

Press Release

from Julius Baer Holding Ltd.

Zurich, 6 February 2009

Presentation of the 2008 full-year results for the Julius Baer Group

Julius Baer achieved a 2008 net profit* of CHF 852 million, a good result given the difficult business environment – With a 13.6% BIS Tier 1 ratio, Julius Baer continues to enjoy a strong capital base – Record inflows in Private Banking (CHF +17bn), significant outflows in Asset Management (CHF -27bn)

- **Benefiting from its exclusive focus on wealth management, Julius Baer's 2008 net profit* decreased by only one quarter to CHF 852 million compared to the peak year 2007. All businesses contributed positively to this result.**
- **Total client assets amounted to CHF 338 billion. Based on the extraordinary, negative market environment and the strong appreciation of the Swiss franc, the Group's assets under management declined by one third to CHF 275 billion at the end of 2008. Assets under custody amounted to CHF 63 billion.**
- **Net new money in Bank Julius Baer was CHF 22 billion, with Private Banking contributing a record CHF 17 billion. Net outflows in Asset Management amounted to CHF 27 billion as the asset management industry faced a particularly challenging environment.**
- **The Julius Baer Group continues to enjoy a solid balance sheet with low leverage and a very strong capital base as expressed by its BIS Tier 1 ratio of 13.6% at year-end.**
- **Based on this result and the strong capital base, the Board of Directors proposes to the Ordinary Annual General Meeting on 8 April 2009 an unchanged dividend of CHF 0.50 per registered share.**
- **The share buyback programme 2008-2010 of up to CHF 2 billion as announced in 2007 will be continued, taking account of the targeted BIS Tier 1 ratio and the market environment.**
- **As of year-end 2008, the former Investment Products division was realigned to further sharpen the private client focus of Bank Julius Baer by combining all client-oriented wealth and relationship management functions while reintegrating Julius Baer Asset Management Europe, comprising the Julius Baer branded investment fund and institutional mandate business, into the segment Asset Management. The segment reporting has been adjusted accordingly.**

Total client assets of the Julius Baer Group amounted to CHF 338 billion at the end of 2008. Assets under management totalled CHF 275 billion, down 32% from CHF 405 billion at the end of 2007. This decrease is almost entirely attributable to the negative price development of most asset classes of CHF 94 billion, most pronounced in the second half, and the negative currency impact of CHF 31 billion from the strengthening of the Swiss franc against most currencies, in the last few days of the year in particular. Net outflows amounted to CHF 5 billion in 2008. Assets under custody were at CHF 63 billion after CHF 68 billion in 2007, having attracted CHF 11 billion in net new money.

Group operating income fell by 15% to CHF 2,939 million compared to 2007. Net fee and commission income declined by 20% to CHF 2,201 million on the back of lower average asset levels, the changed asset and client mix, and subdued private client activity in Private Banking, most pronounced in the second half. Net interest income rose by 48% to CHF 479 million thanks to higher average deposit levels, increased average lending to private clients over the year, and higher interest margins. On the back of

* Net profit for the shareholders of Julius Baer Holding Ltd. excluding integration and restructuring expenses as well as the amortisation of intangible assets. Including these positions, the shareholders' net profit for 2008 amounted to CHF 661 million, after CHF 940 million for 2007.

strong client-driven foreign exchange trading activities, overall net trading income increased by 18% to CHF 353 million.

Group operating expenses declined by 7% to CHF 1,857 million, partly helped by the strengthening of the Swiss franc. Despite the overall increase of staff by 6% to 4,335, personnel expenses were cut by 9% to CHF 1,276 million on the back of lowered performance-related compensation, which decreased proportionally with the decline in the pre-bonus profit. General expenses, including valuation adjustments, provisions and losses, were down 4% at CHF 527 million in spite of higher expenses due to the expanded network of Bank Julius Baer. As a consequence, the *cost/income ratio at Group level* increased to 61.6% in 2008 from 56.7% in 2007.

Accordingly, *profit before taxes for the Group* declined by 25% to CHF 1,082 million year on year. Taxes amounted to CHF 230 million, representing an almost unchanged effective tax rate of 21.2%. *Net profit* was therefore down by 25% to CHF 852 million. *EPS* showed a smaller decline of 22% to CHF 4.12 due to the share buyback programme.

