

Julius Bär

# HY 2021 RESULTS AND BUSINESS UPDATE

Presentation for Investors, Analysts & Media  
Zurich, 21 July 2021



# IMPORTANT INFORMATION

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# INTRODUCTION

Cover picture:

Quality, craftsmanship, precision, ingenuity and reliability – these characteristics and values essentially define Switzerland's business landscape and the people behind it, like Vanja Jovic. She was working in corporate strategic planning and finance when she considered a career break to learn a craft out of curiosity. After her time as an apprentice for Prudence Millinery in London, she came back to Switzerland where she set up her atelier in Geneva. Each of her hats is handmade and one of a kind. Switzerland is Julius Baer's home market. We have lived and breathed the country's business virtues for over 130 years and shaped its wealth management culture in the process. To reinforce our local roots, we have embarked on a new strategic journey designed to enhance the solutions and value we create for Swiss private banking clients.

Picture credits: Nicole Hertel Photography, Geneva

# H1 2021: STRONGLY POSITIONED TO CREATE VALUE



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## OUTSTANDING RESULTS H1 2021

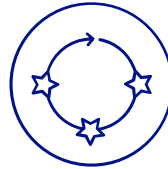
Highest half-year profit in the company's history

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Continued, robust net new money inflows

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Solid balance sheet and strong capital generation



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## POSITION OF STRENGTH

Focused business model, highly resilient organisation

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Sound risk management, legacy issues addressed

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Cultural shift to sustainable profit growth



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## VALUE FOR ALL STAKEHOLDERS

Expansion of capabilities along the entire client journey

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Strong focus on shareholders, compelling equity story

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Creating value beyond wealth management

# FINANCIAL RESULTS HY 2021\*

DIETER A. ENKELMANN, CFO

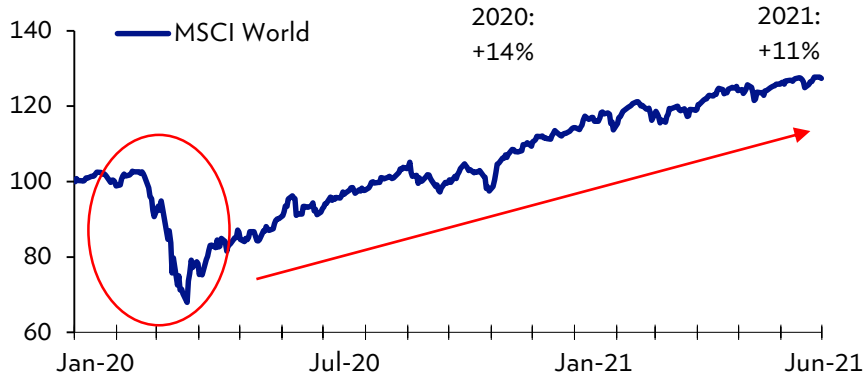
\*Financial Results are presented on adjusted basis - see “Scope of Presentation of Financials” in the Appendix

# H1 2021 MARKET ENVIRONMENT

Rising stock markets | Diminishing volatility | US long yields and USD recovering

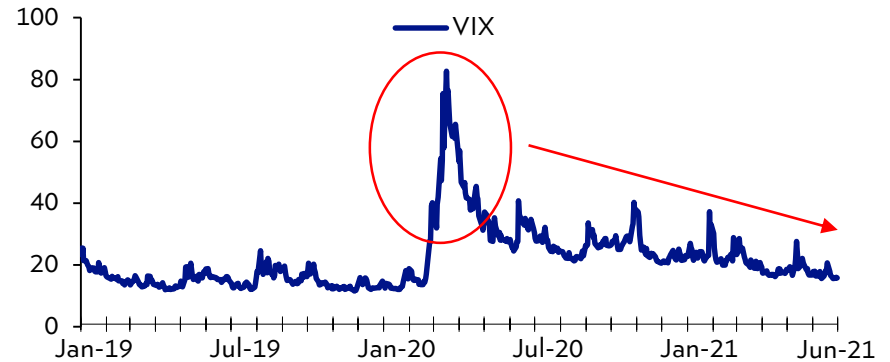
## Ongoing stock market recovery after Q1'20 crash

2020-2021 YTD development MSCI All-World Index<sup>1</sup>



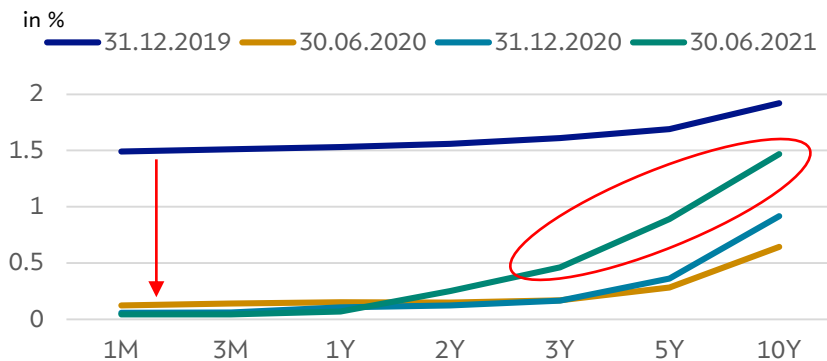
## After extraordinary spike in H1'20, volatility slowly grinding down towards pre-2020 levels

2019-2021 YTD development CBOE Volatility Index on S&P 500<sup>1</sup>



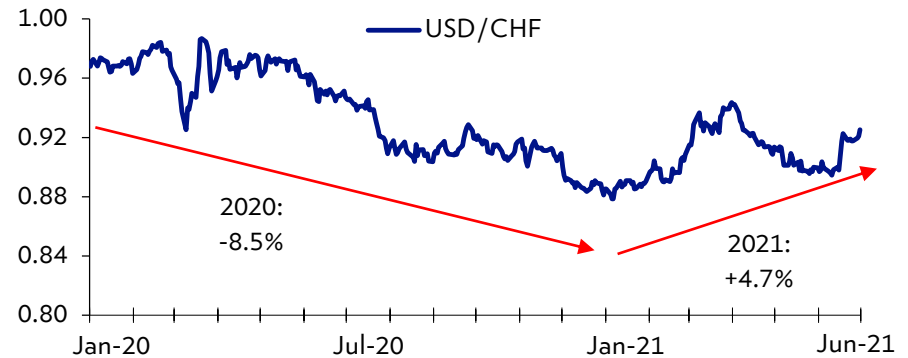
## Yield curve steepening but still significantly below level at start of 2020

2020-2021 YTD development of US 1M-10Y treasury yield curve<sup>2</sup>



## USD/CHF recovering after sharp decline in 2020

2020-2021 YTD development of USD against CHF<sup>1</sup>



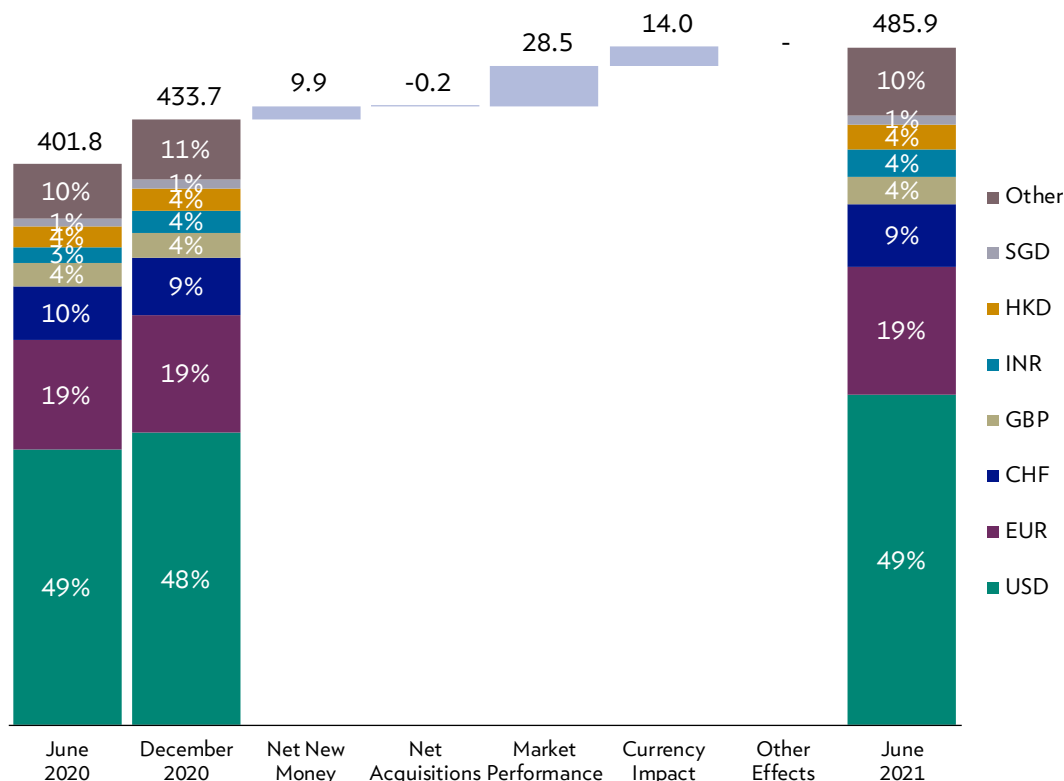
<sup>1</sup> Source: Datastream, Julius Baer | <sup>2</sup> Source: Bloomberg Finance L.P., Julius Baer

