Julius Bär

FY 2012 Results and Review

Presentation for Investors, Analysts & Media

Zurich, 4 February 2013

Left: Excerpt from *Japanese Grotto*, 2005; by Swiss artists Gerda Steiner and Joerg Lenzlinger, photo print on photo paper, 42 x 56 cm; part of the Julius Baer Art Collection; www.museum.juliusbaer.com

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Programme and Content

Introduction

Boris F.J. Collardi, CEO

Financial Results FY 2012

Dieter A. Enkelmann, CFO

Business Update

Boris F.J.Collardi, CEO

Q&A Session

Appendices

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Strong Asset Growth

Crossing above CHF 200 billion AuM mark after IWM[1] principal closing[2]

Asset growth

- In 2012, AuM increased to CHF 189bn, a record-high level
- Net new money CHF 10bn, near top of target range
- Growth in all regions – majority from growth markets

Reduced risk appetite driving gross margin lower

- Investment climate remained influenced by economic and political uncertainty
- Subdued risk appetite translated in reduced transaction and trading activity
- ➢ Resulting in lower gross margin

Costs well under control

- Underlying profitability preserved despite decline in gross margin
- Cost/income ratio (excl. US legal costs) increased by 1 percentage point
- ➢ Resulting in solid net profit

Transition to next growth phase

- IWM acquisition on track – expected to lead to significant additional AuM, with strong focus on growth markets
- Add-on from MLBS[3] increases our AuM base to over CHF 200bn

[1] Merrill Lynch's International Wealth Management Business outside the US
[2] On 1 February 2013
[3] Merrill Lynch Bank (Suisse) S.A. This Geneva-based bank, with AuM of around CHF 11billion, was transferred to Julius Baer at the time of principal closing on 1 February 2013

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Scope of Presentation of Financials

Financial results are presented as usual on the adjusted basis

- *Excluding* integration and restructuring expenses and the amortisation of intangible assets related to previous acquisitions or divestitures as well as, in 2011, the impact of the cost reduction plan announced on 14 November 2011
- 2011 figures *included* one-off payment of EUR 50m to German authorities, impacting 2011 profit before taxes by CHF 65m and adjusted net profit by CHF 51m
- In order to ensure a meaningful comparability of *underlying* business performance, certain 2011 figures are additionally provided excluding the one-off Germany payment, and flagged accordingly

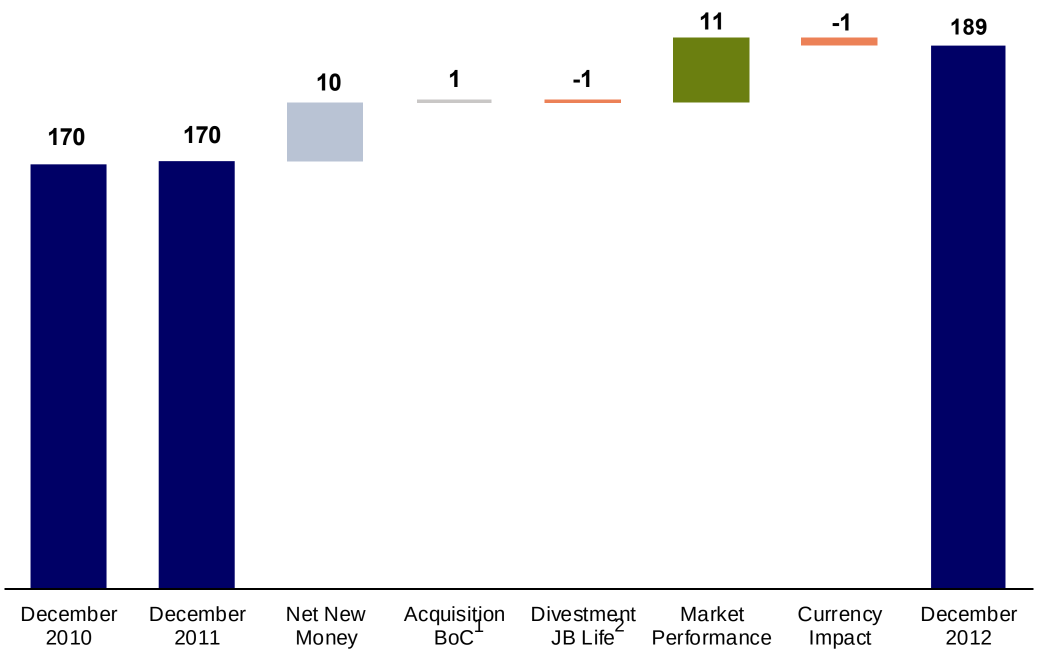
- Please refer to the Annual Report for the IFRS results

- Slide 32 in the appendix to this presentation shows the reconciliation from the IFRS results to the adjusted and underlying results

Assets under Management Up 11% to Record High

Strong net new money inflows and positive market performance

CHF bn **Development of Assets under Management**



- Assets under management CHF 189bn, up 11% from year-end 2011
  - Net new money CHF + 9.7bn
  - Market performance CHF +10.5bn
  - Currency impact CHF - 1.2bn
- Average AuM CHF 181bn, up 8%
- Assets under custody CHF 88bn
- Total client assets CHF 277bn, up 7%

[1] 1 October 2012: acquisition of Bank of China (Suisse) SA, AuM CHF 555m
[2] 24 August 2012: divestment Julius Baer Life (Bahamas) Ltd., AuM CHF 576m

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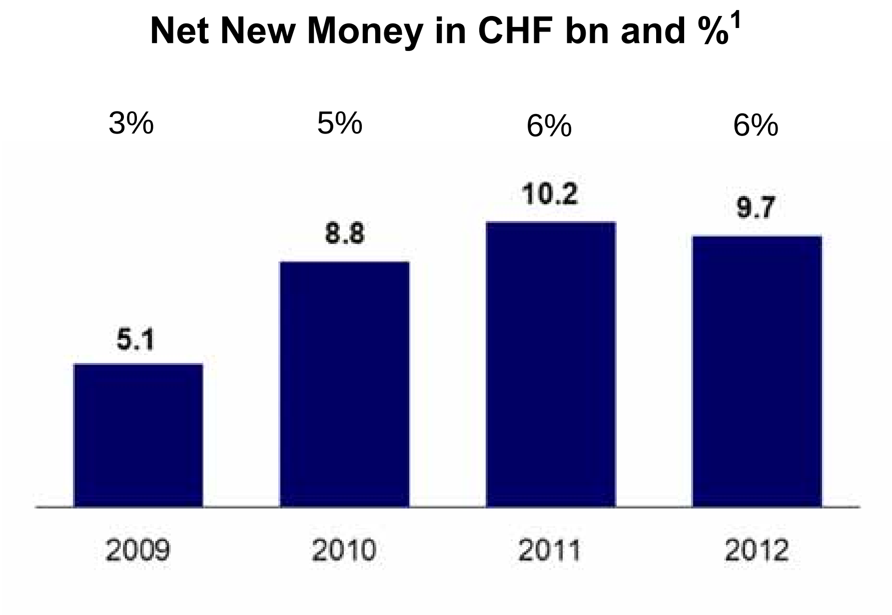
Net New Money of CHF 9.7bn ...

… at 5.7%[1] near top end of targeted medium-term range of 4–6% p.a.

