AuM transferred[2] (within estimated range):
►Transaction targeted to be at least EPS neutral[3] in 2014[4] and ~15% accretive[3] to EPS in 2015[4] - with potential for higher accretion thereafter

[1] On the back of changing geographical footprint and transaction tax benefits
[2] Assuming market performance impact on transferred IWM AuM similar to impact on Julius Baer stand-alone AuM
[3] Relative to stand-alone scenario and no buybacks and taking targeted capital ratios into basis for the calculation
[4] On basis of adjusted profit, i.e. excluding transaction, integration and restructuring expenses and amortisation of intangible assets related to acquisitions or divestitures; based on share price prior to the announcement of the transaction on 13 August 2012. To the extent less than CHF 72bn AuM are acquired, resulting incremental excess capital can be used for share buybacks

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Post-Integration Targets

	Targets		
	Julius Baer stand-alone *(current mid-term targets)*	**IWM, integrated** *(first year post integration)*	**Combined entity[4]** *(first years post integration)*
Cost/Income Ratio[1]	62-66%	~70%	65-70%
Pre-Tax Profit Margin[2]	>35bps	~25bps	30-35bps
Net New Money[3]	4-6%	4-6%	4-6%

[1] Adjusted cost/income ratio, calculated excluding valuation allowances, provisions and losses
[2] Adjusted pre-tax profit (annualised) divided by period average AuM, in basis points
[3] Net new money (annualised), as % of AuM at end of previous period
[4] New targets based on CHF 72bn of AuM transferred as part of the transaction (actual AuM transferred may vary), and assuming market performance impact on transferred IWM AuM similar to impact on Julius Baer stand-alone AuM

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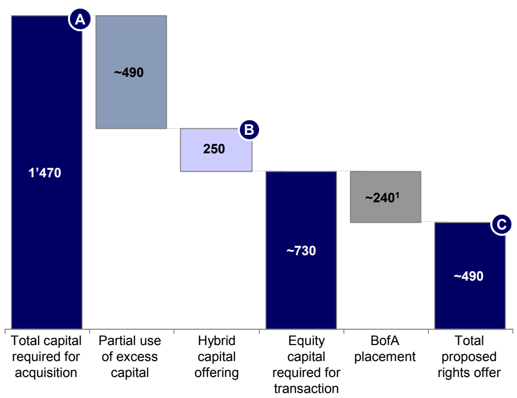
Funding of IWM Transaction

Planned funding of transaction



Financing activities

A Sufficient capital to be put in place to support acquisition of up to CHF 72bn AuM
- ~CHF 860m for AuM transferred (1.2%)
- ~CHF 300m capital to support incremental RWA of ~CHF 2.5bn at 12% tier 1
- ~CHF 312m for transaction, restructuring & integration costs (after tax)

= Total capital required: CHF ~1'470m

B CHF 250m hybrid capital
- Considered as Additional Tier 1 capital by FINMA and Moody's
- Offering successfully completed in September

C Announced fully-underwritten rights offer of CHF 492m

Capital increase is a condition precedent to principal closing of the IWM transaction

[1] Corresponding to USD 250m placement as part of consideration

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Products & Services
Compelling combined product and service offering

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Existing products and services	Existing BofAML client product & service offering fully replicated by existing Julius Baer product suite (with minor exceptions)	
Global research		Continued access to comprehensive research of BofAML
Investment Banking Services		Cooperation agreement with BofAML for provision of investment banking services[1]
Credit offering	More comprehensive credit offering (mortgages and special credits currently not offered by BofAML)	
Discretionary & investment advisory mandates	Strong in-house capabilities (various mandates and customised solutions)	
Trust & tax planning	Holistic advisory services for trust and tax planning	
Broad booking centre capabilities	Option to book assets also in Hong Kong, Singapore, Monaco, Germany, Bahamas	

[1] On a non-exclusive basis

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Key Success Factors
Three pillars underpin the success of the combination

	Clients	Advisers
1 Combined strength of the adviser and client proposition	▪ Compelling products and services ▪ Wide choice of booking centres ▪ Leading brand and reputation for excellence	▪ Pure-play open architecture, a model for private banking ▪ Tools for client service excellence ▪ Competitive compensation model

2 Expertise of the combined Management Team

- Senior executive management from both Julius Baer and BofAML installed in key leadership roles in the combined group
- Experienced operational integration team with proven, long-term track record of successful integrations

3 Strategic cooperation

- Strategic cooperation and BofAML shareholding underpin integration and future cooperation
- Continued access to leading brand of global equity research and Investment Banking products and services
- Significant cross-referral opportunities