# AUM UP CHF 52bn (+12%) TO CHF 486bn

Driven by market performance, currency impact and NNM inflows

## Development of Assets under Management (AuM)

CHF bn



- AuM CHF 486bn, up CHF 52.2bn, +12%
  - Net new money CHF +9.9bn
  - Net acquisitions<sup>1</sup> CHF -0.2bn
  - Market performance<sup>2</sup> CHF +28.5bn
  - Currency impact<sup>3</sup> CHF +14.0bn
- Monthly average AuM CHF 460bn
  - up +14% from CHF 404bn in H1 2020
  - up +11% from CHF 415bn in H2 2020
- Assets under custody CHF 79bn, +10%
- Total client assets CHF 565bn, +12%

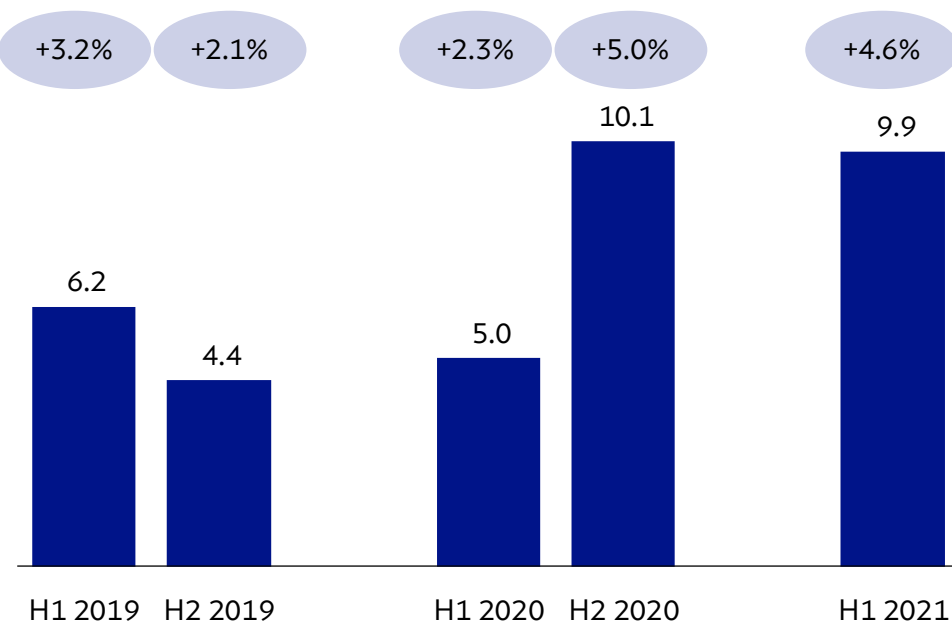
<sup>1</sup> Resulting from discontinuation of offering to clients from selected countries | <sup>2</sup> Market performance is determined through the change in AuM that remains after accounting for net new money, net acquisitions, currency impact, and other effects (if any) | <sup>3</sup> Currency impact is determined by applying the changes in the currency exchange rates in the period to AuM at the end of the preceding year

# NET NEW MONEY CHF 10bn (+4.6%<sup>1</sup>)

Well-balanced contribution across client geographies

## Net New Money

in CHF bn and %<sup>1</sup>



FY 2019

+2.8%

10.6bn

FY 2020

+3.5%

15.1bn

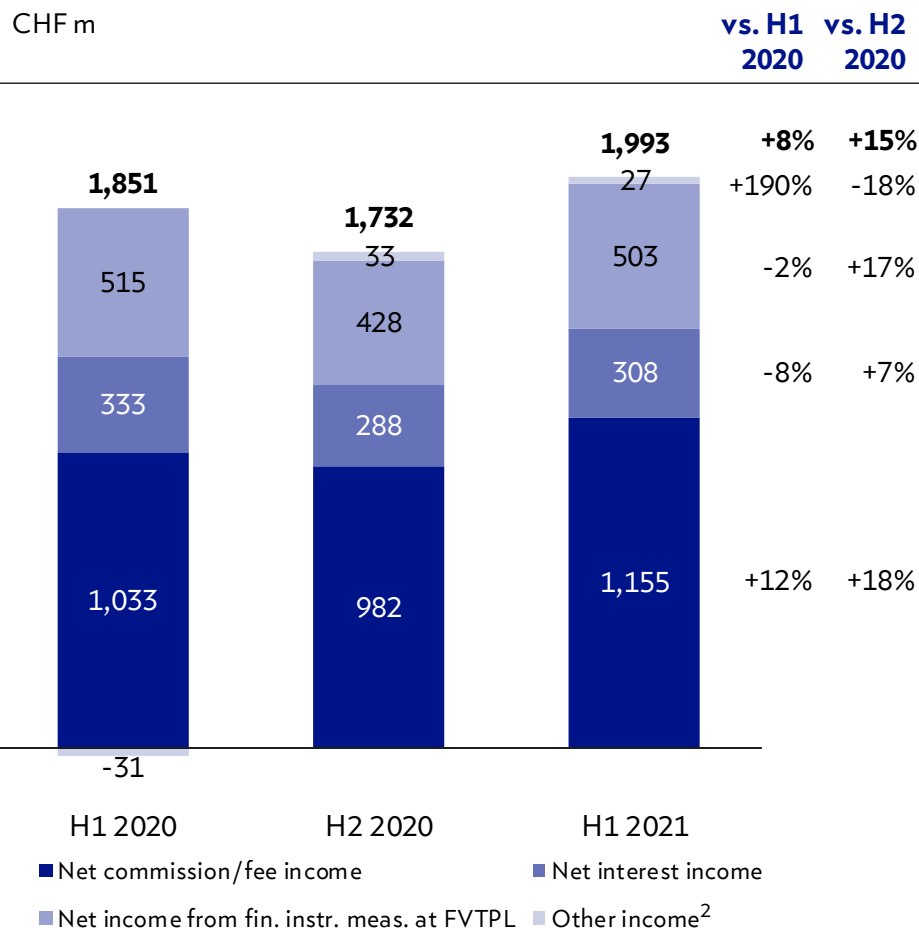
- Significant inflows from clients domiciled in
  - Asia
  - Western Europe
  - Middle East
- Growth in client share of wallet: approx. half of net new money from clients served by RMs who joined before 2018

<sup>1</sup> Annualised NNM in % of AuM at the beginning of the period



# STRONG RISE IN OPERATING INCOME: +8% TO CHF 2.0bn

Significant growth in commission and fee income



## Compared with H1 2020:

### Net commission/fee income: +12% to CHF 1,155m

- Strong rise in recurring income on higher AuM and increased penetration of higher-value mandates
- Transaction-driven income grew further following continued healthy client activity, particularly in Q1 2021

### Net interest income: -8% to CHF 308m

- Mainly due to y-o-y decrease in US rates, driving down income from loans and treasury portfolio ...
- ... partly offset by decrease in cost of deposits, which declined close to zero

### Net income financial instruments<sup>1</sup>: -2% to CHF 503m

- Overall client trading volumes remained elevated (particularly in Q1 2021)
- However, declining volatility resulted in lower FX & precious metals trading income