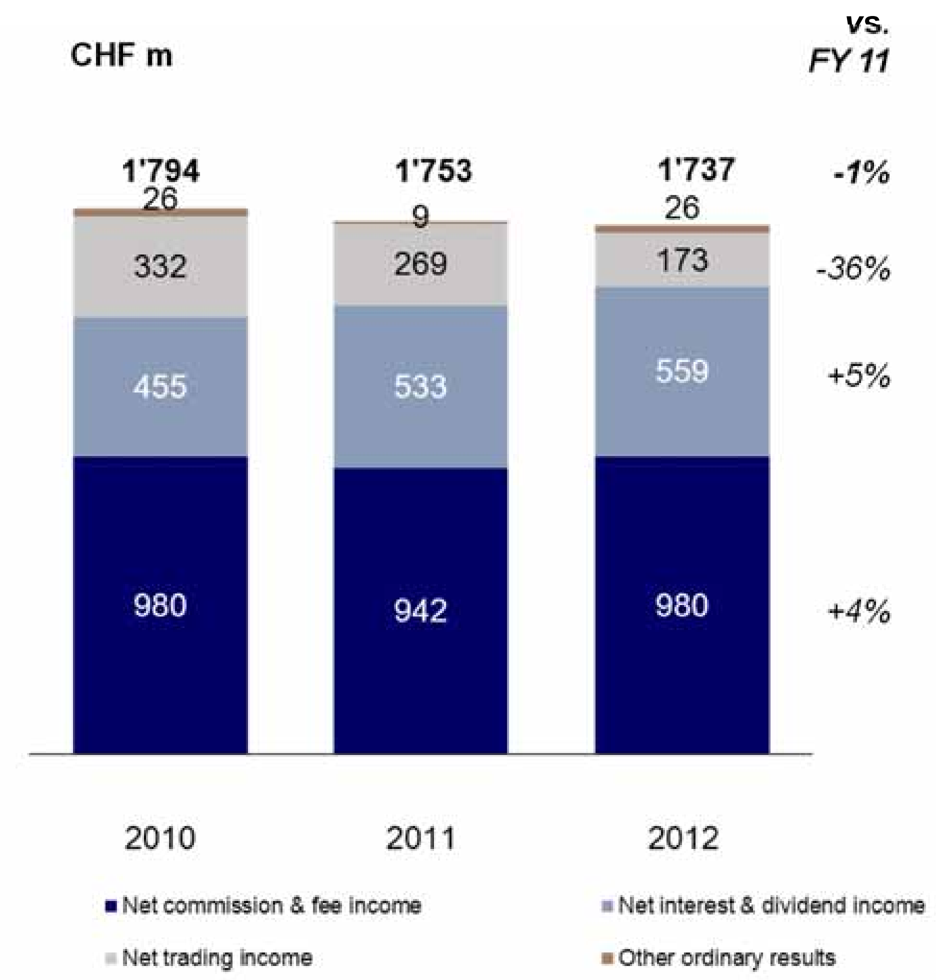


- All regions contributed positively, majority of inflows from growth markets and domestic business in Germany
- (Western) European cross-border business: positive contribution from number of key markets balanced by ongoing self-declarations by German clients

[1] As percentage of start-of-period AuM

Operating Income Declined by 1% to CHF 1,737m

Low FX volatility impacting trading income

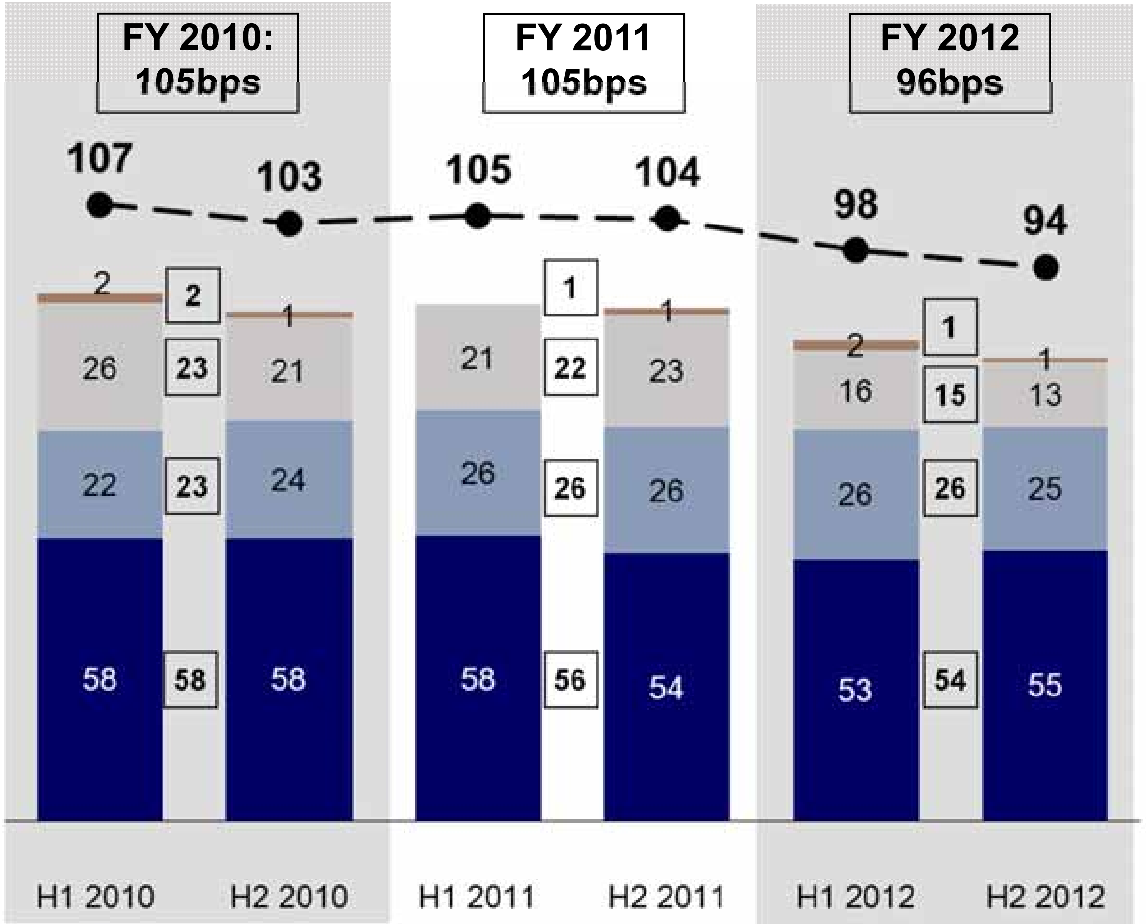


- Net commission & fee income +4% to CHF 980m
  - Positive impact of higher average AuM tempered by relative decline in client transaction volumes
- Net interest & dividend income[1] +5% to CHF 559m
  - Increase in loan volumes and higher treasury income
  - Excluding dividend income on trading portfolios, underlying net interest & dividend income was up 8% to CHF 465m
- Net trading income[1] -36% to CHF 173m
  - Lower FX income due to decreased volatility in key currency pairs, especially EUR/CHF
  - Crediting back dividend income on trading portfolios, underlying net trading income was down 28% to CHF 266m

[1] Including dividend income on trading portfolios (FY 2010: CHF 66m, FY 2011 CHF 101m, FY 2012 CHF 93m)

