

Full-year 2019 results presentation

26 February 2020
Zurich



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Alternative Performance Measures and Reconciliations: This presentation and other communications to investors contain certain financial measures of historical and future performance and financial position that are not defined or specified by IFRS, such as “net new assets”, “Assets under Management”, “operating profit”, “cumulative cost synergies”, “underlying results”, “cost/income ratio”, “Liquidity Coverage Ratio”, “Loan/Deposit Ratio”. These alternative performance measures (APM) should be regarded as complementary information to, and not as a substitute for the IFRS performance measures. The definitions of APM used in this presentation and other communications to investors, together with reconciliations to the most directly reconcilable IFRS line items, are provided in section headed “Alternative Performance Measures” of the Annual Report 2019 available at <https://www.efginternational.com/About-EFG/Investor-relations/Financial-reports.html>.

Key highlights

Giorgio Pradelli, Chief Executive Officer

Executing 2022 strategic plan

CRO growth

- Record **181 CROs hired, signed or approved**; exceeding original guidance of 70-100 hires per annum

CRO productivity

- **Substantially increased average portfolio size**
- Improved **mandate penetration** of advisory and discretionary mandates to **47%**

Switzerland back to growth

- **Switzerland returned to growth**, rebounding from outflows in previous years
- Accelerating trend with annualised **net asset growth rate of 6.1% in 2H19**

New business initiatives in selected markets

- Relaunched domestic Italian business from **Milan branch**
- Opened **new advisory branch in Lisbon**
- Successfully launched operations in **Dubai**, strengthening presence in the Middle East
- Strengthened global coverage of **Independent Asset Manager** segment

External growth

- **Acquisition of Shaw and Partners**; good strategic fit with substantial contribution

Refocused on profitable & sustainable growth

Accelerating growth trend in 2019 with cost-conscious approach and investments in growth

Reversing trend in NNA and AuM back to growth	4% net new asset growth	▪ First year of positive net asset inflows since BSI acquisition ▪ Accelerating positive net new asset trend, with annualised growth rate of over 6% in second half of 2019 ▪ All regions with positive net new assets in 2H19 ▪ Assets under Management up by 17%
	AuM of CHF 154 billion	
Delivering profitable growth	IFRS net profit up 34%	▪ IFRS net profit of CHF 94 million, driven by higher revenues and lower operating expenses ▪ More than doubled operating profit from CHF 81 million in 2018 to CHF 173 million in 2019 ▪ Achieved cost synergy target of CHF 240 million by end-2019 ▪ Underlying net profit reflects – lower interest rates – normalised provisions and tax expenses – investments in growth
	Operating profit up 112%	
	Underlying profit of CHF 109 million	

Financial performance

Dimitris Politis, Chief Financial Officer

Presentation of financial performance

Changes from previous reporting periods:

- Following the completion of the BSI integration, EFG has **discontinued reporting** “AuM attrition”, “underlying NNA” and “BSI integration costs”. Going forward, the only items excluded from underlying performance will be the “*contribution of the life insurance portfolios*”, “*legacy legal costs and provisions*”, and the “*acquisition-related intangible amortisation*”
- FY 2019 financial results include Shaw and Partners, which has been consolidated as of 30 April 2019
- The reconciliation of underlying results to IFRS results is included on slide 38

FY 2019 financial results in perspective

Executing on 2022 strategic plan

Business development	▪ NNA of CHF 5.2 bn, annual growth of 4.0%; strong pickup in 2H19 at 6.6% NNA growth rate ▪ AuM up 17.2% to CHF 153.8 bn (including the acquisition of Shaw and Partners in April 2019) ▪ A record 181 CROs hired, signed or approved
Profitability	▪ Operating profit of CHF 172.6 mn, up 112% vs. CHF 81.3 mn in 2018 ▪ IFRS net profit of CHF 94.2 mn, up 34% vs. CHF 70.3 mn in 2018 ▪ Underlying net profit of CHF 108.7 mn vs. CHF 191.8 mn in 2018, reflecting challenging interest rate environment and investments in growth
Cost evolution & delivery of synergies	▪ IFRS operating expenses down 9% (excl. impact from Shaw and Partners) ▪ Continuous streamlining efforts: FTEs down 4% to 3,041* from 3,153 at year-end 2018 ▪ Like-for-like underlying operating expenses (excl. investments in growth) down 6% ▪ Delivery of CHF 242 mn of cost synergies from BSI acquisition (target: CHF 240 mn)
Legacy issues	▪ Positive impact from life insurance of CHF 11.7 mn in FY 2019
Capital position	▪ CET1 ratio of 16.2%, Total capital ratio of 20.1% ▪ Underlying capital generation of 140 bps ▪ Proposed dividend of CHF 0.30 per share, unchanged from last year

Financials summary

	2019	2018
Revenue-generating AuM, CHF bn	153.8	131.2
Net new assets, CHF bn	5.2	(2.1)
Net new asset growth	4.0%	-1.5%
Operating income, CHF mn	1,170.9	1,145.6
Operating expense, CHF mn	998.3	1,064.3
Operating profit, CHF mn	172.6	81.3
IFRS net profit, CHF mn	94.2	70.3
Underlying operating income, CHF mn / excl. Shaw and Partners	1,142.8 / 1,112.3	1,165.1
Underlying operating expense, CHF mn / excl. Shaw and Partners	975.9 / 950.6	966.4
Underlying operating profit, CHF mn	166.9	198.6
Underlying net profit, CHF mn	108.7	191.8
Underlying revenue margin, in bps / excl. Shaw and Partners	79 / 82	84
Underlying cost-income ratio	85.2%	82.9%
Return on shareholders' equity	6.6%	11.3%
Return on tangible equity	7.8%	12.8%
CROs / CROs excl. Shaw and Partners	815 / 629	590
Total FTEs* / Total FTEs* excl. Shaw and Partners	3,151 / 3,041	3,153
Total capital ratio**	20.1%	21.6%
CET 1 capital ratio**	16.2%	17.6%
Dividend per share, in CHF	0.30	0.30