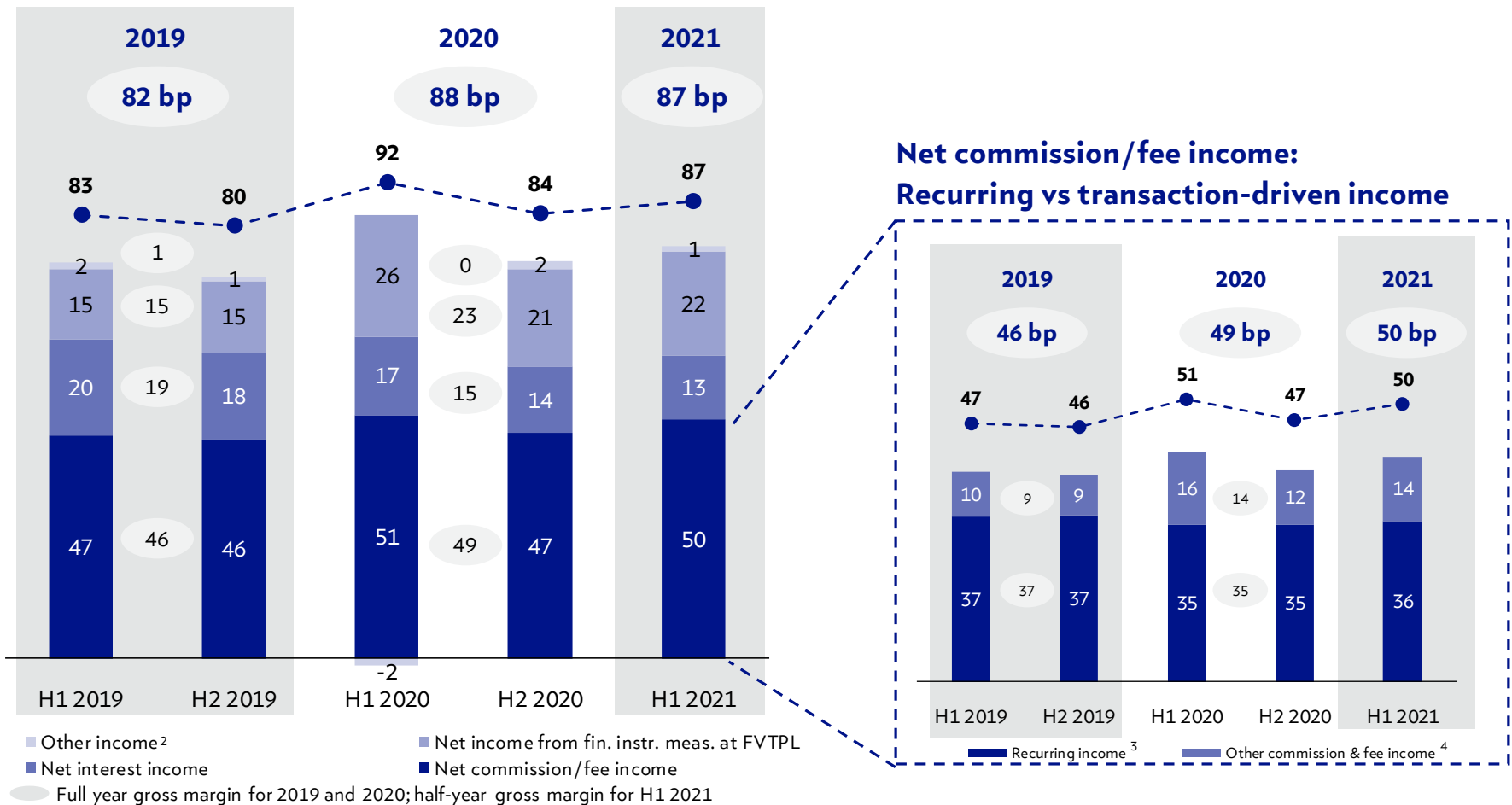
### Other income<sup>2</sup> from CHF -31m to CHF +27m

- Net credit provisioning fell by CHF 48m to CHF 1m

<sup>1</sup> At fair value through profit or loss | <sup>2</sup> Other income is the total of income statement items "other ordinary results" and "net credit losses/recoveries on financial assets"; includes "net credit losses/recoveries on financial assets" of CHF -1m in H1 2021, CHF +13m in H2 2020 and CHF -49m in H1 2020

# GROSS MARGIN<sup>1</sup> CLOSE TO FY 2020 AVERAGE

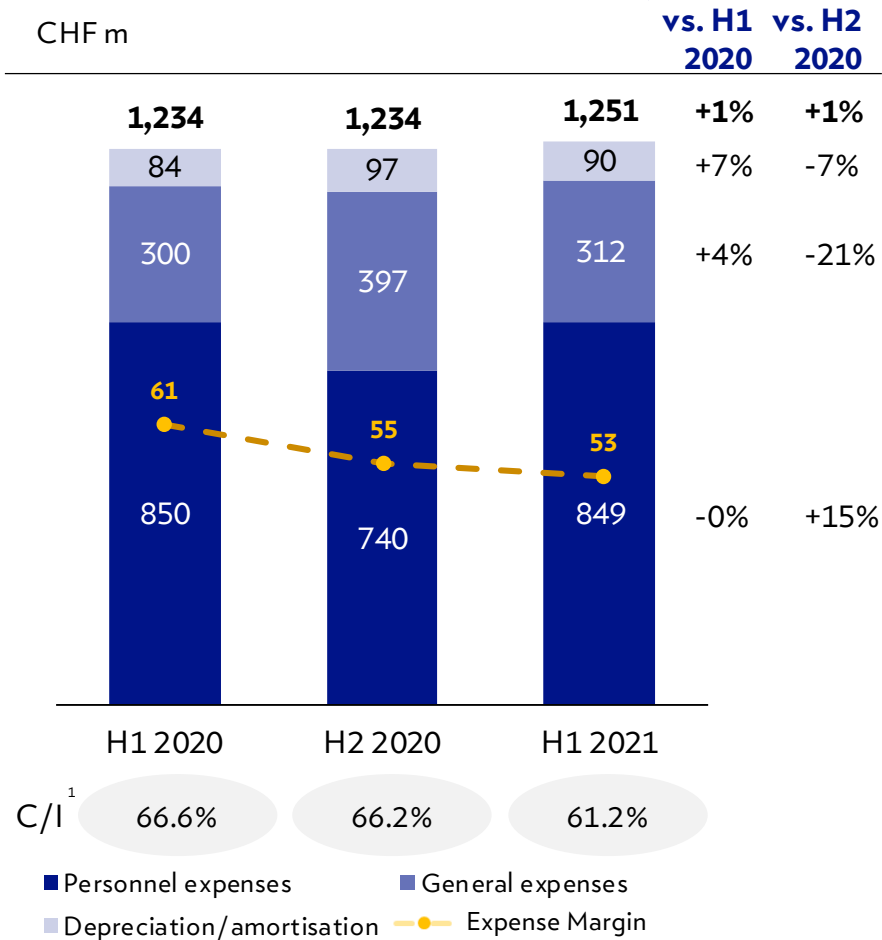
Down 5 bp vs H1 2020, up 3 bp vs H2 2020 | Increase in recurring fee margin



<sup>1</sup> Annualised operating income divided by monthly average AuM, in basis points | <sup>2</sup> Other income is the total of income statement items “other ordinary results” and “net credit losses/recoveries on financial assets” | <sup>3</sup> Total of income statement items “advisory and management fees” and “commission and fee income on other services” | <sup>4</sup> Income statement item “brokerage commissions and income from securities underwriting” minus income statement item “commission expense”

# OPERATING EXPENSES +1%, DESPITE STRONG REVENUES

Reflecting results of cost reductions | Cost/income ratio<sup>1</sup> down 5 pp to 61%



## Compared with H1 2020:

### Personnel expenses: CHF 849m (- CHF 1m)

- Average number of FTEs down 1% year-on-year, despite further internalisations of formerly external staff
- Severance costs related to 2020-21 cost reduction programme: CHF 14m (H1 2020: CHF 19m)
- Performance-based accruals increased following strong increase in operating income and profit

### General expenses: +4% to CHF 312m

- Excluding provisions and losses of CHF 31m (H1 2020: CHF 2m), general expenses declined 6% to CHF 281m ...
- ... as benefits of cost reduction programme (e.g. from further internalisations) more than offset further rise in non-capitalised IT expenses

### Depreciation/amortization: +7% to CHF 90m

- Reflecting rise in IT-related investments in recent years

### Cost/income ratio<sup>1</sup> improved to 61.2% (H1 2020: 66.6%)

### Expense margin<sup>1</sup> improved to 53 bp (H1 2020: 61 bp)

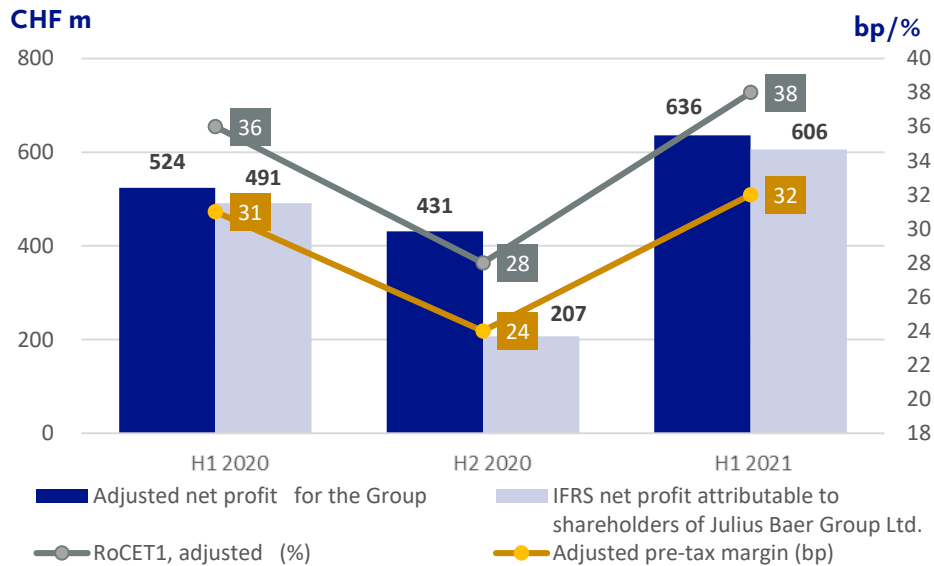
HY2021 adj. operating expenses – approx. breakdown by currency