Gross Margin[1] Down 9bps on Lower Client Activity

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



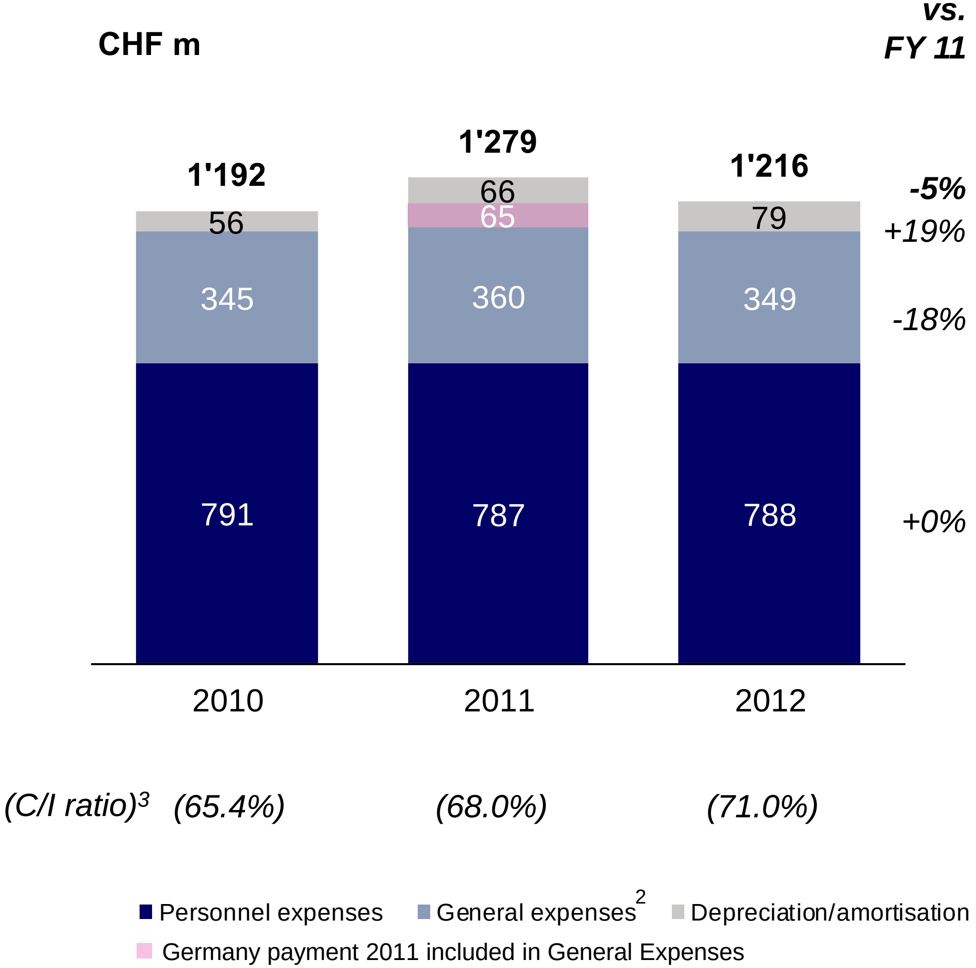
- Net commission & fee income 54bps (FY)
  - Y-o-y decline in client activity …
  - … modestly improving in H2
- Net interest & dividend income[2] steady at 26bps (FY)
  - Steady growth in-line with AuM
- Net trading income[2] down to 15bps (FY)
  - Significant drop in FX volumes

[1] Operating income divided by period average AuM in basis points. Average AuM for H2 2012 was CHF 185bn, up 13% compared to H2 2011 and up 5% from CHF 177bn in H1 2012

[2] Net interest & dividend income adjusted to exclude dividends on trading portfolios, net trading income adjusted to include the same (H1 2010: CHF 59m, H2 2010: CHF 7m, H1 2011: CHF 97m, H2 2011: CHF 4m, H1 2012: CHF 90m, H2 2012: CHF 3m)

Operating Expenses[1] Declined by 5% to CHF 1,216m

Excluding 2011 Germany payment: flat development



- Personnel expenses stable at CHF 788m
  - Lower performance-related accruals
  - Increase of staff base by 2% to 3'721
- General expenses[2] -18% to CHF 349m
  - Mainly due to effect of CHF 65m one-off Germany payment in 2011
  - Excluding the 2011 Germany payment, general expenses decreased 3%
  - 2012 includes CHF 38m costs related to US tax situation
- Cost/income ratio[3] at 71%, up from 68% in 2011
  - Excluding costs related to US tax situation: 69%

[1] Excluding amortisation of intangible assets, integration and restructuring costs
[2] Including valuation allowances, provisions and losses
[3] Not considering valuation allowances, provisions and losses

Adjusted Net Profit CHF 433m

Higher mainly due to effect of one-off Germany payment in 2011

CHF m	2010	2011	2012	Change 2012/2011
Operating income	**1'794**	**1'753**	**1'737**	**-1%**
Net interest and dividend income	455	533	559	+5%
Net commission and fee income	980	942	980	+4%
Net trading income	332	269	173	-36%
Other ordinary results	26	9	26	+172%
Operating expenses[1]	**1'192**	**1'279**	**1'216**	**-5%**
Personnel expenses	791	787	788	+0%
General expenses	345	425	349	-18%
Depreciation and amortisation	56	66	79	+19%

Profit before taxes	**603**	**474**	**521**	**+10%**
Pre-tax margin (bps)	**35.3**	**28.2**	**28.8**	**+0.6 bps**
Income taxes	99	73	88	+21%
Adjusted net profit[2]	**504**	**401**	**433**	**+8%**
Adjusted EPS (in CHF)	**2.39**	**1.93**	**2.14**	**+11%**
Tax rate	**16.4%**	**15.4%**	**16.9%**	**+1.5 pts**
Underlying net profit (excl. Germany payment)	**504**	**452**	**433**	**-4%**
Underlying EPS (in CHF)	2.39	2.18	2.14	-1%

[1] Including one-off payment to German authorities of CHF 65m in H1 2011

[2] Excluding integration and restructuring expenses and amortisation of intangible assets. Also excluding charges related to the demerger and expenses in relation to acquisitions. Including these positions, the net profit was CHF 298m in 2012, up 15% from CHF 258m in 2011.

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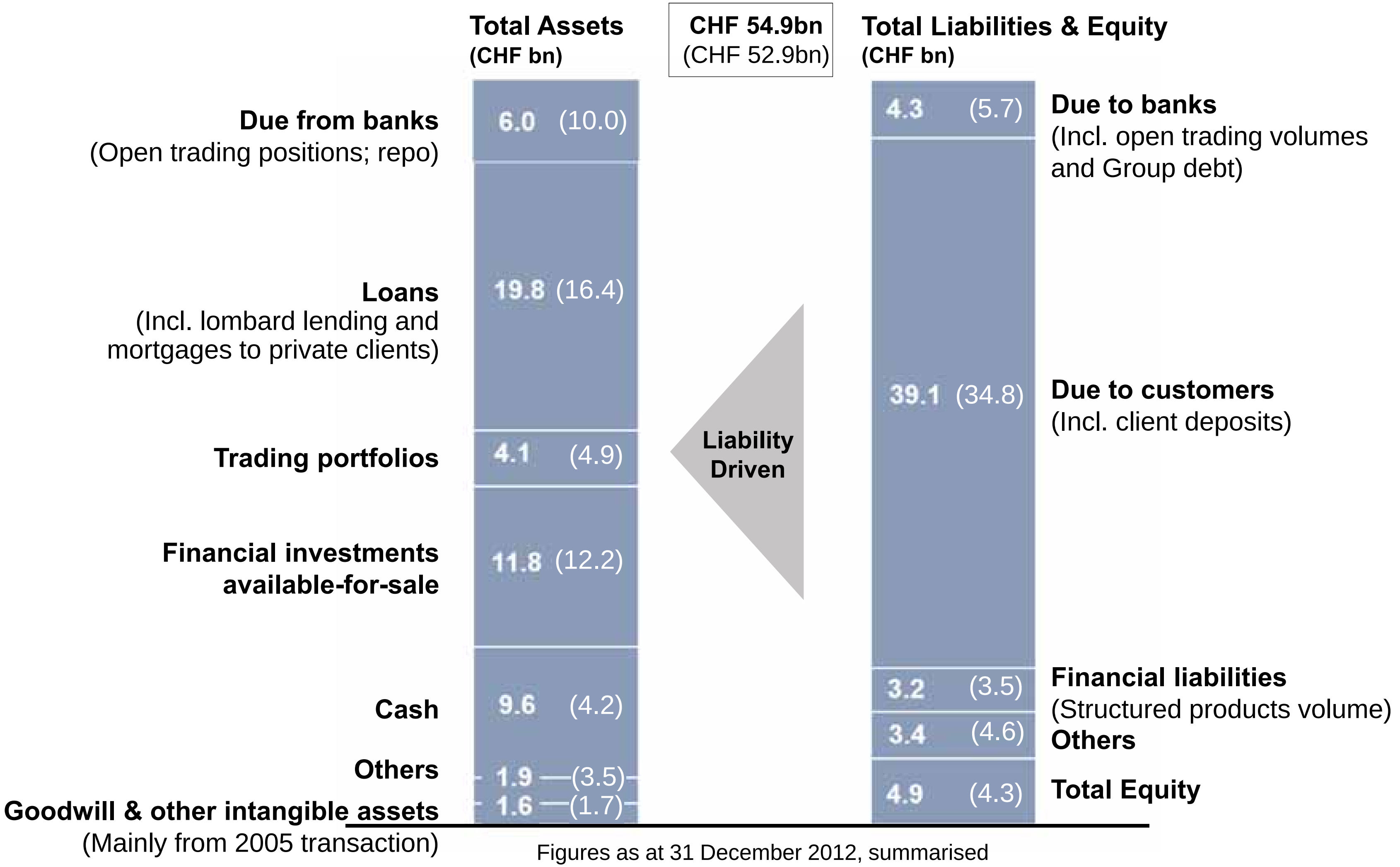
Solid Group Balance Sheet – Low Risk Profile