* Excl. FTEs in notice period or in social plan (as of end of year)

** Swiss GAAP Basel III, fully applied

Financials summary

	2H19	1H19	2H18	1H18
Revenue-generating AuM, CHF bn	153.8	147.6	131.2	142.7
Net new assets, CHF bn	4.9	0.3	(4.1)	2.0
Net new asset growth (annualised)	6.6%	0.5%	-5.7%	2.8%
Operating income, CHF mn	615.1	555.8	575.2	570.4
Operating expense, CHF mn	494.7	503.6	532.3	532.0
Operating profit, CHF mn	120.4	52.2	42.9	38.4
IFRS net profit, CHF mn	62.7	31.5	23.9	46.4
Underlying operating income, CHF mn / excl. Shaw and Partners	566.9 / 542.5	575.9 / 569.8	560.5	604.6
Underlying operating expense, CHF mn / excl. Shaw and Partners	483.9 / 464.8	492.0 / 485.8	483.8	482.6
Underlying operating profit, CHF mn	83.0	83.9	76.7	122.0
Underlying net profit, CHF mn	33.1	75.6	62.6	129.2
Underlying revenue margin, in bps / excl. Shaw and Partners	76 / 80	83 / 84	82	86
Underlying cost-income ratio	85.2%	85.2%	86.1%	79.7%
Return on shareholders' equity	4.1%	9.2%	7.4%	15.6%
Return on tangible equity	4.8%	10.8%	8.4%	17.8%
CROs / CROs excl. Shaw and Partners	815 / 629	737 / 587	590	613
Total FTEs* / Total FTEs* excl. Shaw and Partners	3,151 / 3,041	3,195 / 3,095	3,153	3,219
Total capital ratio**	20.1%	21.0%	21.6%	21.5%
CET 1 capital ratio**	16.2%	17.0%	17.6%	17.6%

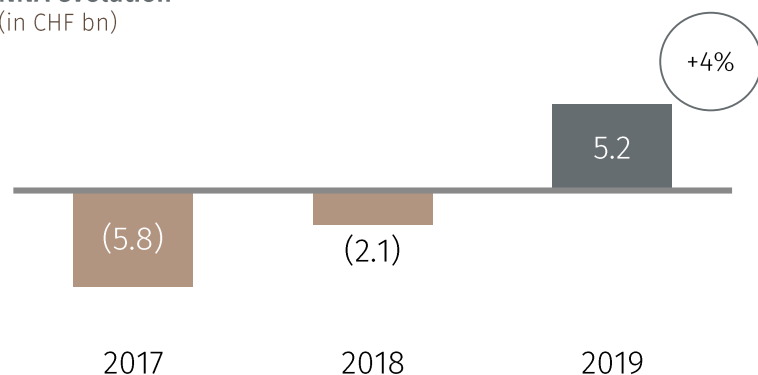
* Excl. FTEs in notice period or in social plan (as of end of year)

** Swiss GAAP Basel III, fully applied

Results highlights

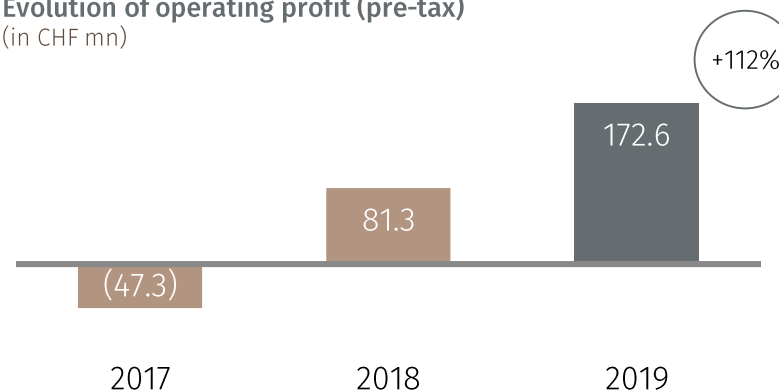
NNA growth within 4-6% target range

NNA evolution
(in CHF bn)



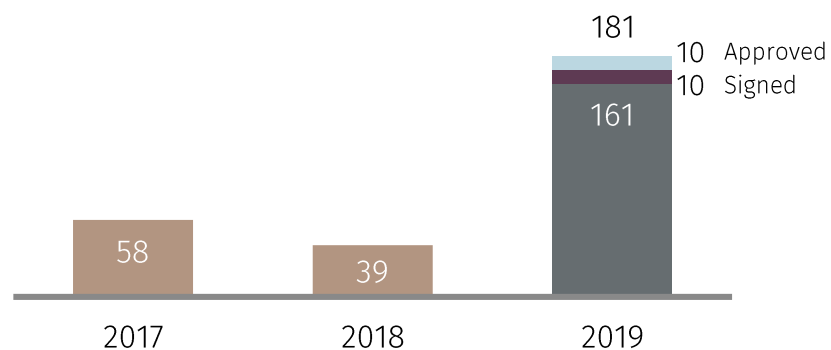
Operating profit more than doubled

Evolution of operating profit (pre-tax)
(in CHF mn)