CHF	56%	SGD	11%	USD	4%	BRL	1%
EUR	13%	HKD	7%	GBP	5%	Other	3%

<sup>1</sup> Excluding provisions and losses

# ADJUSTED NET PROFIT<sup>1</sup>: +21% TO CHF 636m

IFRS net profit<sup>2</sup>: +23% to CHF 606m



- Adj. PBT: +20% to CHF 742m
- Adj. pre-tax margin: +2 bp to 32 bp
- Adj. net profit<sup>1</sup>: +21% to CHF 636m
- Adj. EPS<sup>2</sup>: +21% to CHF 2.95
- IFRS net profit<sup>2</sup>: +23% to CHF 606m

CHF m	H1 2020	H2 2020	H1 2021	vs. H1 20	vs. H2 20
Average assets under management	403.7	414.6	459.8	+14%	+11%
Operating income	1,851	1,732	1,993	+8%	+15%
Adjusted operating expenses	1,234	1,234	1,251	+1%	+1%
<b>Adjusted profit before taxes</b>	<b>616</b>	<b>498</b>	<b>742</b>	<b>+20%</b>	<b>+49%</b>
<b>Adjusted pre-tax margin (bp)</b>	<b>30.5</b>	<b>24.0</b>	<b>32.3</b>	<b>+1.7 bp</b>	<b>+8.3 bp</b>
Income taxes	92	66	106	+15%	+61%
<b>Adjusted net profit<sup>1</sup></b>	<b>524</b>	<b>432</b>	<b>636</b>	<b>+21%</b>	<b>+47%</b>
Adjusted EPS attributable to shareholders <sup>2</sup>	2.43	2.01	2.95	+21%	+47%
RoCET1, adjusted (%)	36%	28%	38%	+2% pt	+9% pt
Tax rate (%)	14.9%	13.2%	14.3%	-0.7% pt	+1.0% pt
<b>IFRS net profit attributable to shareholders<sup>2</sup></b>	<b>491</b>	<b>207</b>	<b>606</b>	<b>+23%</b>	<b>+193%</b>

## Update tax guidance:

Adjusted tax rate (H1 2021: 14.3%) currently expected at ~14-15% in next few years

<sup>1</sup> Reconciliation to IFRS result available in Appendix and from [www.juliusbaer.com/APM](http://www.juliusbaer.com/APM) | <sup>2</sup> attributable to shareholders of Julius Baer Group Ltd.

# STRATEGIC REVENUE & COST IMPROVEMENT PLAN<sup>1</sup> ON TRACK

## CLIENT VALUE & REVENUES

**Gross revenue improvements of >CHF 150m by 2022 to offset gross margin pressure**

- Achieved CHF ~120m on run-rate basis
  - CHF ~70m implemented in 2020 (~70% in 2020 FY results)
  - CHF ~50m in H1 2021 (~25% reflected in H1 2021 results)

Including through:

- Repricing (incl. negative rates)
- Reducing cash-holdings
- Smart credit growth
- Derivatives Toolbox
- Increase in higher-value mandate penetration

Further improvements expected in H2 2021 and 2022, including through:

- Strengthening market-specific product & service offering
- Further increasing focus on UHNW client segment

## PRODUCTIVITY & EFFICIENCY

**Gross cost savings of CHF 200m by 2022**

- Achieved CHF ~180m on run-rate basis
  - CHF ~130m implemented in 2020 (~50% in FY 2020 results)
  - CHF ~50m in H1 2021 (~25% reflected in H1 2021 results)

Mainly through:

- Resource optimisation (ongoing)
- Internalisation of formerly external staff (ongoing)
- Sale of Bahamas operations (in 2020)
- Uruguay restructuring (in 2020)

Essentially all productivity & efficiency measures to be finalised by end 2021

**Restructuring costs CHF ~60m**

- FY 2020: CHF 31m
  - H1 2020: CHF 19m
  - H2 2020: CHF 12m
- H1 2021: CHF 14m

H2 2021: further CHF ~16m restructuring costs expected

<sup>1</sup> 3-year improvement plan as presented in Strategy Update February 2020

# SOLID AND LIQUID BALANCE SHEET – LOW RISK PROFILE

Since end 2020: Loans +8%, deposits +3%

CHF bn

Assets

CHF 113.6bn  
(CHF 109.1bn)\*

Liabilities &  
Equity

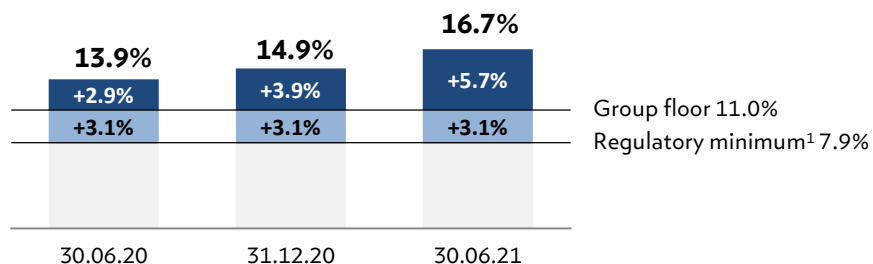
	Assets		Liabilities & Equity	
Due from banks	5.0 (7.3)		5.0 (5.1)	Due to banks
		Loan-to-deposit ratio of 64% (61%)		
Loans	51.0 (47.2)			
<i>Lombard lending: 42.6 (38.4)</i>				
<i>Mortgage lending: 8.5 (8.8)</i>				
Financial assets FVTPL (trading portfolio)	13.8 (13.4)	Liability driven		
Financial assets (FVOCI) (treasury book)	14.0 (13.8)		80.1 (77.8)	Due to customers (Incl. client deposits)
Cash <sup>1</sup>	16.6 (14.5)		14.8 (13.2)	Financial liabilities (structured products issued)
Other	10.5 (10.2)		6.9 (6.7)	Others (incl. AT1 bonds issued)
Goodwill & other intangible assets	2.7 (2.6)		6.7 (6.4)	Total Equity

Figures as at 30 June 2021, summarised and regrouped from Financial Statements. (\*In brackets: figures as at 31 December 2020) | <sup>1</sup> Cash held mainly at Swiss National Bank as well as at Deutsche Bundesbank, Banque centrale du Luxembourg and Banque de France

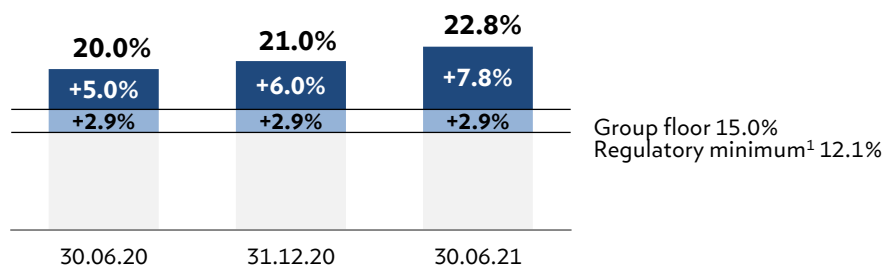
# SOLID CAPITALISATION FURTHER STRENGTHENED

Close to one-third of share buy-back<sup>1</sup> programme executed

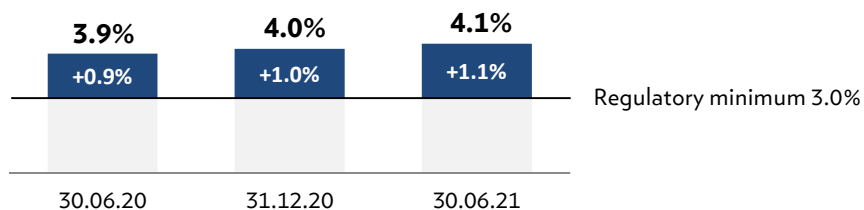
## BIS CET1 capital ratio



## BIS total capital ratio



## Tier 1 leverage ratio<sup>2</sup>



- **CET1 ratio 16.7%**, up ~180 bp from end 2020, driven by:
- **CHF 0.4bn (+13%) CET1 capital build**, following strong profit growth, as well as:
  - CHF 75m positive FX translation differences
  - CHF 59m positive pension obligation remeasurement ... and despite:
    - CHF 146m share buy-back
    - Higher dividend accrual, in line with dividend policy
- **CHF 0.3bn (+2%) RWA increase**, mainly on:
  - + CHF 0.2bn credit RWA from growth in lending