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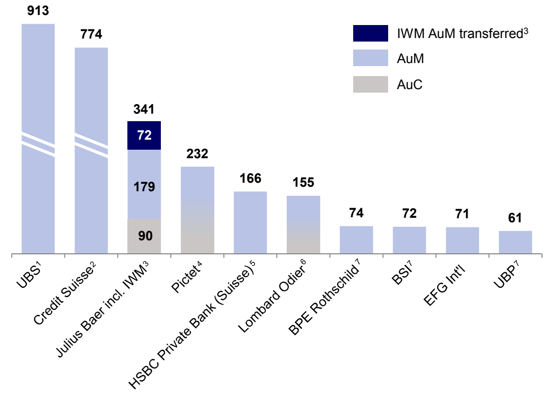
Significant Strengthening of Relative Market Position

Unique position as the leading 'pure play' private banking group

Swiss Private Banking Operations, by AuM / Total Client Assets

As of 30 June 2012, in CHFbn, except otherwise noted



- Assuming CHF 72bn AuM are transferred, Julius Baer's pro forma total client assets would increase to CHF 341bn
  - of which CHF 251bn will be recorded as AuM
- Represents an opportunity for Julius Baer to add significant scale to its existing international platform
- Rare opportunity to buy an undiluted pure play private banking business
- Strengthened Julius Baer…small enough to care

[1] Excl. Wealth Management Americas
[2] Excl. Corporate and Institutional Clients (Switzerland)
[3] Pro forma, based on assumed AuM of CHF 72bn to be transferred from IWM
[4] Total client assets, excl. asset management business
[5] As of 31 December 2011
[6] Total client assets, incl. asset management business
[7] As of 31 December 2011, excl. asset management business

Total Client Assets = AuM + Assets under Custody ('AuC')

Sources: Public information incl. corporate websites, financial reports, media releases and in some cases extrapolations/estimates

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Conclusion
Compelling strategic rationale creating shareholder value

Strategic rationale

- Adds substantial scale to existing locations, and presence in a number of key new locations
- Increases exposure to growth markets approaching 50% AuM[1]
- Further strengthens Julius Baer's unique value proposition to its sophisticated combined client base
- Reinforces Julius Baer's attractiveness as the employer of choice in private banking
- Strategic cooperation agreement with Bank of America Merrill Lynch ('BofAML')
  - Brings Julius Baer a major step forward in its growth strategy, strengthening its position as the leading 'pure play' Swiss private banking group

Targeted to create meaningful shareholder value

- Transaction targeted to be at least EPS neutral in 2014 and ~15%[2] accretive to EPS in 2015
- Potential for higher accretion after 2015

[1] On a combined basis, pro forma
[2] On basis of adjusted profit, i.e. excluding transaction, integration and restructuring expenses and amortisation of intangible assets related to acquisitions or divestitures; based on share price prior to the announcement of the transaction on 13 August 2012; and relative to a scenario with no transaction or share buybacks and taking targeted capital ratios into basis for the calculation. To the extent less than CHF 72bn AuM are acquired, resulting incremental excess capital can be used for share buybacks

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Two Stages of Transfer of Economics

	Driver	Principles
Transfer of Revenue & Direct Costs	**FA Transfer**	**As Julius Baer acquires a particular company or business and FAs transfer to Julius Baer:** ▪ Revenues attributable to total AuM managed/advised by transferred FAs (independent of whether booked on Julius Baer or BofAML platforms) transfer to Julius Baer ▪ Direct costs attributable to transferred FAs and other employees specific to the transferring company or business transfer to Julius Baer ▪ Exceptions apply to business transfer in Hong Kong and Singapore where revenues only transfer if and to the extent that clients of the transferred FAs sign an advisory agreement with Julius Baer
Allocation Charges	**AuM Transfer**	**In addition, Julius Baer will pay for central services continued to be provided by BofAML during the transition period ('Allocation Charges')[1]:** ▪ In proportion to production credits generated by Julius Baer-employed FAs and ▪ Based on the portion of their AuM still booked on BofAML platforms over the period Allocation Charges cease as FAs who have transferred to Julius Baer also transfer their AuM to Julius Baer booking centres and Julius Baer incurs its own charges directly

Julius Baer will manage incremental FA- and AuM-driven costs down to Julius Baer Group targets immediately as they become directly controllable[2, 3]

[1] Adjusted for salaries of global employees (providing central services) who have already transferred to Julius Baer
[2] FA driven costs as and when related FA transfers and is directly employed by Julius Baer
[3] AuM servicing & booking charges when FAs transfer their AuM to Julius Baer platforms

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IWM Financials (1/2)
Carve-out income statement 2010, 2011 and H1 2012