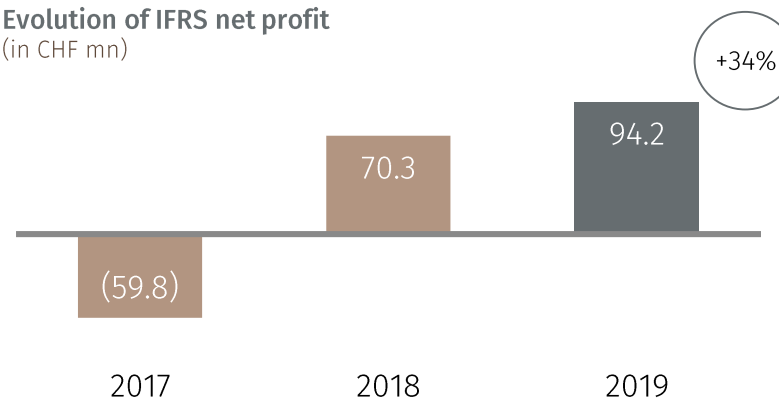
Investment in future growth

of CROs



IFRS net profit at CHF 94.2 mn

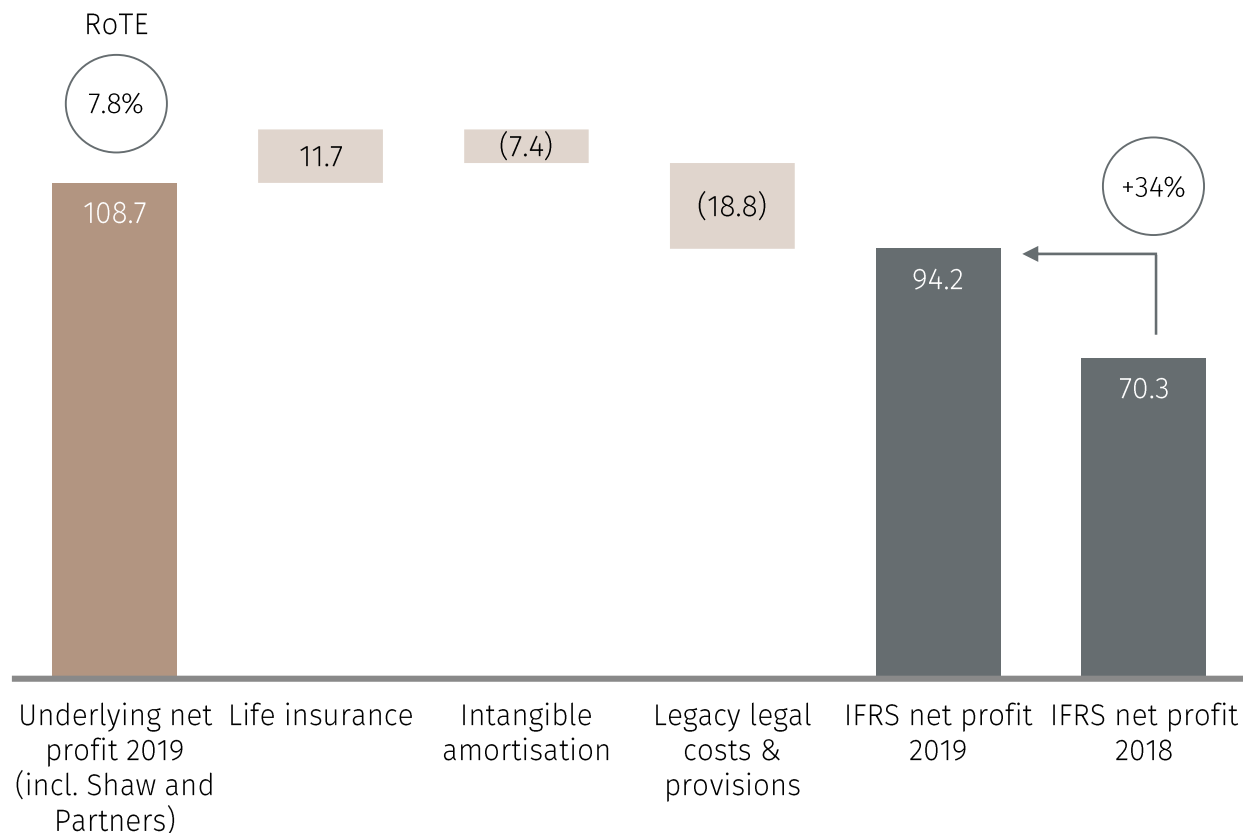
Evolution of IFRS net profit
(in CHF mn)



Underlying profitability

Underlying profitability of CHF 108.7 mn; IFRS net profit up 34% to CHF 94.2 m

Reconciliation of underlying net profit
(in CHF mn)



- Strong increase in IFRS reported net profit driven by both:
 - higher revenues, on the back of a positive performance from the life insurance portfolio, and
 - lower operating expenses, as cost management actions continue
- Positive impact of CHF 11.7 mn from the life insurance portfolio
 - Positive effect of CHF 39.4 mn in 2H19, more than offsets negative impact during 1H19
 - Result includes marginal impact from the restructuring of the indirect life insurance exposure (LFS loans)