## RWA positions, capital, leverage exposure

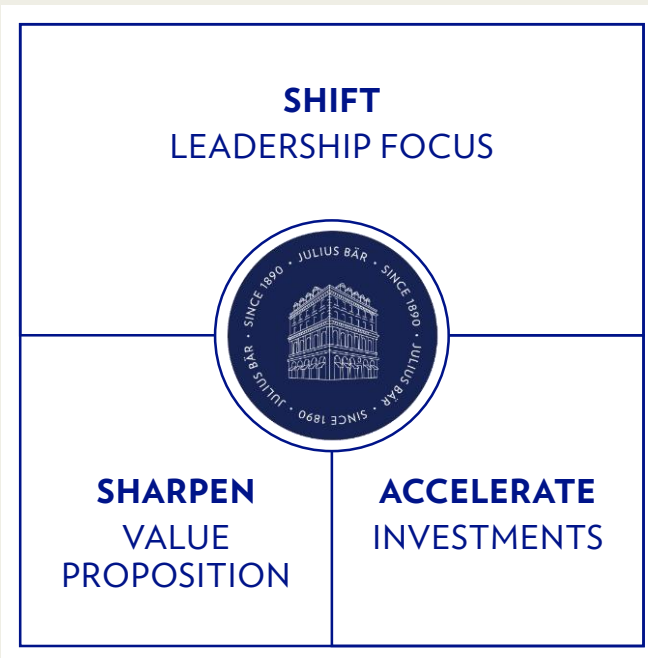
BIS approach / CHF m	30.06.2020 Basel III	31.12.2020 Basel III	30.06.2021 Basel III
<b>Risk-weighted positions</b>			
Credit risk	14,194	13,755	13,929
Non-counterparty-related risk	576	581	549
Market risk	903	1'117	1'189
Operational risk	5,612	5,668	5,792
<b>Total risk-weighted positions</b>	<b>21,285</b>	<b>21,121</b>	<b>21,458</b>
<b>Capital</b>			
CET1 capital	2,950	3,157	3,583
Tier 1 capital	4,119	4,296	4,754
- of which hybrid tier 1 capital instruments	1,168	1,139	1,170
Total capital	4,250	4,430	4,890
Leverage exposure	106,078	107,194	116,729

<sup>1</sup> On 2 March 2021 the Group launched a new 12-month max. CHF 450m buy-back programme | <sup>2</sup> Intention to distribute each year via ordinary dividends approx. 40% of adj. net profit attributable to shareholders. Unless justified by significant events, the per-share ordinary distribution is intended to be at least equal to the previous year's dividend per share. See also: [www.juliusbaer.com/en/media-investors/share-information/dividend](http://www.juliusbaer.com/en/media-investors/share-information/dividend)

BUSINESS UPDATE  
PHILIPP RICKENBACHER, CEO



# ON-TRACK IMPLEMENTATION OF STRATEGY BOLSTERING POSITION OF STRENGTH



## HIGH-QUALITY BUSINESS

- Focused WM business model
- Resilient organisation, stable operations
- Scalable infrastructure

## STRONG RISK CULTURE

- Overhauled risk-related standards and processes
- Final settlement with US DOJ (FIFA)
- FINMA ban on acquisitions lifted

## SUSTAINABLE PROFIT GROWTH

- Holistic metrics and targets
- New RM compensation model
- Enhanced revenue dynamics, sustainable cost base

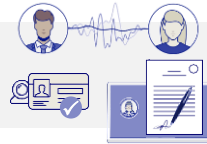
# CREATING VALUE FOR CLIENTS ALONG THE ENTIRE CLIENT JOURNEY

## DISCOVER JB



- e-Lounge for prospects in Mobile App, Investment Insights App
- Direct-to-client communication

## OPEN ACCOUNT



- **Digital onboarding with video identification**
- **e-Signature**

## CLARIFY GOALS



- Holistic needs assessment and wealth planning
- Family Office Services

## GET ADVICE



- Personal RM
- **One global digital advisory suite (DiAS)**
- Virtual teams of experts



## STAY CONNECTED



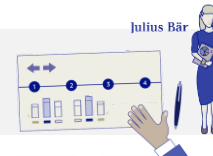
- **WhatsApp and WeChat**
- **Julius Bär communities and networks**

## GO BESPOKE



- Tailored discretionary mandates with the digital Mandate Solution Designer

## DELIVER SOLUTIONS



- **Private Markets and Real Estate**
- Structured lending

**PERSONALISED CLIENT EXPERIENCE POWERED BY STATE-OF-THE-ART TECHNOLOGY**



# CREATING VALUE FOR INVESTORS

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## STEERING AND GROWING REVENUES

- › Strengthening of recurring revenue base (discretionary, advisory service models)
- › New attractive products and services, e.g. in Private Markets and Real Estate
- › Value-based repricing of client relationships

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## REBASING THE COST STRUCTURE

- › All structural cost-reduction measures implemented or initiated
- › Basis for selective reinvestments into growth opportunities



## DRIVING SMART ASSET GROWTH

- › Combination of share of wallet growth, referrals, new clients, RM hiring
- › Momentum to benefit from easing of pandemic restrictions

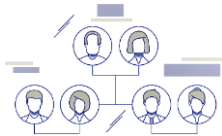
## CAPITALISING ON A STRONG BALANCE SHEET

- › Smart credit growth with UHNWI bias
- › Conservative risk profile
- › Reputation as issuer – reflected in strong demand for unsecured bonds in H1 and rating upgrade

# CREATING VALUE BEYOND WEALTH MANAGEMENT

**Family Office Services** –  
helping families to  
navigate complexity

**Julius Baer Foundation** and  
**JB Cares** employee initiatives



ENABLING FAMILIES &  
THE NEXT GENERATION

UNDERSTANDING &  
SHAPING THE FUTURE



TAKING RESPONSIBILITY  
AS AN INSTITUTION



**Young Partners** –  
Julius Baer's global  
NextGen client community

**Formula E**, partnership  
with **Nico Rosberg**,  
**Greentech Festival**

**Supporting emerging talents  
in arts and culture**,  
e.g. Julius Baer Art Collection

# CREATING VALUE RESPONSIBLY WITH A HOLISTIC APPROACH TO SUSTAINABILITY



## CREATING TRANSPARENCY

Introduced integrated sustainability client portfolio reporting

## EDUCATING FOR BETTER DECISIONS

Launched mandatory ESG training for all staff and certification for experts

## BUILDING AN IMPACT INVESTING ECOSYSTEM

Added new fund products to platform, thought leadership report 'Earth Matters'

# PRIORITIES IN THE SECOND HALF OF 2021



## CREATING VALUE FOR CLIENTS

Embrace opportunities to **meet clients in person again** and provide a unique **hybrid physical and digital client experience**

Extend offering with **innovative products and solutions**, e.g. advisory on Real Estate and M&A for UHNWI, sustainable and impact investing products



## CREATING VALUE FOR INVESTORS

Continue to **manage profitability and steer sustainable profit growth**: Diversification of revenue sources, emphasis on pricing, finalisation of structural cost-reduction measures

Gear up for **investments and growth in core markets**



## CREATING VALUE BEYOND WEALTH

Strengthen Julius Baer's position as **employer of choice** in wealth management and build a **diverse employee base and strong talent bench**

Foster **hybrid and agile ways of working** to remain at the forefront of wealth management

# APPENDIX

# SCOPE OF PRESENTATION OF FINANCIALS

As in previous years, financial results and analysis are presented on adjusted basis

- Adjusted: *Excluding* expenses related to acquisitions or divestments (M&A-related expenses) and the taxes on those respective items
- In H2 2020, in addition to a number of smaller adjustments, the M&A-related expenses included one larger adjustment:
  - As announced on 19 October 2020: The goodwill on the Group’s investment in Kairos was impaired further and the amortisation of the value of acquired customer relationships accelerated, resulting in a CHF 190 million non-cash charge (“Kairos 2020 impairment”)
- Please refer to the Julius Baer Group Ltd. Half-Year Report 2021<sup>1</sup> for the IFRS results
- A reconciliation from the IFRS results to the adjusted results is outlined in the Appendix
- A more detailed explanation of the adjustments, a definition of (non-IFRS) Alternative Performance Measures, as well as a more comprehensive reconciliation from the adjusted results to the most directly reconcilable IFRS line items, are provided in the Alternative Performance Measures document available from [www.juliusbaer.com/APM](http://www.juliusbaer.com/APM)