Loan-to-deposit ratio of 0.51



Figures as at 31 December 2012, summarised and regrouped from Financial Statements.
In brackets: Figures as at 31 December 2011

BIS Total Capital Ratio 31.6% (Ahead of IWM Closing)

BIS approach / CHF m	31.12.2010 *Basel 2*	31.12.2011 *Basel 2.5*	31.12.2012 **Basel 2.5**	Absolute Change	% Change
Risk-weighted positions					
Credit risk	8'116	8'717	7'886	-830	-10%
Non-counterparty-related risk	534	530	542	+12	+2%
Market risk	514	672	1'098	+427	+64%
Operational risk	2'896	2'892	2'925	+32	+1%
Total risk-weighted positions	**12'061**	**12'811**	**12'451**	**-359**	**-3%**
Core capital [1]	2'648	2'564	3'175	+611	+24%
Core capital ratio [1]	**22.0%**	**20.0%**	**25.5%**	**+5.5%**	**+27%**
Eligible tier 1 capital [1]	2'873	2'789	3'645	+856	+31%
- of which tier 1 capital 'preferred securities' [2]	225	225	225		
- of which tier 1 capital 'fully eligible Basel III instrument'			245		
Tier 1 capital ratio [1]	**23.8%**	**21.8%**	**29.3%**	**+7.5%**	**+34%**
Eligible total capital [1]	2'934	3'067	3'940	+873	+28%
- of which lower tier 2 capital [2]		*242*	*247*	+5	+2%
Total capital ratio [1]	**24.3%**	**23.9%**	**31.6%**	**+7.7%**	**+32%**
Tangible equity in % of total assets	5.8%	4.9%	5.9%	+1.0%	20%
Leverage ratio (total assets / tangible equity)	17.2	20.3	16.9	-3.4	-17%
Hybrid capital / tier 1 capital	7.8%	8.1%	12.9%	+4.8%	+60%
Loan-to-deposit ratio	0.51	0.47	0.51	+0.03	7%
Liquidity coverage ratio (LCR)		141.1%	145.7%	+4.6%	3%
Net stable funding ratio (NSFR)		108.8%	123.4%	+14.6%	13%

- Significant increase of core capital (CHF 492m rights issue) and of tier 1 capital (CHF 250m issue of alternative tier 1 capital instrument)
- For pro forma Basel III impacts, please see slide 31

[1] After dividend
[2] Under Basel III the capital credit of JBG's outstanding "old-style" hybrid capital instruments (lower tier 2 bond of CHF 250m and preferred securities of CHF 225m) needs to be amortised 10% per annum starting 2013

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Expected 2013 Isolated Capital Impact of IWM Transaction

1 ▪ At CHF 72bn AuM acquired: Goodwill CHF ~860m
▪ 2013: Targeting ~80% of IWM AuM
→ expected goodwill impact CHF ~690m

2 ▪ 2013 expected transaction, restructuring & integration costs: CHF ~140m (after-tax)

3 ▪ 2013 expected shares to be issued to BofA (as part payment for AuM transferred): CHF ~240m

4 ▪ 2013 expected incremental RWA from IWM transaction: ~80% x CHF 2.5bn = CHF ~2bn

–	Goodwill impact	CHF ~690m	1
–	Transaction related costs	CHF ~140m	2
+	Shares issued to BofA	CHF ~240m	3
–	Capital impact IWM 2013	CHF ~590m	
	Δ RWA from IWM 2013	+ CHF ~2bn	4

→Isolated impact on total capital and tier 1 ratios: ~ 8 percentage points (negative)

Julius Baer Capital Ratio Targets	
BIS Total Capital Ratio: >15%	BIS Tier 1 Ratio: >12%

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IWM: FAs and AuM Transfer in Three Waves

	Merrill Lynch Bank (Suisse)	Legal Entity Sale (11 Locations)	Business Transfer (10 Locations)
Wave 1	Completed 1 Feb 2013	Luxembourg, UK, Monaco, Uruguay, Chile	Hong Kong, Singapore, UK (Advisory)
Wave 2		Lebanon, Panama, Spain	Bahrain, Panama (Brokerage), Israel
Wave 3		France, UAE, India	Italy, UAE (Advisory), Ireland, Netherlands
AuM	CHF 11bn	CHF ~24bn	CHF ~46bn
	Principal closing	Local closing	Local closing
1 FA joins Julius Baer	Immediately	Immediately	Gradually[1]
		AuM Reported (= advisory relationship with Julius Baer)	
2 AuM transferred to Julius Baer	Immediately	Gradually	Gradually

AuM Reported *and* Booked

Paid 1.2% x AuM

[1] FAs may move immediately in some locations

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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)

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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

[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 81.3 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

IWM: Integration Steps and Expected Impact 2013

Depending on timing and speed of the four main integration steps …

1. **Transfer of client advisory relationships (FAs[1]/clients) in three waves**
2. **Transfer of custody relationships to Julius Baer platform**
   (Technical migration in several waves, starting in Q2 2013 and with bulk expected in H2 2013)
3. **Onboard non-FA IWM staff[1] in waves …**
4. **… followed by local restructuring and rightsizing initiatives**

… the contribution from the IWM business to 2013 profit[2] is expected to be neutral to slightly negative

[1] Approx. 1'950 FTEs in scope, of which approx. 490 FAs at year-end 2012
[2] On basis of adjusted profit, i.e. excluding integration and restructuring expenses and amortisation of intangible assets related to acquisitions or divestitures

Targeted Development and Impact of IWM Integration

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

Targets for acquired IWM AuM	2013	2014	2015
AuM reported (year-end), of CHF 57–72bn[1]	80%	100%	100%
AuM reported & booked (year-end), of CHF 57–72bn[1]	70%	100%	100%
Market performance, currency impact	Unknown	Unknown	Unknown
Net new money	Limited	Limited	4 - 6%
Gross margin			~85bps
Cost-income ratio	– improving towards targeted ~70% in 2015 –		
Pre-tax margin	– improving towards targeted ~25bps in 2015 –		
Effective Tax rate[2], *entire* Julius Baer Group (adj. profit basis)			– expected to decline to below 16% in 2015 –