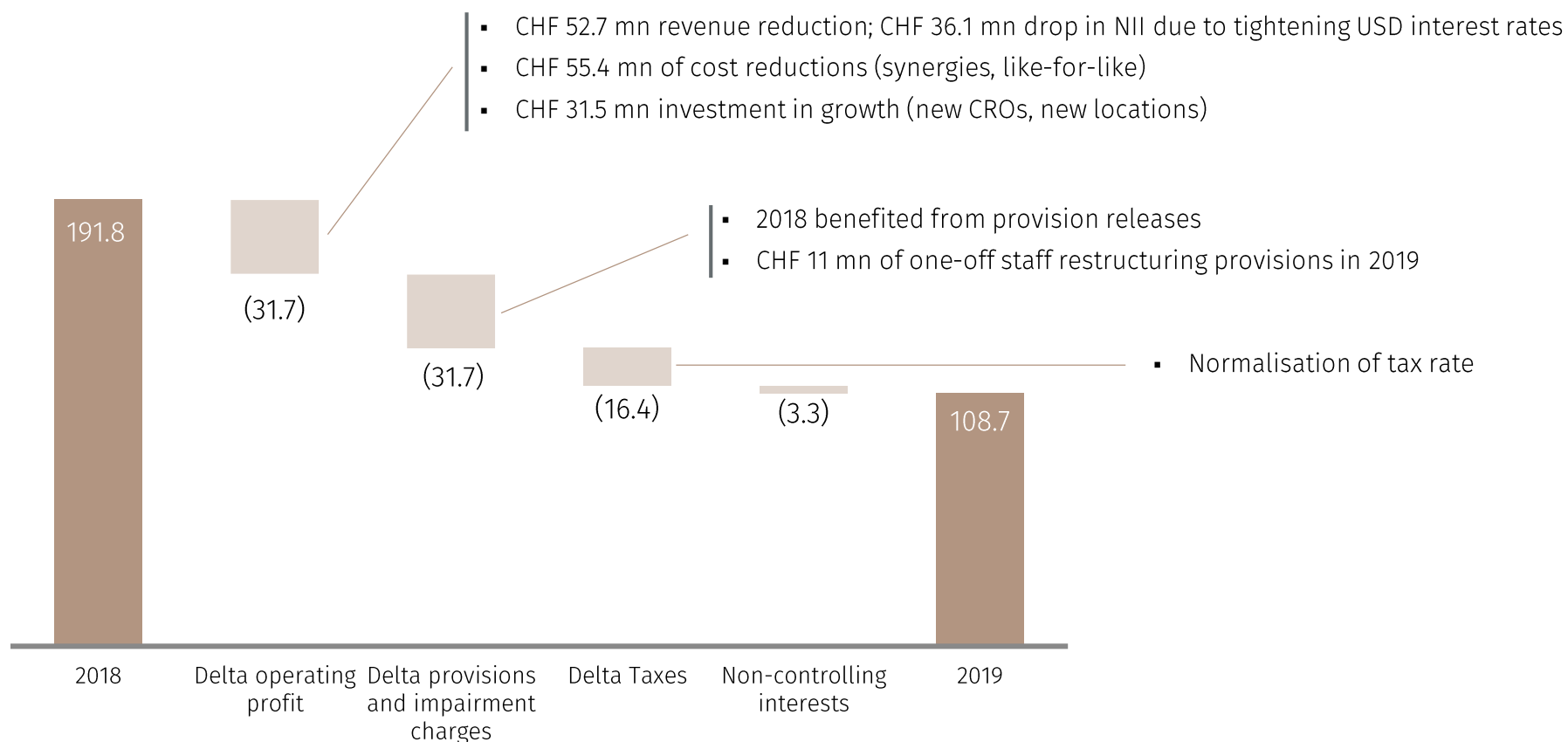
Please refer to slides 43/44 in the Appendix for additional information

Note: for further details see slide 38

Evolution of underlying profitability

Underlying net profit of CHF 108.7 mn, down from CHF 191.8 mn in 2018

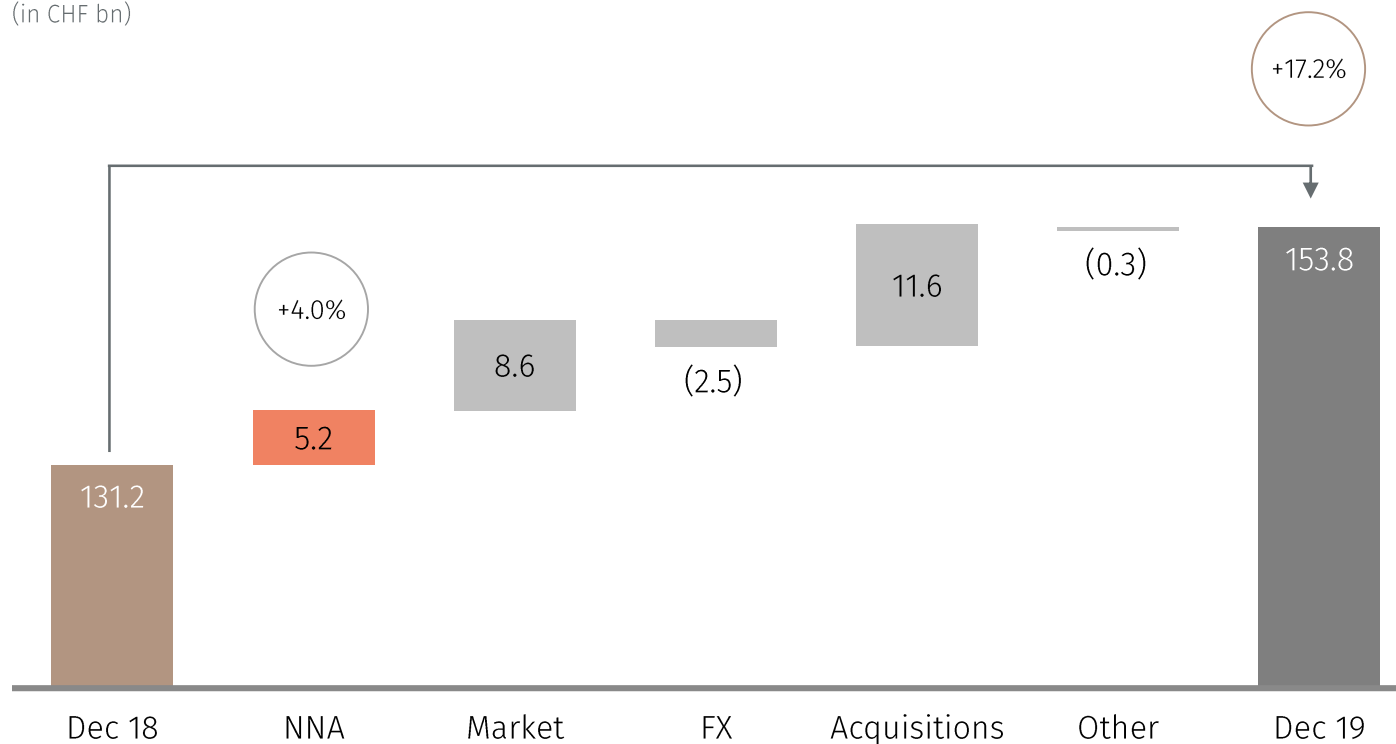
Evolution of underlying net profit
(in CHF mn)