<sup>1</sup> Available from [www.juliusbaer.com](http://www.juliusbaer.com)



# MEDIUM-TERM TARGETS

All targets based on adjusted results

	Medium-Term Targets	H1 2021	H1 2020	H2 2020	Change H1 21/H1 20	Change H1 21/H2 20
<b>Cost/income ratio</b>	<67% by 2022	61.2%	66.6%	66.2%	-5.4% pt	-5.0% pt
<b>Pre-tax margin</b>	25-28bp by 2022	32.3 bp	30.5 bp	24.0 bp	+1.7 bp	+8.3 bp
<b>Profit before taxes<sup>-</sup></b>	>10% growth p.a. over 2020-22 cycle	CHF 742m	CHF 616m	CHF 498m	+20%	+49%
<b>RoCET1</b>	>30% by 2022	38%	36%	28%	+2% pt	+9% pt

# RECONCILIATION CONSOLIDATED FINANCIAL STATEMENT<sup>1</sup>

## IFRS to adjusted net profit

CHF m	H1 2021	2020	H2 2020	H1 2020
<b>IFRS net profit attributable to shareholders of Julius Baer Group Ltd.</b>	<b>605.8</b>	<b>698.0</b>	<b>207.1</b>	<b>490.9</b>
Non-controlling interests	0.2	0.6	0.6	0.0
<b>IFRS net profit</b>	<b>606.0</b>	<b>698.6</b>	<b>207.7</b>	<b>491.0</b>
Total adjustments to personnel expenses	0.4	6.1	1.8	4.3
Total adjustments to general expenses	6.0	13.2	7.6	5.6
Total adjustments to depreciation	-	0.1	0.1	-
Total amortisation and impairment of customer relationships adjustments related to previous acquisitions	28.9	70.1	40.8	29.3
o/w IWM	17.6	35.9	18.2	17.7
o/w GPS	1.3	2.8	1.3	1.5
o/w Kairos <sup>2</sup>	4.5	20.3	15.9	4.5
o/w Commerzbank Luxembourg	0.8	1.7	0.8	0.8
o/w Leumi	0.5	1.0	0.5	0.5
o/w Fransad	0.5	0.9	0.5	0.5
o/w Wergen	0.4	0.8	0.4	0.4
o/w WMPartners	0.7	1.4	0.7	0.7
o/w Reliance	1.1	2.3	1.1	1.2
o/w NSC Asesores	1.5	3.0	1.5	1.5
Total adjustments to amortisation and impairment of intangible assets <sup>3</sup>	-	179.0	179.0	-
<b>Total adjustments to operating expenses and profit before taxes<sup>2,3</sup></b>	<b>35.3</b>	<b>268.5</b>	<b>229.3</b>	<b>39.2</b>
Impact of total adjustments on income taxes	-4.9	-10.6	-4.8	-5.8
Adjustments to net profit	30.3	257.9	224.5	33.5
<b>Adjusted net profit for the Group</b>	<b>636.3</b>	<b>956.6</b>	<b>432.1</b>	<b>524.4</b>
Adjusted non-controlling interests	0.6	1.5	1.0	0.5
<b>Adjusted net profit attributable to shareholders of Julius Baer Group Ltd.</b>	<b>635.8</b>	<b>955.1</b>	<b>431.1</b>	<b>524.0</b>

Further details on acquisition-related amortisation:

- IWM: approx. CHF 36m p.a. in 2020 and 35m in 2021, declining to approx. CHF 10m in 2022, and approx. CHF 1m in 2023 and 2024 (ending September 2024)<sup>4</sup>
- GPS: BRL 15.4m p.a. until March 2023
- Leumi: CHF 1.0m p.a. until February 2025
- Fransad: CHF 0.9m p.a. until October 2024
- Kairos: CHF 8.9m p.a. until December 2024
- Commerzbank Luxembourg: CHF 1.7m p.a. until June 2025
- Wergen: CHF 0.8m p.a. until January 2026
- WMPartners: CHF 1.4m p.a. until December 2022
- Reliance: BRL 12.9m p.a. until May 2027
- NSC Asesores: CHF 3.0m p.a. until February 2028

<sup>1</sup>Please see detailed financial statements in the Half-Year Report 2021 and the Alternative Performance Measures document, available from [www.juliusbaer.com](http://www.juliusbaer.com) | <sup>2</sup>H2 2020 includes CHF 11.4m for Kairos impairment of customer relationships | <sup>3</sup>H2 2020 includes CHF 179.0m for Kairos goodwill impairment | <sup>4</sup>The acquisition of Bank of America Merrill Lynch's international wealth management business outside the US (IWM) took place in steps and is to a small extent subject to CHF translation

# ADJUSTED<sup>1</sup> HALF-YEARLY PERFORMANCE

CHF m	H1 2021	H1 2020	H2 2020	Change H1 21/H1 20	Change H1 21/H2 20	H1 2021 in %
Net interest income	308	333	288	-8%	+7%	15%
Net commission and fee income	1,155	1,033	982	+12%	+18%	58%
Net income from financial instruments measured at FVTPL	503	515	428	-2%	+17%	25%
Other income <sup>2</sup>	27	-31	33	-190%	-18%	1%
<i>o/w net impairment losses/recoveries</i>	-1	-49	13	-98%	-108%	-0%
<b>Operating income</b>	<b>1,993</b>	<b>1,851</b>	<b>1,732</b>	<b>+8%</b>	<b>+15%</b>	<b>100%</b>
Personnel expenses	849	850	740	-0%	+15%	68%
General expenses	312	300	397	+4%	-21%	25%
<i>o/w provisions and losses</i>	31	2	87	>+1k%	-64%	2%
Depreciation and amortisation	90	84	97	+7%	-7%	7%
<b>Operating expenses</b>	<b>1,251</b>	<b>1,234</b>	<b>1,234</b>	<b>+1%</b>	<b>+1%</b>	<b>100%</b>
<b>Profit before taxes</b>	<b>742</b>	<b>616</b>	<b>498</b>	<b>+20%</b>	<b>+49%</b>	
Income taxes	106	92	66	+15%	+61%	
<b>Adjusted net profit for the Group<sup>3</sup></b>	<b>636</b>	<b>524</b>	<b>432</b>	<b>+21%</b>	<b>+47%</b>	
<b>AuM &amp; NNM</b>						
Net new money (CHF bn)	9.9	5.0	10.1	+99%	-2%	
Assets under management (CHF bn)	485.9	401.8	433.7	+21%	+12%	
Average assets under management (CHF bn)	459.8	403.7	414.6	+14%	+11%	
<b>Key Metrics &amp; Ratios</b>						
Adjusted EPS attributable to shareholders of Julius Baer Group Ltd. (CHF)	2.95	2.43	2.01	+21%	+47%	
RoTE, adjusted (%)	32	31	24	+1% pt	+9% pt	
RoCET1, adjusted (%)	38	36	28	+2% pt	+9% pt	
Gross margin (bp)	86.7	91.7	83.6	-5.0 bp	+3.1 bp	
Expense margin (bp)	53.0	61.1	55.3	-8.0 bp	-2.3 bp	
Pre-tax margin (bp)	32.3	30.5	24.0	+1.7 bp	+8.3 bp	
Cost/income ratio (%)	61.2	66.6	66.2	-5.4% pt	-5.0% pt	
Tax rate (%)	14.3	14.9	13.2	-0.7% pt	+1.0 pt	
<b>FTE</b>						
Staff (FTE)	6,667	6,729	6,606	-1%	+1%	
RMs (FTE)	1,341	1,456	1,376	-8%	-3%	

<sup>1</sup> Financial Results are presented on adjusted basis. Further information provided in “Scope of Presentation of Financials” and “Alternative Performance Measures” in the appendix to this presentation  
<sup>2</sup> Other income is the total of income statement items “other ordinary results” and “net credit losses/recoveries on financial assets” | <sup>3</sup> Including non-controlling interests (H1 2020: CHF 0.5m; H2 2020: CHF 1.0m; H1 2021: CHF 0.6m)

# DETAILED RWA AND CAPITAL RATIO DEVELOPMENT

BIS approach / CHF m	30.06.2020 Basel III	31.12.2020 Basel III	30.06.2021 Basel III
<b>Risk-weighted positions</b>			
Credit risk	14,194	13,755	13,929
Non-counterparty-related risk	576	581	549
Market risk	903	1,117	1,189
Operational risk	5,612	5,668	5,792
<b>Total risk-weighted positions</b>	<b>21,285</b>	<b>21,121</b>	<b>21,458</b>
CET1 capital <sup>1</sup>	2,950	3,157	3,583
Tier 1 capital <sup>1</sup>	4,119	4,296	4,754
- of which hybrid tier 1 capital instruments	1,168	1,139	1,170
Total capital <sup>1</sup>	4,250	4,430	4,890
<b>CET1 capital ratio <sup>1</sup></b>	<b>13.9%</b>	<b>14.9%</b>	<b>16.7%</b>
<b>Tier 1 capital ratio <sup>1</sup></b>	<b>19.3%</b>	<b>20.3%</b>	<b>22.2%</b>
<b>Total capital ratio <sup>1</sup></b>	<b>20.0%</b>	<b>21.0%</b>	<b>22.8%</b>
Leverage ratio (LERA, Tier 1 capital divided by Leverage exposure)	3.9%	4.0%	4.1%
Liquidity coverage ratio (LCR)	181.6%	178.5%	196.0%
Net stable funding ratio (NSFR)	129.7%	127.6%	136.5%
Leverage exposure <sup>2</sup>	106,078	107,194	116,729

<sup>1</sup> After dividend accrual | <sup>2</sup> For 30.06.2020 and 31.12.2020, Leverage exposure excludes central bank deposits adjusted for the dividend payments in 2Q20 and 4Q20 for the financial year 2019 as required by FINMA.