USDm	FY10A	FY11A	6M12A
Net Interest Income			
Interest income on loans	84.3	85.1	48.9
Cost of funds charged by affiliates	(48.7)	(40.4)	(16.0)
Net Interest Income on Loans	35.6	44.7	33.0
Use of funds benefit received from affiliates	184.1	191.5	85.3
Interest expense on deposits	(68.7)	(74.8)	(31.5)
Net Interest Income on Deposits	115.4	116.7	53.8
Other interest income	136.2	122.6	10.1
Cost of funds charged by affiliates	(128.5)	(117.5)	(3.0)
Net Interest Income	**158.6**	**166.5**	**93.9**
Non-Interest Income			
Asset management fees	156.2	152.6	73.8
Brokerage income	458.9	425.1	152.4
Other non-interest income	77.7	68.2	55.9
Non-Interest Income	**692.8**	**645.9**	**282.1**
Total Revenue	**851.4**	**812.4**	**376.0**
EXPENSES			
Employee compensation and benefits	397.5	435.9	194.6
Occupancy	47.6	40.5	25.6
Professional fees	18.2	18.0	8.3
Other operating expenses	94.9	95.6	40.5
Processing and support costs provided by affiliates	269.8	270.9	141.8
Severance and exit costs	43.4	37.7	0.2
Litigation settlements	0.8	14.2	1.2
FDIC insurance expense and 2011 UK Banking Levy	4.2	12.5	1.3
Total Non-Interest Expenses	**876.3**	**925.2**	**413.5**
Income Before Taxes	**(24.9)**	**(112.8)**	**(37.4)**
Income Taxes	**(12.2)**	**(29.8)**	**(7.1)**
Net Income/ (Loss)	**(12.7)**	**(83.1)**	**(30.4)**

Source: Carve out financial statements
Ref: Carve out income statement for FY10A, FY11A and 6M12A - Section Lead - Lead Schedules

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IWM Financials (2/2)

Carve-out balance sheet 2010, 2011 and H1 2012

USDm	Dec10A	Dec11A	Jun12A
Assets			
Cash and cash equivalents	3'681.3	3'256.2	525.1
Trading account assets	57.3	52.6	50.0
Derivatives assets	90.2	91.2	51.9
Loans (net of allowances)	5'003.5	4'846.9	5'121.6
Customer receivables	229.0	178.1	161.6
Property, plant and equipment	12.8	14.3	9.4
Income taxes receivable	57.8	96.1	125.3
Deferred taxes	33.9	83.6	130.7
Other assets	15.6	54.1	49.5
Total Assets	**9'181.3**	**8'673.2**	**6'225.1**
Liabilities			
Deposits	12'808.1	12'522.7	12'604.6
Derivative liabilities	110.0	81.4	51.9
Customer payables	1'681.0	1'585.5	1'687.3
Subordinated debt	-	18.6	18.8
Taxes payable	23.7	69.3	107.1
Deferred taxes	26.2	25.0	47.6
Pension plan liability	59.6	80.9	101.1
Other liabilities	129.2	111.5	110.8
Total liabilities	**14'837.9**	**14'494.8**	**14'729.3**
Parent Investment/ (Net Funding Provided to Parent)	- 5'694.4	- 5'843.8	- 8'521.2
Other Comprehensive Income	37.8	22.2	17.0
Net Parent Investment	- 5'656.6	- 5'821.6	- 8'504.1
Total Liabilities and Net Parent Investment	**9'181.3**	**8'673.2**	**6'225.1**

Source: Carve out financial statements

Ref: Carve out balance sheet as at Dec10A, Dec11A and Jun12A - Section Lead - Lead Schedules

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Julius Baer Interim Management Statement

For the eight months to 31 August 2012

- As at the end of August 2012, Julius Baer Group's AuM increased to a new record high of CHF 184 billion, an increase of CHF 14 billion or 8% since the end of 2011. Total client assets grew to CHF 276 billion, an increase of CHF 18 billion, or 7%.
- The increase in AuM resulted from
  - continued net new money inflows close to the top end of the Group's medium-term target range;
  - positive market performance impact supported by sustained gains in the global equity and bond markets;
  - positive currency impact, mainly from the strengthening of the USD
- Partly impacted by a small contraction in client activity over the summer period, the gross margin in the first eight months was slightly lower than the 98 basis points reported for the first six months of 2012
- As a result, the cost-income ratio was slightly higher than the cost-income ratio reported for the first six months of 2012
- As at the end of August, the Group's BIS total capital ratio stood at 24.8% and the Group's BIS tier 1 ratio at 22.4%
- In September, Julius Baer successfully raised CHF 250 million in additional non-core tier 1 capital, as part of its financing of the IWM acquisition.

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