- The IWM transaction is targeted to be at least EPS neutral[3] in 2014 and to deliver EPS accretion[3] of around 15% in 2015[4]
- With scope for further efficiency improvements after 2015, there is also potential for higher accretion beyond 2015

[1] Out of CHF ~80bn AuM at year-end 2012
[2] On the back of changing geographical footprint and transaction tax benefits
[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 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. To the extent less than CHF 72bn AuM are acquired, resulting incremental excess capital can be used for share buybacks

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Confirming Post-Integration Targets

	Julius Baer FY 2012	Targets: Julius Baer stand-alone *(current mid-term targets)*	Targets: IWM, integrated *(first year post integration)*	Targets: Combined entity[4] *(first years post integration)*
Cost/Income Ratio[1]	71%[5]	62-66%	~70%	65-70%
Pre-Tax Profit Margin[2]	29bps[5]	>35bps	~25bps	30-35bps
Net New Money[3]	5.7%	4-6%	4-6%	4-6%

[1] Adjusted cost/income ratio, calculated excluding valuation allowances, provisions and losses
[2] Adjusted pre-tax profit divided by period average AuM, in basis points
[3] Net new money as % of AuM at end of previous period
[4] New targets based on CHF 57-72bn 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
[5] Including CHF 38m expenses related to the US tax situation – excluding these expenses the cost/income ratio was 69% and the pre-tax profit margin 31 bps

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Switzerland: Strong Commitment to Home Market

- Good business momentum and inflows
- Role as consolidator continued
  - Acquisition of Bank of China (Suisse) S.A. in 2012 as part of the strategic partnership with BoC
  - Acquisition of Merrill Lynch Bank (Suisse) S.A. (AuM of CHF 11bn) on 1 February 2013
- Major investments in Swiss Market since 2005
  - Expansion from 7 to 15 locations
  - Increase of staff from ~2,000 to ~3,000
- Strong belief in strengths of financial centre Switzerland despite change of paradigm

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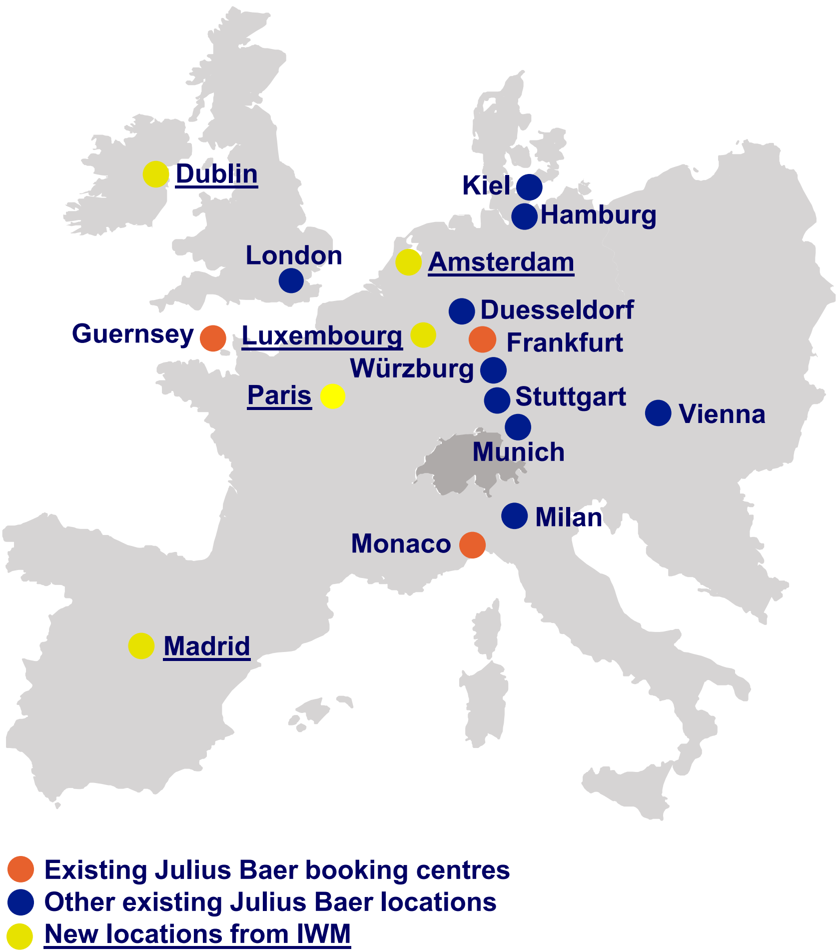
Well Positioned in Changing European Environment

Expanding local presence in key markets



Europe: resilient franchise

- Adjusting to changing regulatory environment

Germany: growing domestic business

- Leveraging Frankfurt as European booking platform

Italy: partnership to create leading WM business

- Partnership with Kairos (19.9% participation)

IWM: Greatly strengthening our position in Europe

- Significant expansion of presence in London
- Adding new locations (Netherlands, France, Ireland, Luxembourg, Spain)
- ➢ Well positioned for the transformation of the European environment

Central & Eastern Europe and Middle East

Excellent progress in 2012

European Private Bank of the year (outside of Russia)

Russia/CEE/CIS: continued solid inflows

- Growing Russia/CEE desks in Zurich, Geneva, Vienna, Monaco, Singapore

Middle East/E. Mediterranean: strong growth

- Significantly increased client base through new hires as well as existing franchise
- **IWM:** expanding presence into Bahrain and Lebanon – adding to existing business in Dubai

Israel: strengthened client coverage

- Tel Aviv office opened March 2012
- **IWM:** further strengthens our position in Israel

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Asia: Continued Profitable Growth

- Existing Julius Baer booking centres
- Other existing Julius Baer locations
- Office of Julius Baer partner TFM Asset Management
- New locations from IWM

Key steps forward in strategic expansion

- Partnership with **Bank of China** launched in July
- 60% stake in **TFM Asset Management** in 2013**, Japan**

Best Boutique Private Bank in Asia
by The Asset and by Asian Private Banker

IWM: Doubling our Asian presence

- Significantly increasing market share in South East & North Asia
- Doubling size of locations Hong Kong and Singapore
- Providing strong presence in important market India

Latin America

Further progress on stand-alone basis as well as via partnerships

- Existing Julius Baer booking centres
- Other existing Julius Baer locations
- Offices of Julius Baer partner GPS
- New locations from IWM

Latin America: capitalising on accelerating wealth creation

- Brazilian partner **GPS** developed strongly
  - further double digit % asset growth
  - In addition, acquisition of Bawm Investments (increasing client assets by ~10%)

IWM: Large add-on from the transaction

- Significant expansion of presence in Uruguay and Chile
- Adding new presence in Panama