# CAPITAL DEVELOPMENT

CHF m	30.06.2020 <i>Basel III</i>	31.12.2020 <i>Basel III</i>	30.06.2021 <i>Basel III</i>	Change last 6 months
<b>Equity at the beginning of the period</b>	<b>6,189</b>	<b>6,189</b>	<b>6,434</b>	<b>+4%</b>
Julius Baer Group Ltd. dividend	-166	-332	-386	
Net profit (IFRS)	491	699	606	
Change in treasury shares	-68	-41	-71	
Treasury shares and own equity derivative activity	-46	-11	-2	
Remeasurement of defined benefit obligation	-44	21	59	
Other components of equity	-67	-88	86	
<i>Financial assets measured at fair value     through other comprehensive income</i>	50	79	12	
<i>Effective portion of changes in fair value of     hedging instruments designated as cash flow hedges</i>	-	-	-2	
<i>Own credit risk on financial liabilities designated at FV</i>	-5	-4	1	
<i>FX translation differences</i>	-112	-163	75	
Others	-1	-3	-1	
<b>Equity at the end of the period</b>	<b>6,290</b>	<b>6,434</b>	<b>6,726</b>	<b>+5%</b>
- Goodwill & intangible assets (as per capital adequacy rules)	-2,807	-2,622	-2,651	
- Other deductions	-533	-655	-492	
<b>CET1 capital</b>	<b>2,950</b>	<b>3,157</b>	<b>3,583</b>	<b>+13%</b>
+ Tier 1 capital instruments	1,168	1,139	1,170	
<b>= BIS tier 1 capital</b>	<b>4,119</b>	<b>4,296</b>	<b>4,754</b>	<b>+11%</b>
+ Tier 2 capital	132	133	136	
<b>= BIS total capital</b>	<b>4,250</b>	<b>4,430</b>	<b>4,890</b>	<b>+10%</b>

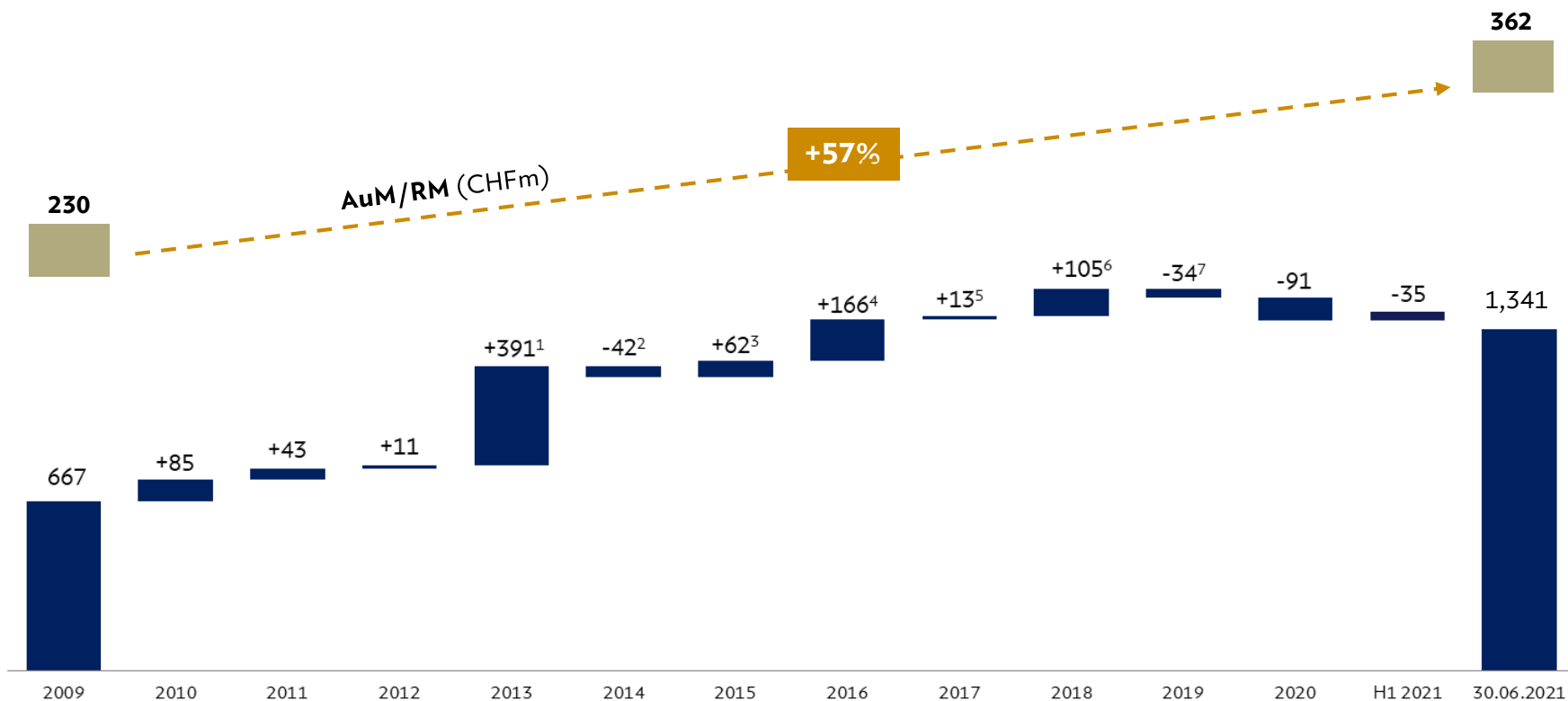
# BALANCE SHEET – FINANCIAL ASSETS (FVOCI)

CHF m	30.06.2020	31.12.2020	30.06.2021	in %	Change vs. 31.12.2020
<b>Debt instruments</b>	<b>14,518</b>	<b>13,523</b>	<b>13,633</b>	<b>97%</b>	<b>+1%</b>
Government and agency bonds	5,058	4,301	4,666	33%	+8%
Financial institution bonds	5,551	5,357	5,236	37%	-2%
Corporate bonds	3,908	3,865	3,731	27%	-3%
<b>Equity instruments<sup>1</sup></b>	<b>254</b>	<b>274</b>	<b>361</b>	<b>3%</b>	<b>+32%</b>
<b>Total financial assets measured at FVOCI</b>	<b>14,771</b>	<b>13,796</b>	<b>13,994</b>	<b>100%</b>	<b>+1%</b>
Cash with central banks	14,732	14,493	16,448		+13%

Debt instruments by credit rating classes	Moody's	30.6.2020	31.12.2020	30.06.2021	in %	Change vs. 31.12.2020	
1-2	AAA – AA-	Aaa – Aa3	9,021	8,015	8,966	66%	+12%
3	A+ – A-	A1 – A3	4,669	5,032	4,224	31%	-16%
4	BBB+ – BBB-	Baa1 – Baa3	828	476	397	3%	-17%
Unrated			-	-	46	0%	n/a
<b>Total</b>			<b>14,518</b>	<b>13,523</b>	<b>13,633</b>	<b>100%</b>	<b>+1%</b>