Balance sheet remains solid – BIS Tier 1 ratio at 13.6%

Total assets declined slightly by CHF 0.7 billion to CHF 46.2 billion at year-end, partly driven by the appreciation of the Swiss franc. Client deposits went up by CHF 0.9 billion to CHF 25.3 billion as clients moved assets into cash and cash equivalent products especially following the market turmoil in September. Lombard lending and mortgages granted to clients (as part of the line item loans to customers) ended at the same level as 2007, resulting in a very comfortable loan-to-deposit ratio of 0.38, underlining the sound liquidity situation of the Group. Total equity was up by 2.4% to CHF 6.6 billion and BIS Tier 1 capital grew by 8% to CHF 2.1 billion compared to the end of 2007. With a *BIS Tier 1 ratio* of 13.6% under Basel II the Julius Baer Group continues to enjoy a very strong capital base.

In 2008, Julius Baer bought back 4,403,500 own shares in the amount of CHF 299 million. The share buyback programme 2008-2010 of up to CHF 2 billion as announced in 2007 will be continued, taking account of the targeted BIS Tier 1 ratio of 12% as well as the market environment.

As of the end of 2008, the business activities of the former Investment Products division were realigned as follows: (a) private client discretionary and advisory business as well as all research, trust and tax functions providing private banking services and products remain within Bank Julius Baer to better serve private clients, while (b) Julius Baer Asset Management Europe, comprising all Julius Baer branded investment fund and institutional mandate businesses, has been transferred to the Asset Management segment. The segment reporting has been adjusted accordingly.

Bank Julius Baer continues to attract substantial net new money

Bank Julius Baer, as organised in the new segment structure, managed assets of CHF 159 billion at the end of 2008, of which CHF 128 billion were attributable to our Private Banking business and CHF 31 billion to our Private Label Funds business. Very favourable net new money inflows totalling CHF 22 billion could not compensate the negative market and currency performance of CHF 44 billion and CHF 12 billion, respectively, resulting in an 18% decline in assets year on year. Net new money inflows in our Private Banking business maintained the pace witnessed in the first semester, totalling a record CHF 17 billion for the year. All geographic regions contributed positively, with growth markets and core markets contributing about equally. The Private Label Funds business continued to expand, attracting net new money of CHF 5 billion.

Bank Julius Baer's operating income decreased by only a modest 2% to CHF 1,678 million in the reporting period. Lower fee and commission income as a result of decreased average asset levels and subdued client activity was partly offset by strongly higher net interest income, driven by increased average levels of lending to private clients and higher average deposits as well as margins, and rising net trading income, mainly from foreign exchange. Despite reduced performance-related compensation, operating expenses increased by 4% to CHF 1,049 million as a result of front-related hirings (increasing the number of employees by 7% to 3,009) and slightly higher general expenses. As a consequence, profit before taxes declined by 10% to CHF 629 million year on year. The cost/income ratio increased to 60.6% from 58.0%, and the pre-tax margin was down to 34.7 from 37.9 basis points a year ago.

Asset Management faces outflows despite strong relative performance at GAM and Artio Global

Under the new segment structure, a total of CHF 116 billion in assets was managed by Asset Management's three specialised units at the end of 2008: CHF 42 billion by GAM, CHF 48 billion by Artio Global, Julius Baer's US asset management business, and CHF 26 billion by the Julius Baer Asset Management Europe. The segment's overall decline of CHF 96 billion was attributable to adverse market performance of CHF 50 billion, net outflows of CHF 27 billion, attributable to GAM and Julius Baer Asset Management Europe, and adverse translation effects into the reporting currency, the Swiss franc, of CHF 19 billion.