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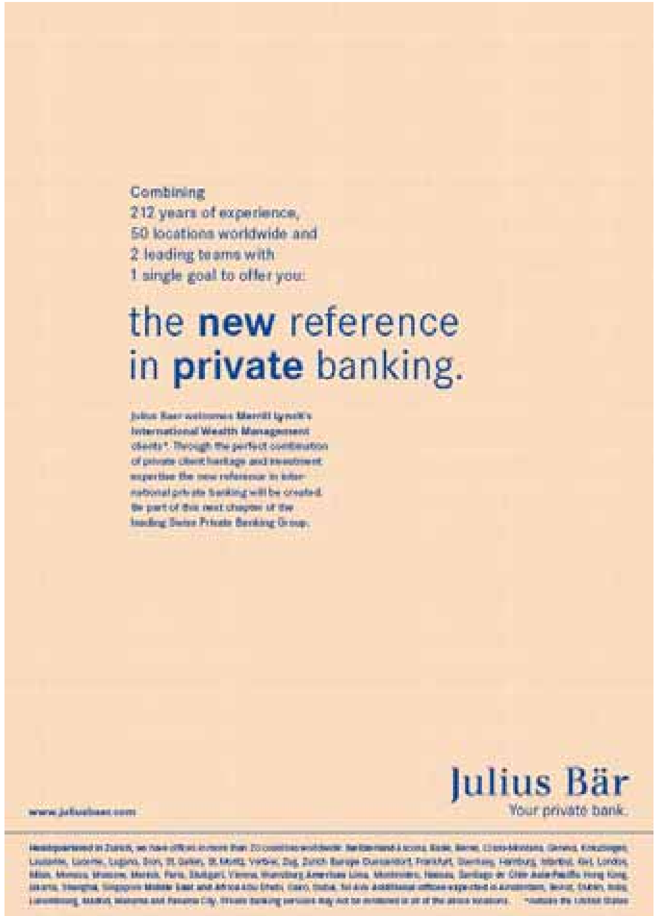
IWM: Principal Closing Achieved
Preparation for client migration fully on track

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



- Principal Closing achieved on 1 February
- Merrill Lynch Bank (Suisse) (MLBS) acquired[1]
  - AuM CHF 11 bn
  - Taking Julius Baer AuM above CHF 200bn for first time[1]
- Very positive responses from FAs in all regions
- Global Advisory Committee of former senior managers of Merrill Lynch formed
- Management structure realigned – incl. Julius Baer Group COO joining from IWM
- Global strategic cooperation agreement with Bank of America Merrill Lynch – to benefit all clients
- Client transfers expected to start in Q2

[1] 1 February 2013

IWM: Major Leap in Julius Baer's Growth Strategy

- **Compelling strategic rationale**
  - Adds substantial scale to existing locations, and presence in 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
- **Integration well on track**

Highly confident to achieve transaction targets and create significant value for all stakeholders

[1] On a combined basis, pro forma

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Pro Forma Basel III Impacts (Fully Phased-In)

CHF m	Basel 2.5 December 2012	Basel III fully phased-in December 2012	absolute change	% change
Risk-weighted assets	**12'451**	**12'770**	**319**	2.6%
Common equity tier 1 (CET1)	3'175	3'000	-175	-5.5%
Tier 1 capital	3'645	3'470	-175	-4.8%
Total capital	**3'940**	**3'788**	**-152**	-3.9%
CET1 ratio	25.5%	23.5%	-2.0%	-7.9%
Tier 1 ratio	29.3%	27.2%	-2.1%	-7.2%
Total Capital ratio	**31.6%**	**29.7%**	**-2.0%**	-6.3%

Largest effects:

- Additional RWA charges on credit risks on derivatives
- Deduction of software intangibles from common equity

Note to pension effects (not included in above table):
The application of IAS 19 Revised (applicable as of 1 January 2013) will have a negative impact currently estimated at CHF 186.5m on equity. According to the definitive FINMA approval, the effect will be phased-in over five years, starting as of business year 2014.

Note to capital instruments (not included in above table):
Under Basel III the capital credit of JBG's outstanding old-style hybrid capital instruments (lower tier 2 bond of CHF 250m and preferred shares of CHF 225m) needs to be amortised 10% per annum starting 2013.

Reconciliation from Published Consolidated Financial Statements 2012[1] to Adjusted and Underlying Net Profit

CHF m	2010	2011	2012	Change 2012/2011
Profit after tax per consolidated Financial Statements	**352.8**	**258.1**	**297.9**	**+15%**
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	-
Integration and restructuring costs related to acquisitions and demerger	77.9	14.5	57.4	-
Restructuring costs (announced in November 2011)	-	50.0	-	-
Tax impact	-17.1	-12.4	-12.6	+2%
Total impact	**151.1**	**142.4**	**135.1**	-5%
Adjusted net profit	**503.9**	**400.5**	**433.0**	**+8%**
One-off Germany payment (H1 2011)	-	65.2	-	-
Tax impact	-	-13.9	-	-
Net impact	-	**51.2**	**-**	-
Underlying net profit	**503.9**	**451.8**	**433.0**	**-4%**

- Amortisation (straight-line, over 10 years) of intangibles will amount in each year to CHF 74.0m (until 2015)[2] for the UBS transaction and CHF 16.3m (until 2019) for the ING transaction.

[1] Please see detailed financial statements in the Annual Report 2012.

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

Adjusted Consolidated Income Statement – Half-Yearly

CHF m	H2 2011	H1 2012	H2 2012	Change H2 12/H2 11	Change H2 12/H1 12	H2 2012 in %
Net interest and dividend income [1]	216	323	236	+9%	-27%	27%
Net commission and fee income	446	471	510	+14%	+8%	58%
Net trading income [1]	183	52	121	-34%	+131%	14%
Other ordinary results	10	18	8	-20%	-54%	1%
Operating income	**855**	**863**	**874**	**+2%**	**+1%**	**100%**
Personnel expenses	376	404	384	+2%	-5%	62%
General expenses [2]	200	161	188	-6%	+17%	30%
Depreciation and amortisation	36	32	47	+30%	+46%	8%
Operating expenses	**612**	**597**	**619**	**+1%**	**+4%**	**100%**
Profit before taxes	**243**	**266**	**255**	**+5%**	**-4%**	
Pre-tax margin (bps) [4]	29.6	30.2	27.5	-2.1 bps	-2.7bps	
Income taxes	39	45	43	+12%	-4%	
Adjusted net profit [3]	**204**	**221**	**212**	**+4%**	**-4%**	
Adjusted EPS (in CHF)	0.98	1.11	1.05	+6%	-6%	
Gross margin (bps) [4]	104.3	97.7	94.3	-10.0 bps	-3.4 bps	
Cost/income ratio (%) [5]	68.4	70.4	71.6	+3.2% pts	+1.2% pts	
Tax rate	15.9%	16.9%	17.0%	+1.1% pts	+0.1% pts	
Staff (FTE)	3'643	3'649	3'721	+2%	+2%	
Valuation allowances, provisions and losses	27.3	-10.7	-6.4	-124%	-40%	
Net new money (CHF bn)	5.3	5.5	4.2	-20%	-23%	
Assets under management (CHF bn)	170.3	178.8	189.3	+11%	+6%	
Average assets under management (CHF bn)	163.9	176.6	185.3	+13%	+5%	

Excluding amortisation of intangible assets, integration and restructuring costs
[1] Net interest income contains dividend income (H2 2011: CHF 4m, H1 2012: CHF 90m, H2 2012: CHF 3m) on trading portfolios
[2] Including valuation allowances, provisions and losses
[3] Including non-controlling interests of CHF 0.1m for H2 2011, CHF 0.2m for H1 2012 and CHF 0.4m for H2 2012
[4] Based on average AuM
[5] Not considering valuation allowances, provisions and losses