Revenue-generating AuM development

Net new assets of CHF 5.2 bn at growth rate of 4.0%; AuM of CHF 153.8 bn

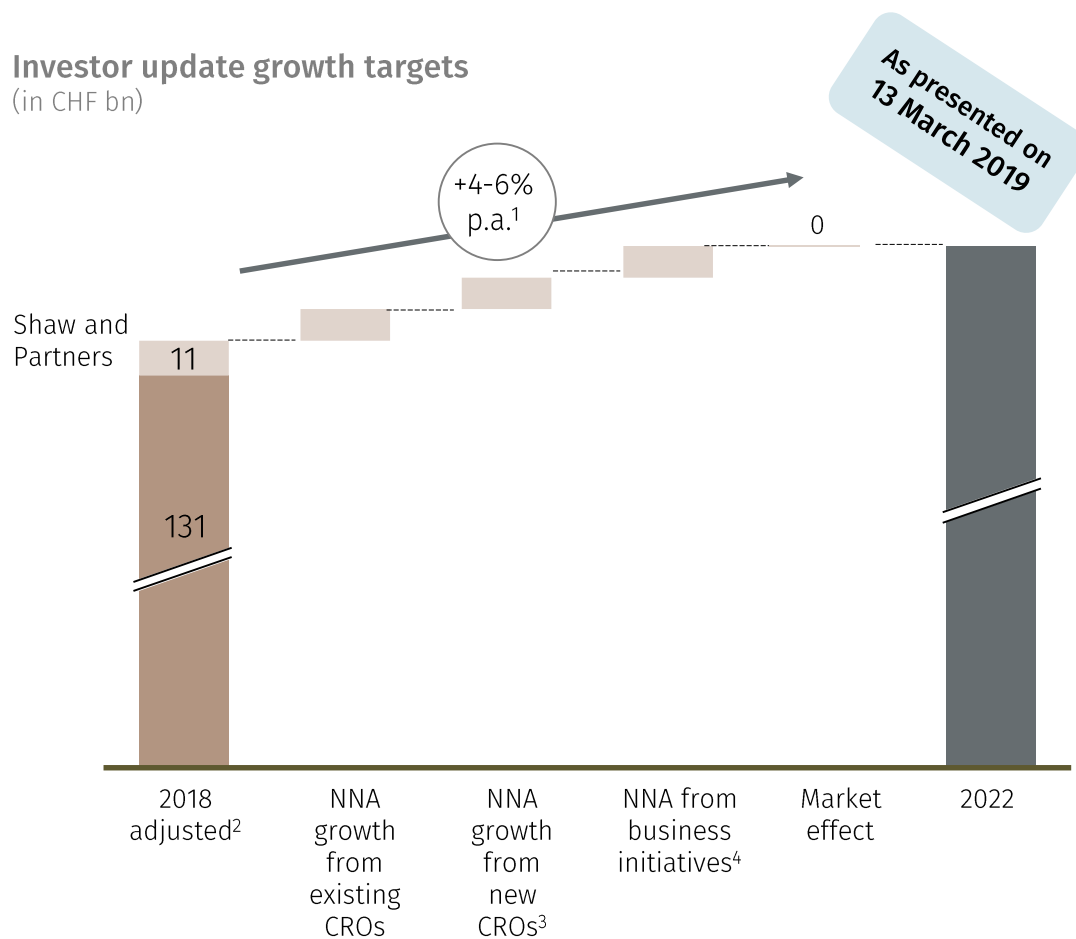
Revenue-generating AuM evolution
(in CHF bn)



Evolution and drivers of NNA

Investor update growth targets

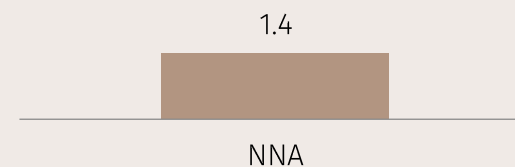
(in CHF bn)



Update on NNA drivers for 2019

Existing CROs

(in CHF bn)



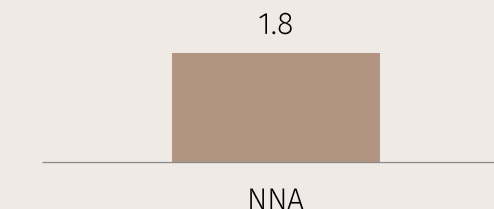
New CROs³

(in CHF bn)



Business initiatives⁴

(in CHF bn)