The asset management industry faced a challenging environment, particularly following market turmoil in September, with private and retail clients effectively shunning any perceived risk asset. Managing mostly private client assets, GAM experienced considerable net outflows, especially in the fourth quarter, despite the fact that its core products meaningfully outperformed their peer groups and relevant indices in 2008. Thanks to its sophisticated risk management and manager due diligence processes, GAM avoided the market's major casualties and, significantly, maintained client liquidity, thereby positioning the firm to benefit strongly upon renewed client demand. At Artio Global, although second half client flows turned negative, total net inflows remained positive year to date, supported by the strength of its large institutional client base. Artio Global's international equity funds continued their outstanding long-term track record and in 2008 again outperformed their relevant indices. Julius Baer still intends to IPO Artio Global when market conditions allow. Julius Baer Asset Management Europe could not escape the general industry trend and experienced net outflows.

Segment operating income decreased by 24% to CHF 1,253 million year on year, mainly as a result of the lower average asset base and in the absence of meaningful performance fees. Operating expenses were 16% lower at CHF 726 million, reflecting cost reductions, lower performance-related payments as well as the positive translation effects from our largely USD and GBP denominated cost base. All in all, profit before taxes fell by 33% to CHF 527 million. The cost/income ratio increased to 57.1% from 52.2%, and the pre-tax margin was lower at 30.9 basis points after 37.5 basis points a year ago.

Unchanged dividend proposed

Based on the good result and the strong capitalisation, the Board of Directors proposes to the Annual General Meeting on 8 April 2009 an unchanged dividend of CHF 0.50 per registered share. As announced earlier, Leonhard H. Fischer, Co-Chief Executive Officer and member of the Board of Directors of RHJ International as well as former Chief Executive of the Winterthur Group and member of the Executive Board of the Credit Suisse Group, will be proposed for election as a new member of the Board of Directors.

The results conference will be webcast at 9:30 am (CET). All documents (presentation, Business Review 2008, 2008 IFRS Annual Report and press release) will be available as of 7:00 am (CET) at www.juliusbaer.com.

Contacts: Media Relations: Tel. +41 58 888 5777, Investor Relations: Tel. +41 58 888 5256

The Interim Management Statement will be released on 12 May 2009 and the 2009 first-half results on 22 July 2009.

About Julius Baer

The Julius Baer Group, founded in 1890, is the leading dedicated wealth manager in Switzerland. It concentrates exclusively on private banking and asset management for private and institutional clients. Julius Baer's total client assets amounted to CHF 338 billion at the end of 2008, with assets under management accounting for CHF 275 billion. Bank Julius Baer, GAM and Artio Global Investors are the key brands of Julius Baer Holding Ltd., whose shares are listed on the SIX Swiss Exchange and form part of the Swiss Market Index (SMI), which comprises the 20 largest and most liquid Swiss stocks.

Julius Baer employs a staff of over 4,000 in more than 20 countries and 40 locations, including Zurich (head office), Buenos Aires, Dubai, Frankfurt, Geneva, Hong Kong, London, Lugano, Milan, Moscow, New York, Singapore and Tokyo. For more information visit our website at www.juliusbaer.com.

Key figures¹

	2008 CHF m	2007 CHF m	Change to 2007 in %
Consolidated income statement			
Net interest income	478.6	322.9	48.2
Net fee and commission income	2 200.6	2 754.7	-20.1
Net trading income	352.9	298.2	18.3
Other ordinary results	-93.6	73.1	-228.0
Operating income	2 938.6	3 449.0	-14.8
Personnel expenses	1 275.5	1 409.1	-9.5
General expenses ²	526.7	547.8	-3.9
Depreciation and amortisation	54.3	43.3	25.4
Operating expenses	1 856.5	2 000.2	-7.2
Profit before taxes	1 082.1	1 448.8	-25.3
Income taxes	229.8	312.2	-26.4
Net profit	852.3 ³	1 136.6	-25.0
Cost/income ratio ⁴	61.6%	56.7%	-
Pre-tax margin (basis points)	30.8	36.8	-
Client assets (CHF bn)			
Assets under management	274.5	405.1	-32.2
Net new money	-5.4	35.5	-
Assets under custody	63.6	68.3	-6.9
Total client assets	338.2	473.4	-28.6
Personnel			
Number of employees (FTE)	4 335	4 099	5.8
<i>of whom Switzerland</i>	<i>2 825</i>	<i>2 699</i>	<i>4.7</i>
<i>of whom abroad</i>	<i>1 510</i>	<i>1 400</i>	<i>7.9</i>
	31.12.08 CHF m	31.12.07 CHF m	Change in %
Consolidated balance sheet			
Total assets	46 240.0	46 918.8	-1.4
Loans to customers	9 702.8	12 160.2	-20.2
Deposits from customers	25 301.1	24 445.2	3.5
Total equity	6 573.1	6 418.7	2.4
BIS Tier 1 ratio	13.6% ⁵	12.9% ⁵	-
Return on equity (ROE) ⁶	24.0%	31.7%	-
	2008 CHF	2007 CHF	Change in %
Share information			
Number of registered shares ⁷	211 034 256	223 256 478	-5.5
Share capital (CHF m)	10.6	11.2	-5.5
EPS	4.12	5.28	-22.0
Closing price as of 31 December	39.98	93.60	-57.3
Moody's Rating Bank Julius Baer & Co. Ltd.	Aa3	Aa3	