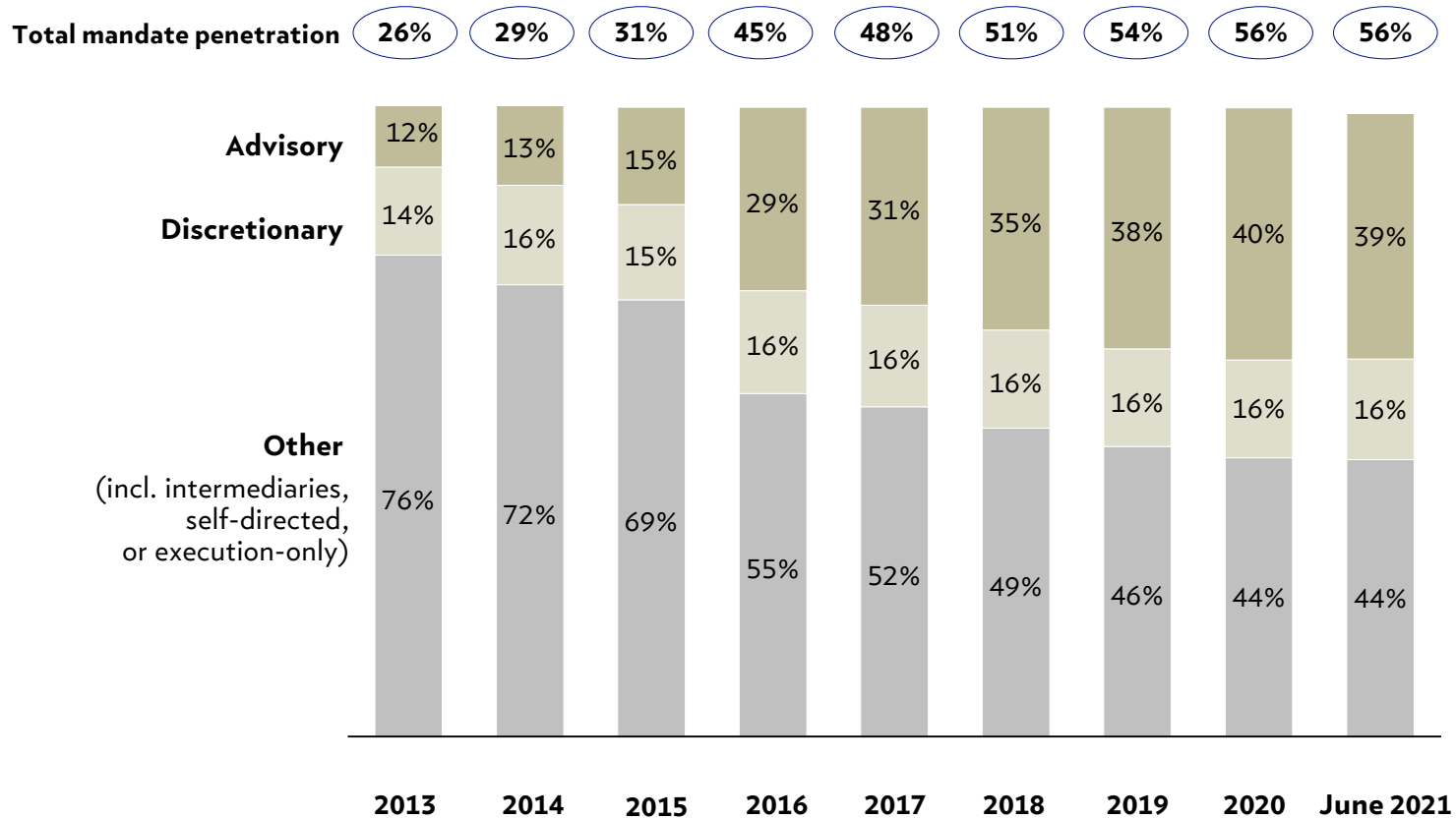
# LONG-TERM DEVELOPMENT RELATIONSHIP MANAGERS

## Development of Number of Relationship Managers (RMs) & AuM per RM



<sup>1</sup>+391, mostly from RMs transferring in from Bank of America's International Wealth Management business (IWM) outside the US | <sup>2</sup>-42, driven by IWM transaction-related synergy realisations | <sup>3</sup>+62, of which net +40 from hiring, remainder from acquisitions | <sup>4</sup>Incl. +50 RMs transferring following the consolidation of Kairos and Commerzbank International S.A. Luxembourg | <sup>5</sup>+13, of which +41 net from hiring, -28 following internal transfers | <sup>6</sup>Incl. +13 RMs from the acquisition of Reliance Group | <sup>7</sup>Incl. +20 RMs from the acquisition of NSC Asesores

# MANDATE PENETRATION





# BREAKDOWN OF AUM

<b>Asset mix</b>	<b>30.06.2020</b>	<b>31.12.2020</b>	<b>30.06.2021</b>
Equities	27%	30%	33%
Bonds (including Convertible Bonds)	19%	17%	15%
Investment Funds <sup>1</sup>	25%	27%	28%
Money Market Instruments	3%	2%	2%
Client Deposits	19%	18%	17%
Structured Products	5%	5%	4%
Precious Metals	2%	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Currency mix</b>	<b>30.06.2020</b>	<b>31.12.2020</b>	<b>30.06.2021</b>
USD	49%	48%	49%
EUR	19%	19%	19%
CHF	10%	9%	9%
GBP	4%	4%	4%
HKD	4%	4%	4%
INR	3%	4%	4%
BRL	2%	2%	2%
SGD	1%	1%	1%
JPY	1%	1%	2%
AUD	1%	1%	1%
CNY	1%	1%	1%
CAD	1%	1%	1%
Other	4%	5%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Includes, amongst other asset classes, further exposure to equities and bonds

# SUSTAINABILITY@JULIUS BAER

## Responsible Wealth Management

**RESPONSIBLE INVESTING: +17.6%** AuM with ESG integration (CHF 64.9bn<sup>1</sup>)

**SUSTAINABLE INVESTING: +22.6%** AuM, discretionary sustainability mandates (CHF 3.0bn<sup>1</sup>)

**IMPACT INVESTING:** Impact Investing Ecosystem established in 2020

**PHILANTHROPY SERVICES:** 167 philanthropy advisory mandates<sup>1</sup>

## Responsible Citizenship

**CONDUCT & RISK:** further integrate **sustainability risks** into our risk categories & process

**CARING EMPLOYER:** strive for **30% female representation** senior management by 2023

**COMMUNITY PARTNER:** +**CHF 6m** in community giving in 2021<sup>1</sup>

**CONSERVING NATURAL RESOURCES:** Development of a new **climate strategy** to work towards a net-zero emission target

## Selected Ratings and Memberships

<b>MSCI ESG</b> A rating 	<b>S&amp;P Global CSA</b> 85 <sup>th</sup> percentile ranking 	<b>CDP</b> B rating for carbon disclosure 	<b>FTSE4GOOD</b> Constituent since 2017 
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<b>SXI Sustainability Index</b> Constituent since 2019 	<b>SPI ESG and SPI ESG Weighted</b> Constituent since 2021 
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EMPOWERING FOR POSITIVE IMPACT



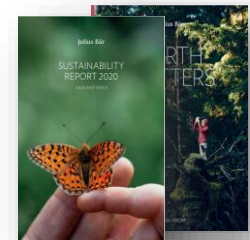
## Milestones

Extended annual **Sustainability Report 2020**

Thought leadership publication '**Earth Matters**'

Newly established global **D&I Committee**

Launched mandatory **all-staff e-learning** and **training suite**



We address two of humanity's most critical challenges in transitioning towards a sustainable global economy: the "overuse of natural resources" and "the underuse of human resources"

<sup>1</sup>HY2021

# JULIUS BAER: PURE-PLAY WEALTH MANAGEMENT GROUP

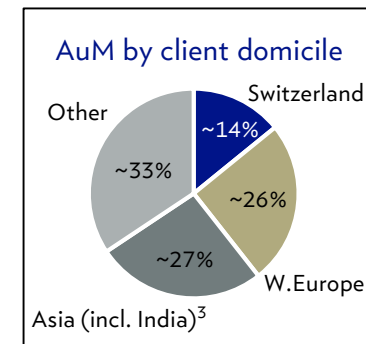
Well positioned for further growth



## Legend

- Head office
- Location
- Booking centre
- Julius Baer Family Office Brasil
- Kairos
- SCB-Julius Baer Securities (40%)
- NSC (70%)
- Julius Baer Nomura Wealth Management (60%)

- Premium brand in global wealth management
- Client-centric approach
- Balanced exposure to traditional and growth markets
- Present in more than 60 locations
- 6,667 staff (FTE), incl. over 1,300 relationship managers<sup>1</sup>
- AuM CHF 486bn<sup>1</sup>
- Strongly capitalised:
  - BIS total capital ratio 22.8%<sup>1</sup>
  - BIS CET1 capital ratio 16.7%<sup>1</sup>
- Moody's long-term deposit rating Bank Julius Baer & Co. Ltd: Aa3/stable outlook
- Market capitalisation: CHF 13 bn<sup>2</sup>



<sup>1</sup> At 30 June 2021 | <sup>2</sup> At market close on 20 July 2021 | <sup>3</sup> Not including Middle East | <sup>4</sup> Additional advisory locations in Bangalore, Chennai, Hyderabad, Kolkata and New Delhi

# Julius Bär