1 Compound Annual Growth Rate (CAGR) over the four-year period

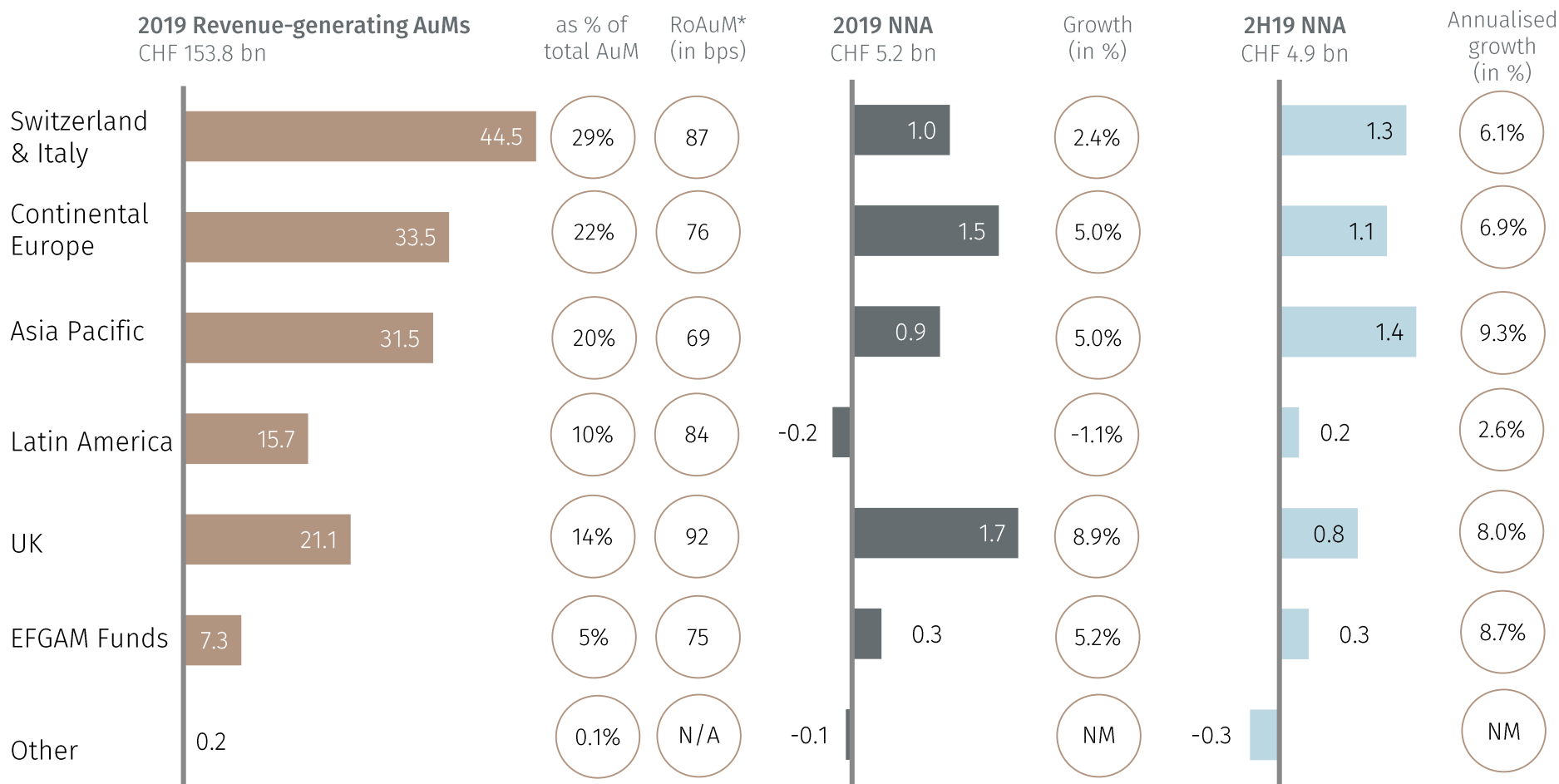
2 Adjusted to include Shaw and Partners as of 31 December 2018

3 Hired in the last 24 months rolling

4 Business initiatives include Shaw and Partners, Dubai, Portugal, Milan

Business development by region

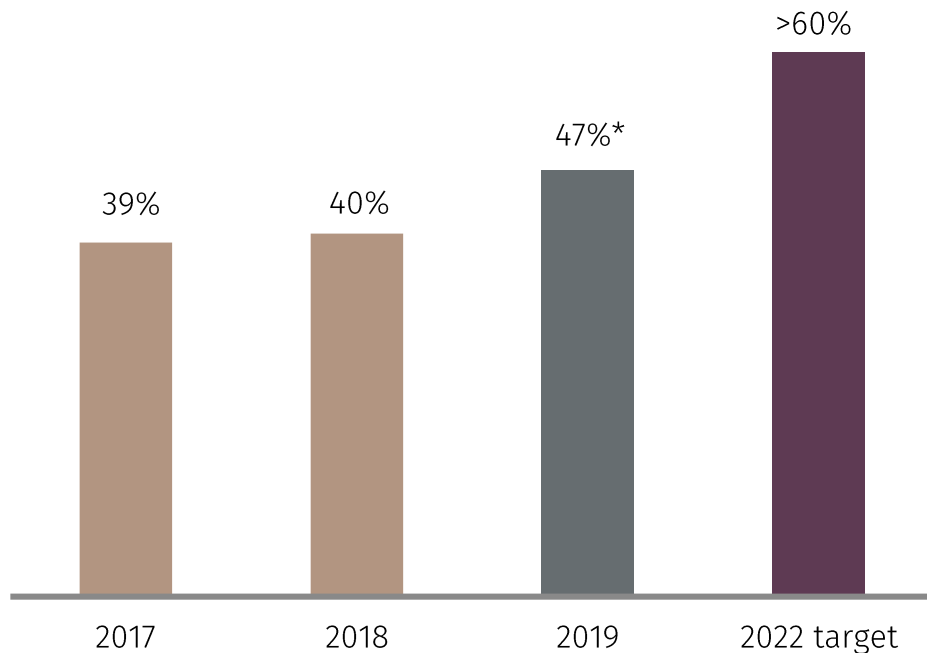
NNA growing in all regions in 2H19



Evolution of mandates penetration

Improved mandate penetration to 47%* (advisory, discretionary mandates & funds)

Evolution of advisory, discretionary mandates & funds
(in %, excl. loans)