¹ Excluding integration and restructuring expenses as well as the amortisation of intangible assets. Including these positions, the net profit for 2008 for the shareholders of Julius Baer Holding Ltd. amounted to CHF 661 million, after CHF 940 million in 2007.

² Including valuation adjustments, provisions and losses

³ Including non-controlling interests of CHF 0.3 million

⁴ Operating expenses less valuation adjustments, provisions and losses/operating income

⁵ According to Basel I as per year-end 2007 and Basel II as per year-end 2008

⁶ Net profit/average equity less goodwill

⁷ After cancellation of 12 222 222 own shares from share buyback executed as per 27 June 2007.

Segment key figures

	2008 CHF m	2007 CHF m restated	Change to 2007	Change to 2007 in %
Bank Julius Baer				
Operating income	1 678.3	1 712.5	-34.2	-2.0
Operating expenses	1 049.3	1 011.5	37.8	3.7
Profit before taxes	629.0	701.0	-72.0	-10.3
Cost/income ratio	60.6%	58.0%	-	-
Assets under management (CHF bn as of 31 December)				
<i>of which Private Banking</i>	<i>127.6</i>	<i>156.6</i>	<i>-29.0</i>	<i>-18.5</i>
<i>of which Private Label Funds</i>	<i>31.4</i>	<i>36.8</i>	<i>-5.4</i>	<i>-14.7</i>
Net new money (CHF bn)	21.8	18.9	-	-
Average assets under management (CHF bn)	181.2	184.7	-3.5	-1.9
Gross margin (bp)	92.6	92.7	-	-
Pre-tax margin (bp)	34.7	37.9	-	-
Number of employees (FTE)	3 009	2 814	195	6.9
Asset Management				
Operating income	1 252.7	1 648.7	-396.0	-24.0
Operating expenses	726.2	865.3	-139.1	-16.1
Profit before taxes	526.5	783.4	-256.9	-32.8
Cost/income ratio	57.1%	52.2%	-	-
Assets under management (CHF bn as of 31 December)				
<i>of which GAM</i>	<i>41.7</i>	<i>85.8</i>	<i>-44.1</i>	<i>-51.4</i>
<i>of which Artio Global</i>	<i>48.1</i>	<i>85.3</i>	<i>-37.2</i>	<i>-43.6</i>
<i>of which Julius Baer Asset Management Europe</i>	<i>25.8</i>	<i>40.6</i>	<i>-14.8</i>	<i>-36.5</i>
Net new money (CHF bn)	-27.2	16.6	-	-
Average assets under management (CHF bn)	170.6	208.8	-38.2	-18.3
Gross margin (bp)	73.4	79.0	-	-
Gross margin excl. performance fees (bp)	73.0	74.0	-	-
Pre-tax margin (bp)	30.9	37.5	-	-
Number of employees (FTE)	1 261	1 213	48	4.0
Group Functions				
Operating income	7.6	87.8	-80.2	-91.3
Operating expenses	81.0	123.4	-42.4	-34.4
Profit before taxes	-73.4	-35.6	-37.8	106.2
Number of employees (FTE)	65	72	-7	-9.7