Adjusted / Underlying Consolidated Income 2010-2012

CHF m	2010	2011	2012	Change 2012/2011	2012 in %
Net interest and dividend income [1]	455	533	559	+5%	32%
Net commission and fee income	980	942	980	+4%	56%
Net trading income [1]	332	269	173	-36%	10%
Other ordinary results	26	9	26	+172%	1%
Operating income	**1'794**	**1'753**	**1'737**	**-1%**	**100%**
Personnel expenses	791	787	788	+0%	65%
General expenses [2]	345	360	349	-3%	29%
Depreciation and amortisation	56	66	79	+19%	7%
Operating expenses	**1'192**	**1'214**	**1'216**	**+0%**	**100%**
Profit before taxes	**603**	**539**	**521**	**-3%**	
Pre-tax margin (bps) [4]	35.3	32.1	28.8	-3.3 bps	
Income taxes	99	87	88	+2%	
Underlying net profit [3]	**504**	**452**	**433**	**-4%**	
Underlying EPS (in CHF)	2.39	2.18	2.14	-1%	
Gross margin (bps) [4]	105.1	104.5	95.9	-8.6 bps	
Cost/income ratio (%) [5]	65.4	67.9	71.0	+3.1% pts	
Tax rate	16.4%	16.1%	16.9%	+0.8% pts	
Staff (FTE)	3'578	3'643	3'721	+2%	
Valuation allowances, provisions and losses	17.6	24.2	-17.1	-171%	
Net new money (CHF bn)	8.8	10.2	9.7	-5%	
Assets under management (CHF bn)	169.7	170.3	189.3	+11%	
Average assets under management (CHF bn)	170.7	167.7	181.1	+8%	

Excluding amortisation of intangible assets, integration and restructuring costs
[1] Net interest income contains dividend income (FY 2010: CHF 66m, FY 2011: CHF 101m, FY 2012: CHF 93m) on trading portfolios
[2] Including valuation allowances, provisions and losses
[3] Including non-controlling interests of CHF 0.8m for FY 2010, CHF 0.2m for FY 2011 and CHF 0.6m for FY 2012
[4] Based on average AuM
[5] Not considering valuation allowances, provisions and losses

Strong Capital Base

2012 capital development (Basel 2.5)

CHF m	December 2011	December 2012	Change
Equity at the beginning of the year	4'484	4'310	-4%
Julius Baer Group Ltd. dividend	-124	-196	+58%
Net profit (IFRS)	258	297	+15%
Capital reduction	-	-352	-
Capital increase	-	471	-
Change in treasury shares	-280	175	-
Other components of equity	-27	168	-
Financial investments available-for-sale	*-17*	*143*	-
Treasury shares and own equity derivative activity	*1*	*25*	-
Hedging reserve for cash flowhedges	*-5*	*-5*	-
FX translation differences	*-6*	*6*	-
Others	-0	0	-
Equity at the end of the year	**4'310**	**4'874**	+13%
- Goodwill & intangible assets (as per capital adequacy rules)	1'543	1'453	-6%
- Other deductions	204	246	+21%
= BIS core capital	**2'564**	**3'175**	+24%
+ Tier 1 instruments	225	470	109%
= BIS tier 1 capital	**2'789**	**3'645**	+31%
+ Tier 2 capital	279	295	+6%
= BIS total capital	**3'067**	**3'940**	+28%
Number of shares repurchased (buyback programme)	7'592'954	2'647'046	-65%

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Balance Sheet – Financial Investments AFS

CHF m	31.12.2010	31.12.2011	31.12.2012	*in %*	Change vs. 31.12.2011
Money market instruments	**5'993**	**3'421**	**635**	**5%**	**-81%**
Debt instruments	**7'745**	**8'672**	**11'051**	**94%**	**+27%**
Government and agency bonds	2'518	1'733	1'775	15%	+2%
Financial institution bonds	3'369	4'430	5'203	44%	+17%
Corporate bonds	1'859	2'509	4'072	35%	+62%
Equity instruments	**147**	**74**	**90**	**1%**	**+21%**
Total financial investments available-for-sale	**13'885**	**12'168**	**11'775**	**100%**	**-3%**

Debt instruments by credit rating classes (excluding money market instruments)	Fitch, S&P	Moody's	31.12.2010	31.12.2011	31.12.2012	*in %*	Change vs. 31.12.2011
1-2	AAA - AA-	Aaa - Aa3	5'843	6'420	8'259	*75%*	+29%
3	A+ - A-	A1 - A3	1'709	2'001	2'375	*21%*	+19%
4	BBB+ - BBB-	Baa1 - Baa3	132	139	236	*2%*	+69%
5-7	BB+ - CCC-	Ba1 - Caa3	32	56	93	*1%*	+66%
Unrated[1]			29	56	88	*1%*	+56%
Total			**7'745**	**8'672**	**11'051**	***100%***	**+27%**

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

Breakdown of Julius Baer Group AuM

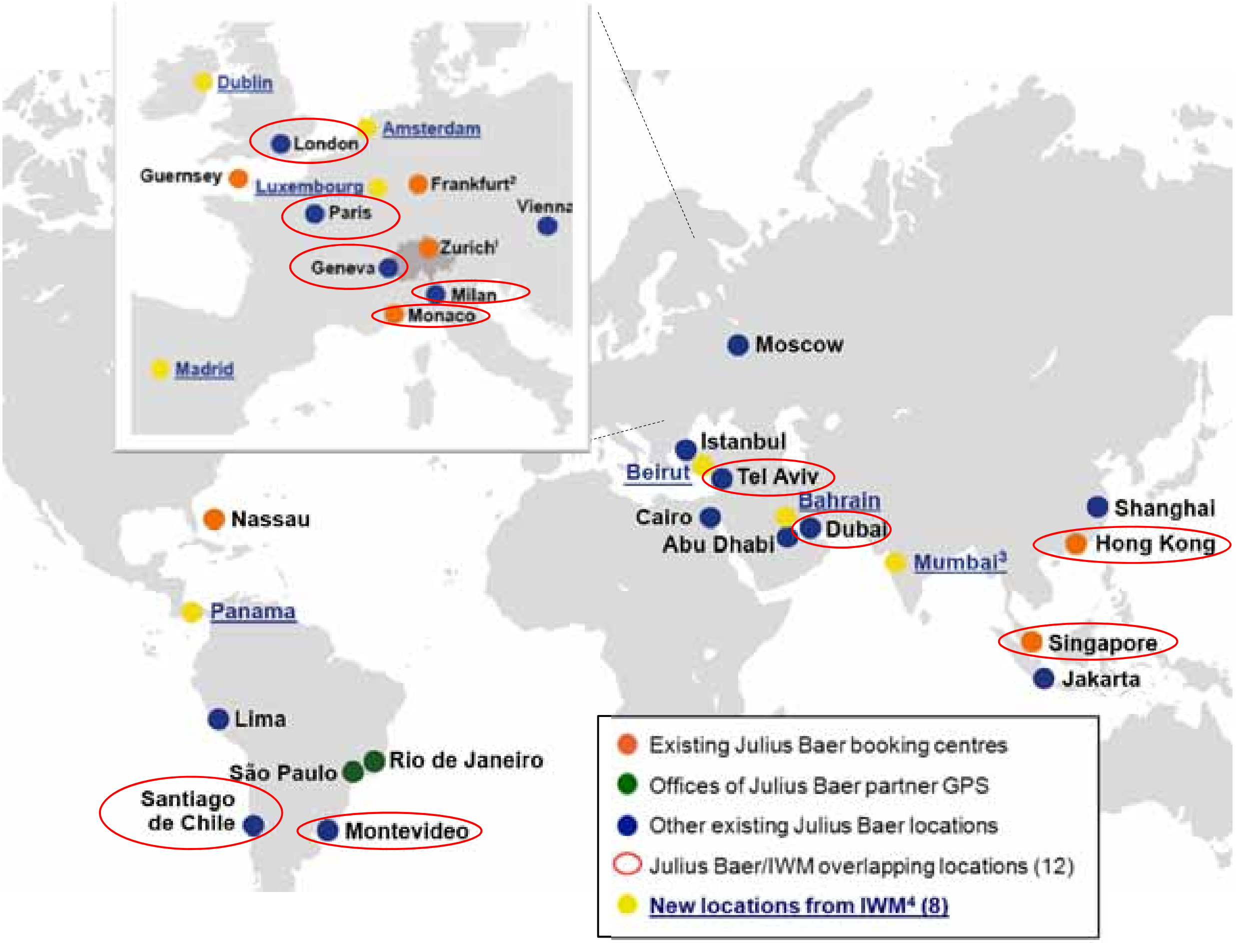
Asset mix	31.12.2010	31.12.2011	31.12.2012
Equities	26%	25%	25%
Bonds (including Convertible Bonds)	22%	23%	23%
Investment Funds [1]	20%	19%	20%
Money Market Instruments	9%	8%	7%
Client Deposits	15%	18%	18%
Structured Products	6%	5%	5%
Other [2]	2%	2%	2%
Total	**100%**	**100%**	**100%**