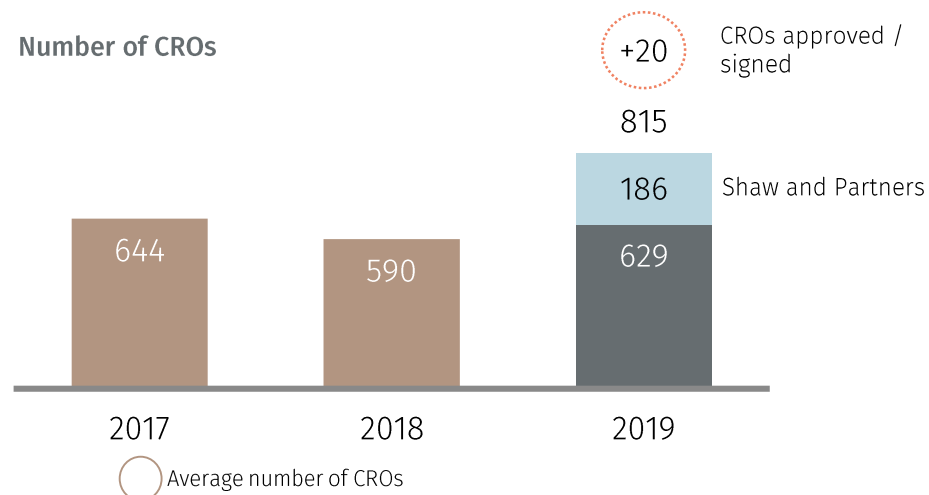
* 43% excluding Shaw and Partners

- Increasing penetration of advisory, discretionary mandates and funds driven by:
 - Solid performance of discretionary offering
 - Increased utilisation of digital Investment Advisory Tool across the organisation
- Future developments:
 - Further roll-out of Investment Advisory Tool to Americas and Asia during 2Q 2020
 - Further expansion of funds offering to complement existing strategies
- ESG criteria are increasingly taken into consideration in overall investment process

CRO performance

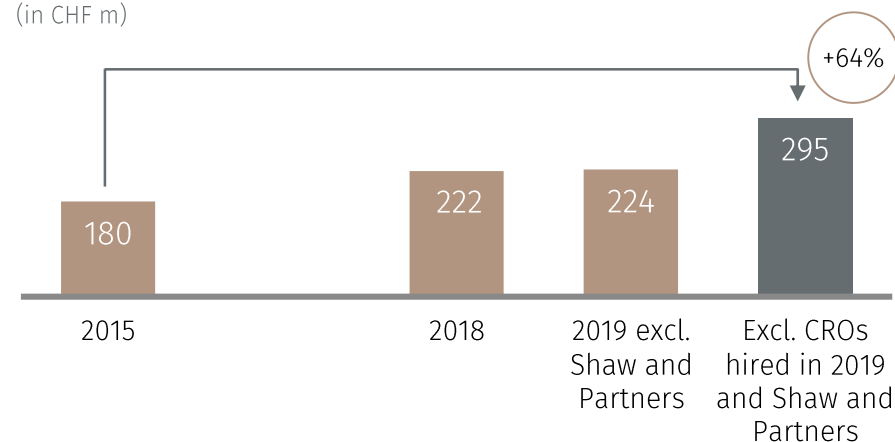
Strong CRO hiring momentum

Number of CROs

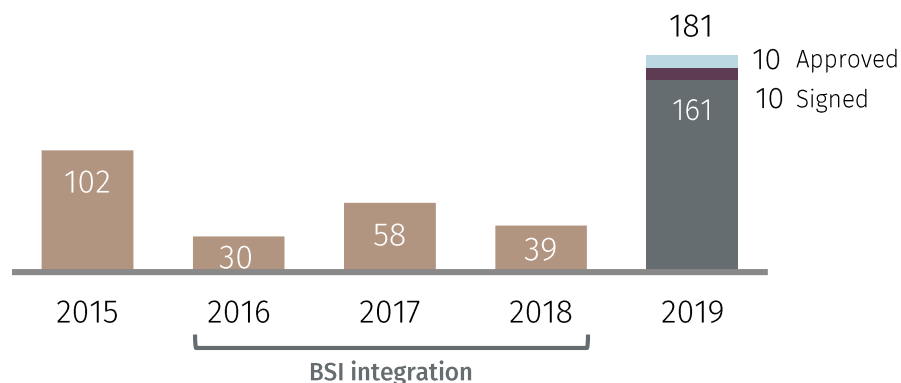


- Record CRO hiring activity in 2019 – with 181 CROs hired, signed or approved
- Net increase in CROs kept at 39 (excl. Shaw and Partners) as a result of ongoing performance management efforts
- 75% of new CRO hires joined in 2H19 and have not had the opportunity to contribute to growth, yet

AuM per CRO
(in CHF m)



