

Press Release

from Julius Baer Holding Ltd.

Zurich, 8 February 2008

Presentation of 2007 full-year results for the Julius Baer Group

Julius Baer boosts net profit by 31% to CHF 1,137 million* – assets under management at CHF 405 billion

- **The Julius Baer Group strongly increased its profit before taxes by 28% from CHF 1,131 million to CHF 1,449 million in 2007 and its net profit by 31% from CHF 868 million to CHF 1,137 million*. Earnings per share (EPS) went up by 34% to CHF 5.28.**
- **Assets under management rose by 12% to CHF 405 billion at the end of 2007. Net new money was CHF 35 billion (2006: CHF 27 billion), with the segment Bank Julius Baer contributing CHF 18 billion and the segment Asset Management CHF 17 billion.**
- **The Board of Directors proposes to the Annual General Meeting (AGM) in April 2008 an unchanged dividend of CHF 0.50 per registered share. It also proposes to cancel the 5.5% Julius Baer Holding shares bought back in 2007. The AGM will also have to decide on the announced share buyback programme 2008–2010 of around CHF 2 billion, which will start after the AGM in April.**

“2007 has been another very successful year for the Julius Baer Group. By focusing exclusively on our core competences, private banking and asset management, we have managed to serve the interest of both our clients and our shareholders very well. We have grown our global footprint considerably whilst reducing our cost/income ratio from 59.5% to 56.7%. Even in market circumstances under which capital preservation will gain much more emphasis, we are well positioned to grow our global franchise as well as our profits,” sums up Johannes A. de Gier, Group CEO.

Another year of strong financial performance confirms “pure play” wealth management strategy

Assets under management of the Julius Baer Group reached CHF 405 billion at the end of 2007, up 12% from CHF 361 billion in 2006. This increase is attributable to net new money inflows totalling CHF 35 billion, market/currency performance of CHF 13 billion and a negative impact of divestments, net of acquisitions, of CHF 4.4 billion. The assets development was flat in the second half of the year. In addition, *assets under custody* amounted to CHF 68 billion, up 31%.

Operating income increased by 22% to CHF 3,449 million during the financial year. Predominantly as a result of the increased asset and client activity levels, the contribution from commission and service fee activities rose by 17% to CHF 2,755 million. Interest income rose by 25% to CHF 323 million as a consequence of the carefully increased lending activities to private banking clients.

Operating expenses rose by 18% to CHF 2,000 million. Personnel expenses grew by 19% to CHF 1,409 million, mainly because of higher performance-related compensation and the overall staff increase by 11% from 3,684 to 4,099 as we continued to invest for growth in all businesses. General expenses including valuation adjustments, provisions and losses increased by 19% to CHF 548 million. As a consequence, the *cost/income ratio* developed favourably to 56.7%, down from 59.5% in 2006.

Profit before taxes increased by 28% to CHF 1,449 million. All divisions of Bank Julius Baer and Asset Management have strongly contributed to this increase. Taxes amounted to CHF 312 million, representing a slightly lower tax rate of 21.5%. As a consequence, net profit increased year-on-year by 31% to CHF 1,137 million* and EPS by 34% to CHF 5.28. Net profit in the second half of 2007 was 19% higher than in the first half.

*In 2006 and 2007, integration and restructuring expenses, amortisation of intangible assets and significant financial events (in 2006 only) are excluded from the data. Including these positions, the net profit for 2007 amounted to CHF 940 million, up 40% from 2006.

The consolidated *balance sheet* total grew by CHF 11 billion or 30% to CHF 46.9 billion at the end of 2007, mainly as deposits of clients went up by CHF 7.5 billion. Total equity was down by 6.3% to CHF 6.4 billion and BIS Tier 1 capital was lower by CHF 224 million at CHF 2.0 billion compared with the end of 2006. This is resulting from the increased net profit 2007 less the CHF 1.1 billion spent to repurchase 5.5% own shares in June 2007, the accrual for the dividend 2007 and the higher capital support for the increased risk weighted assets due to our growing franchise. With a *BIS Tier 1 ratio* of 12.9% under Basel I (year-end 2006: 17.1%) the Julius Baer Group continues to enjoy a very solid financial base. *Return on equity* rose to 31.6% (2006: 24.3%).

Both Bank Julius Baer and Asset Management attract substantial net new money

Assets under management in the segment *Bank Julius Baer* rose by CHF 22 billion or 10% to CHF 234 billion in 2007 while net new money was CHF 18 billion or 9 percentage points of this growth. With operating income up 19% and operating expenses up 12%, profit before taxes increased by 30% to CHF 817 million. Assets under management of the *Private Banking* division increased by 13% to CHF 156 billion. Net new money contributed CHF 12 billion or 9 percentage points to this growth. Growth markets, Asia in particular, again showed strong inflows while the core markets also contributed positively. Assets under management in the *Investment Products* division were up 5% to CHF 78 billion. Net new money increased by CHF 6 billion or 9 percentage points of this growth.

Assets under management in the segment *Asset Management* rose by CHF 23 billion or 15% to CHF 171 billion by the end of the year. CHF 17 billion or 11 percentage points of the growth was attributable to net new money, with again very strong contribution from the US business. At the end of 2007, GAM managed CHF 86 billion and the US asset management business CHF 85 billion. The segment's operating income rose by 26% and operating expenses by 28%, which resulted in a 23% higher profit before taxes of CHF 668 million with GAM contributing the lion's share.

Capital management policy confirmed

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Changes in the Board of Directors as of the AGM on 15 April

Georges Gagnebin, Vice-Chairman, has decided not to stand for re-election. After the successful integration in which he played a key role, he will serve as adviser to the Julius Baer Group and be proposed as Chairman of its subsidiary Infidar Investment Advisory Ltd. Professor Paul Embrechts will also relinquish his mandate after serving on the Board of Directors for eleven years.

The documents accompanying the results conference (results presentation, Business Review 2007, 2007 Annual Report and press releases in multiple languages) will be available as of 07:00 a.m. at www.juliusbaer.com.

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The **2008 half-year results** of the Julius Baer Group will be released on **28 July 2008**.

About Julius Baer

The Julius Baer Group is the leading dedicated wealth manager in Switzerland. The Group, which has roots dating to the nineteenth century, concentrates exclusively on private banking and asset management for private and institutional clients. With some 4,000 employees worldwide, the Group managed assets in excess of CHF 400 billion at the end of 2007. The Julius Baer Group's global presence comprises more than 30 locations in Europe, North America, Latin America and Asia, including Zurich (Head Office), Buenos Aires, Dubai, Frankfurt, Geneva, Hong Kong, London, Lugano, New York, Singapore and Tokyo. Bank Julius Baer, GAM, a leading global active asset manager, and Julius Baer Investment Management, renowned for its international equity strategies, are the key companies of the Group. The shares of Julius Baer Holding Ltd. are listed on the SWX Swiss Exchange and form part of the Swiss Market Index SMI which comprises the 20 largest and most liquid stocks.

For more information: www.juliusbaer.com