Currency mix	31.12.2010	31.12.2011	31.12.2012
CHF	17%	17%	17%
EUR	31%	29%	27%
USD	31%	32%	34%
GBP	4%	4%	3%
SGD	2%	2%	2%
HKD	2%	2%	2%
RUB	2%	1%	1%
CAD	2%	2%	2%
Other	9%	11%	12%
Total	**100%**	**100%**	**100%**

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

IWM: 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, Kolkatta, Chennai, New Delhi
[4] Transaction excludes some small IWM locations

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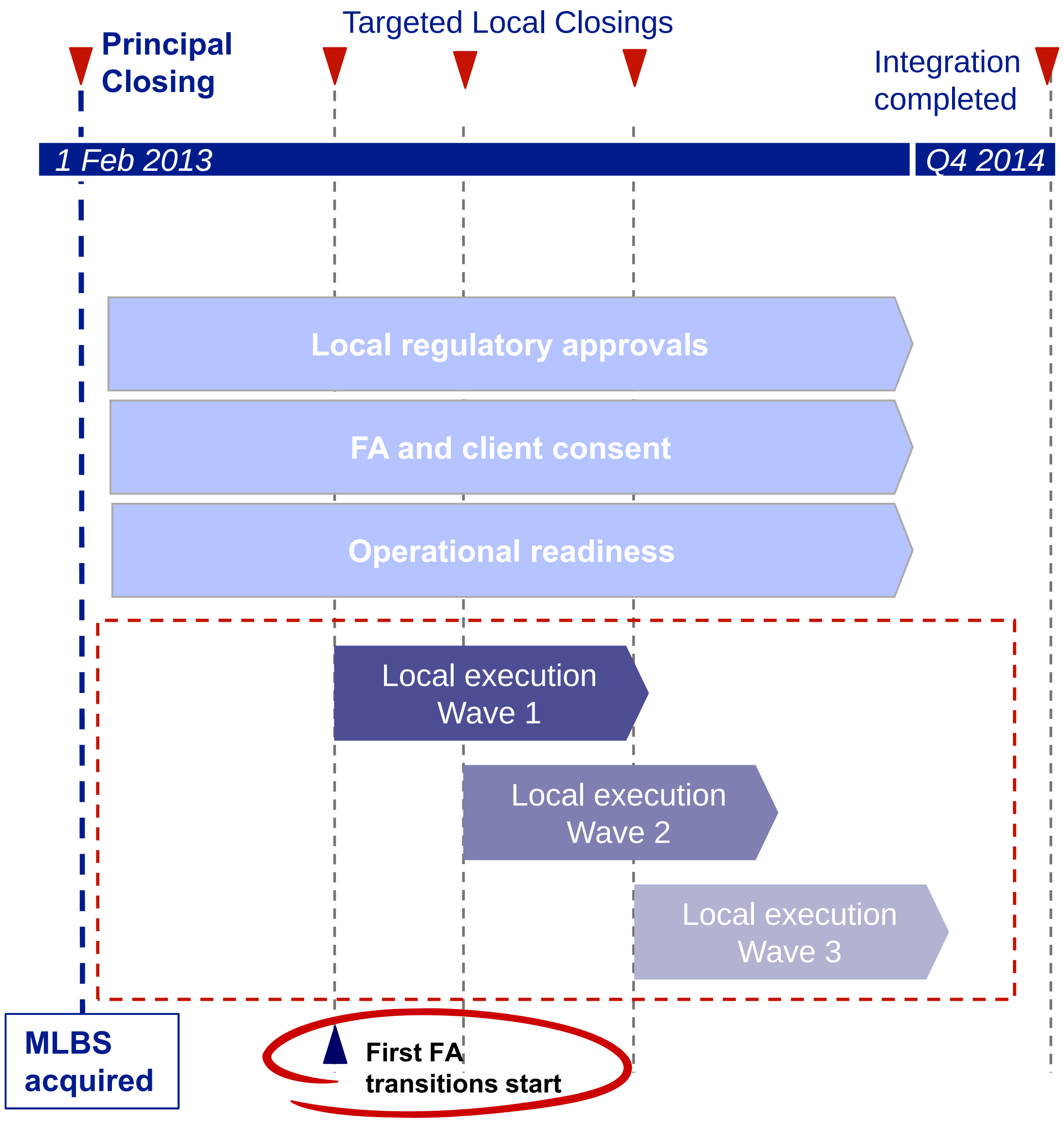
IWM: Integration Timeline

Project timeline (simplified – for illustrative purposes)

Current planning – subject to change



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

[1] Acquired immediately at Principal Closing on 1 February 2013

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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]

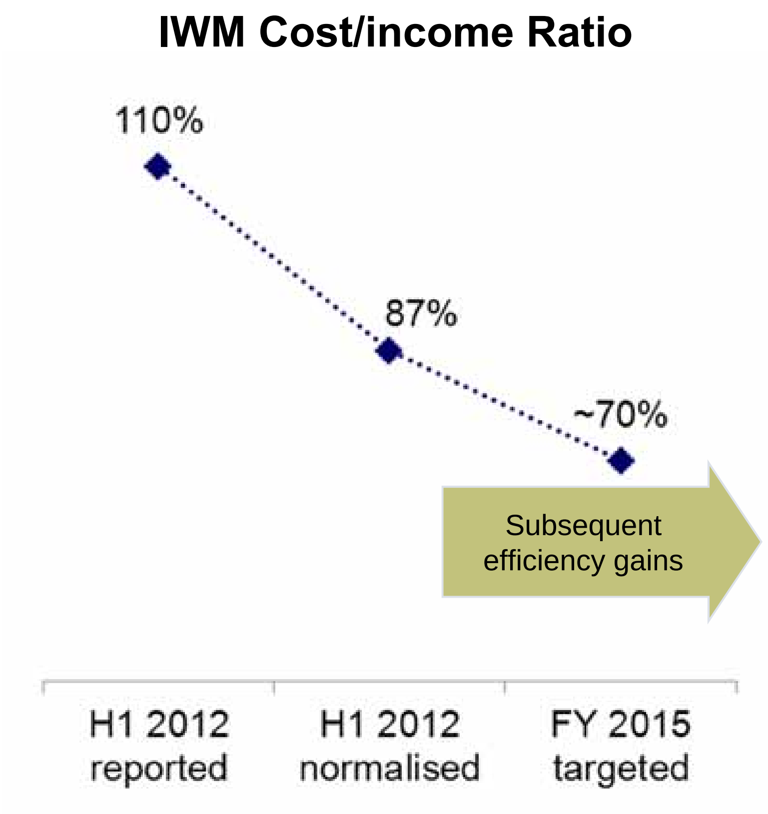
USDm	2010	2011	H1 2012[2]
Total revenues	**851**	**812**	**752**
Revenue adjustments	**-26**	**-24**	**-23**
Normalised total revenues	**826**	**788**	**729**
Total non-interest expenses	**876**	**925**	**827**
Reductions and eliminations	**-233**	**-251**	**-192**
Allocations & support costs	-121	-122	-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

Targeted IWM Cost Base

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



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

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