

# Julius Bär

## MEDIA RELEASE

Julius Baer Group Ltd.

### Interim Management Statement for the first four months of 2021<sup>1</sup>

#### **Solid gross margin development – Further improvement in cost efficiency – Strong growth in client assets – Capital position further strengthened**

Zurich, 19 May 2021 – Julius Baer's profitability rose significantly in the first four months of 2021 on the back of strong growth in client assets and a solid gross margin development. These positive effects were complemented by the absence of credit losses and a further improvement in cost efficiency. While the new share buy-back programme was launched at the start of March 2021, Julius Baer's robust capital position strengthened further. The Group remains on track to deliver on the targets of the three-year revenue and cost-improvement plan started last year.

#### **Strong growth in assets under management**

Assets under management (AuM) rose to CHF 470 billion at the end of April 2021, a year-to-date increase of 8%. The increase was driven by continued net new money inflows (4% annualised), positive stock market performance, and the softening of the Swiss franc – particularly against the US dollar, euro, and British pound.

#### **Solid gross margin development**

A supportive market environment and dynamic client engagement underpinned activity-driven income, as reflected in brokerage commissions and net income from financial instruments. In combination with a modestly higher contribution from recurring fee income, a marginally lower contribution from net interest income (as growth in credit lagged the growth in AuM), and no net credit impairment losses, this led to a gross margin of close to 90 basis points (bp), up from 84 bp in the second half of 2020.

While client activity remained elevated throughout the first quarter, it slowed down to more subdued levels in April.

#### **Further improvement in cost efficiency**

The expense development in the first four months of 2021 benefitted from the effects of the measures taken last year under the CHF 200 million gross cost-reduction programme announced in February 2020. Together with the concurrent robust revenue development, this resulted in an adjusted cost/income ratio of around 60% (improved from 66% in the second half of 2020) and an adjusted pre-tax margin of 36 bp (up from 24 bp in the second half of 2020).

<sup>1</sup> Based on unaudited management accounts. This media release contains certain financial measures that are not defined or specified by IFRS, the definitions of which are provided in the Alternative Performance Measures document available at [www.juliusbaer.com/APM](http://www.juliusbaer.com/APM).

## Capital position further strengthened

At the end of April 2021, the Group's BIS CET1 capital ratio had risen to 16.6% (end 2020: 14.9%) and the BIS total capital ratio to 22.7% (end 2020: 21.0%), thus well above the Group's own floors of 11% and 15% respectively, and significantly in excess of the regulatory requirements of 7.9% and 12.1% respectively.

On 2 March 2021, Julius Baer launched a new 12-month programme to buy back up to CHF 450 million purchase value of Julius Baer Group Ltd. shares. By the end of April, a total of 1,188,000 shares had been repurchased at an aggregate cost of CHF 70 million.

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## Important dates

21 July 2021: Publication and presentation of 2021 half-year results, Zurich

22 November 2021: Publication of Interim Management Statement for first ten months of 2021

## About Julius Baer

Julius Baer is the leading Swiss wealth management group and a premium brand in this global sector, with a focus on servicing and advising sophisticated private clients. At the end of April 2021, assets under management amounted to CHF 470 billion. Bank Julius Baer & Co. Ltd., the renowned Swiss private bank with origins dating back to 1890, is the principal operating company of Julius Baer Group Ltd., whose shares are listed on the SIX Swiss Exchange (ticker symbol: BAER) and are included in the Swiss Leader Index (SLI), comprising the 30 largest and most liquid Swiss stocks.

Julius Baer is present in over 25 countries and more than 60 locations. Headquartered in Zurich, we have offices in key locations including Dubai, Frankfurt, Geneva, Hong Kong, London, Luxembourg, Mexico City, Milan, Monaco, Montevideo, Moscow, Mumbai, São Paulo, Singapore and Tokyo. Our client-centric approach, our objective advice based on the Julius Baer open product platform, our solid financial base and our entrepreneurial management culture make us the international reference in wealth management.

For more information, visit our website at [www.juliusbaer.com](http://www.juliusbaer.com)

## Cautionary statement regarding forward-looking statements

This media release by Julius Baer Group Ltd. ('the Company') includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industries in which it operates. Forward-looking statements involve all matters that are not historical facts. The Company has tried to identify those forward-looking statements by using the words 'may', 'will', 'would', 'should', 'expect', 'intend', 'estimate', 'anticipate', 'project', 'believe', 'seek', 'plan', 'predict', 'continue' and similar expressions. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.

These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause the Company's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include, but are not limited to: changing business or other market conditions, legislative, fiscal and regulatory developments, general economic conditions in Switzerland, the European Union and elsewhere, and the Company's ability to respond to trends in the financial services industry. Additional factors could cause actual results, performance or achievements to differ materially. In view of these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements. The Company and its subsidiaries, and their directors, officers, employees and advisors expressly disclaim any obligation or undertaking to release any update of or revisions to any forward-looking statements in this media release and any change in the Company's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.