Number of new CROs

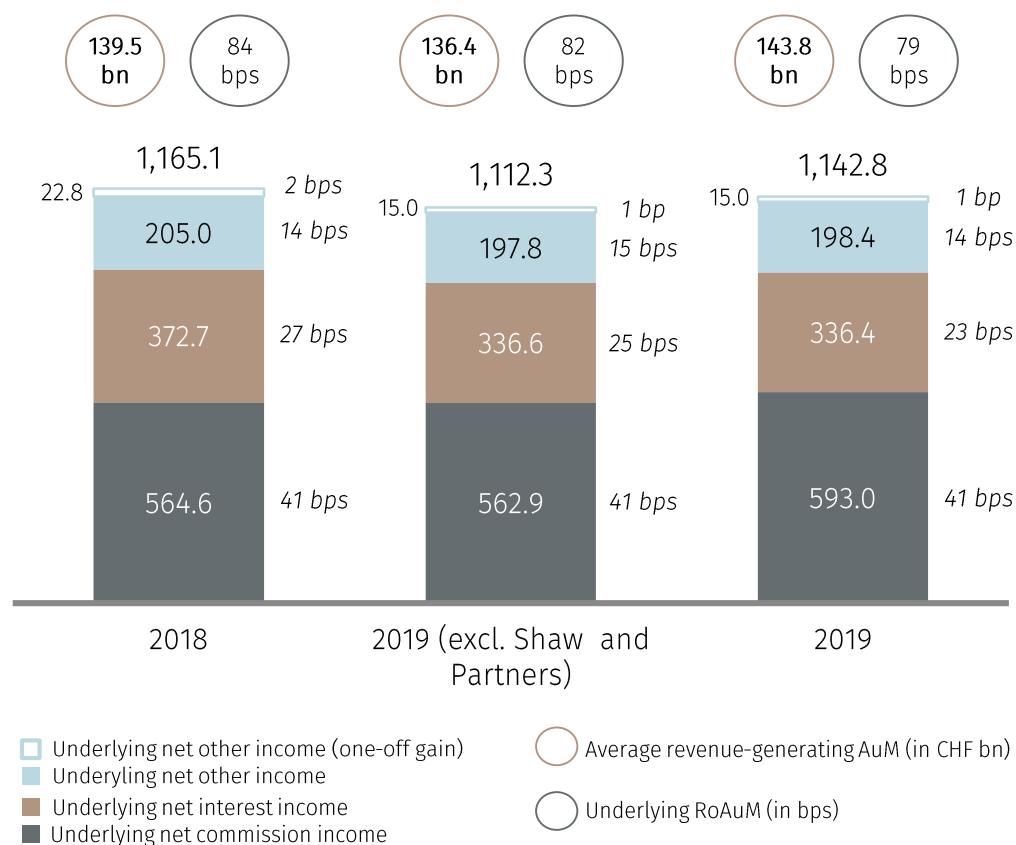


*Hired in the last 24 months rolling

Underlying operating income

Underlying operating income of CHF 1,142.8 mn, down 1.9% vs. 2018

Underlying operating income
(in CHF mn)

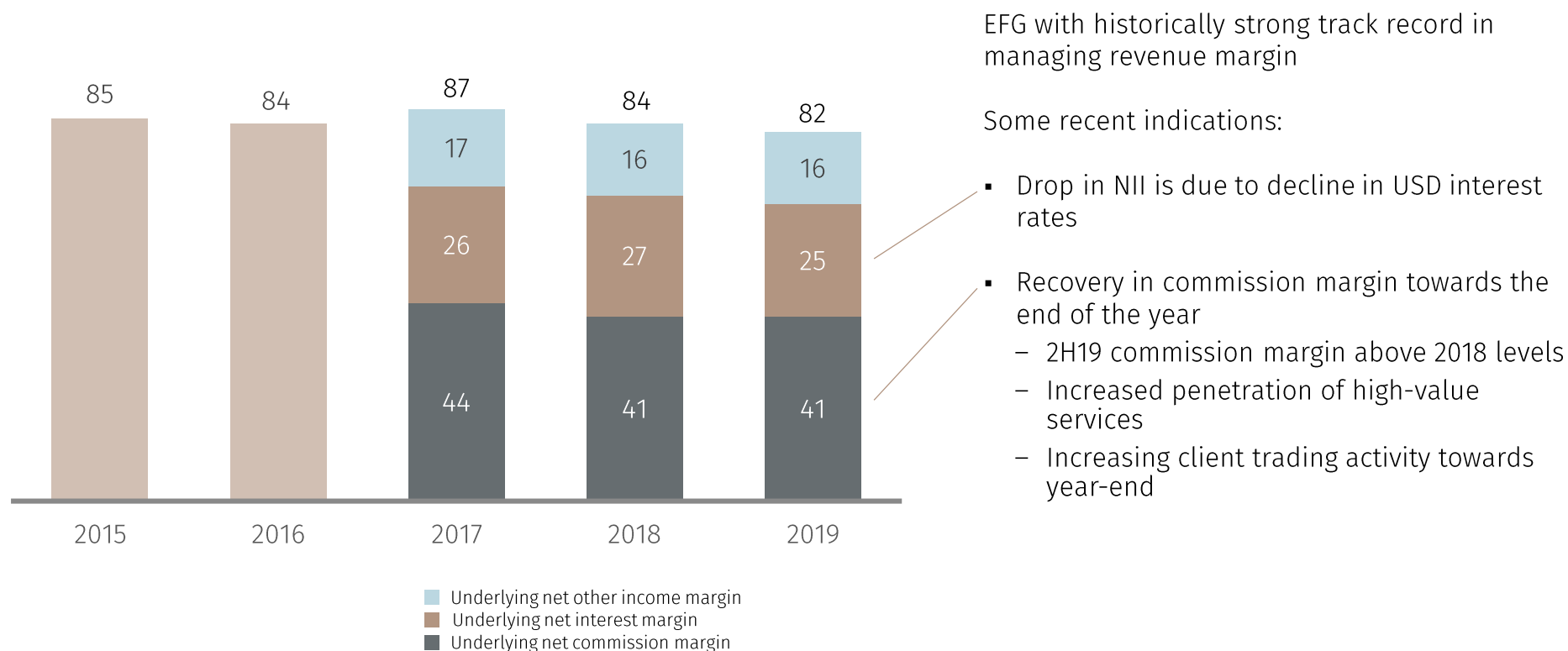


- Revenue performance (excl. Shaw and Partners) was driven by:
 - Lower average AuMs, a carry-over effect from the review of the BSI portfolio in 2018
 - the drop in (primarily USD) interest rates
- Solid performance in net commission income: flat yoy on a like-for-like basis, with 2H19 +10% vs. 1H19
- Improved contribution from Global Markets and strong Treasury performance during 2019
- One-off gain of CHF 15 mn pre-tax from SIX participation in 1H19
- Shaw and Partners revenue margin impact at 3 bps for FY 2019; 4 bps on a full-year basis
- Underlying RoAuM (excl. loans and excl. Shaw and Partners) at 95 bps vs. 97 bps in 2018

Underlying revenue margin

Evolution of underlying revenue margin (excl. Shaw and Partners)

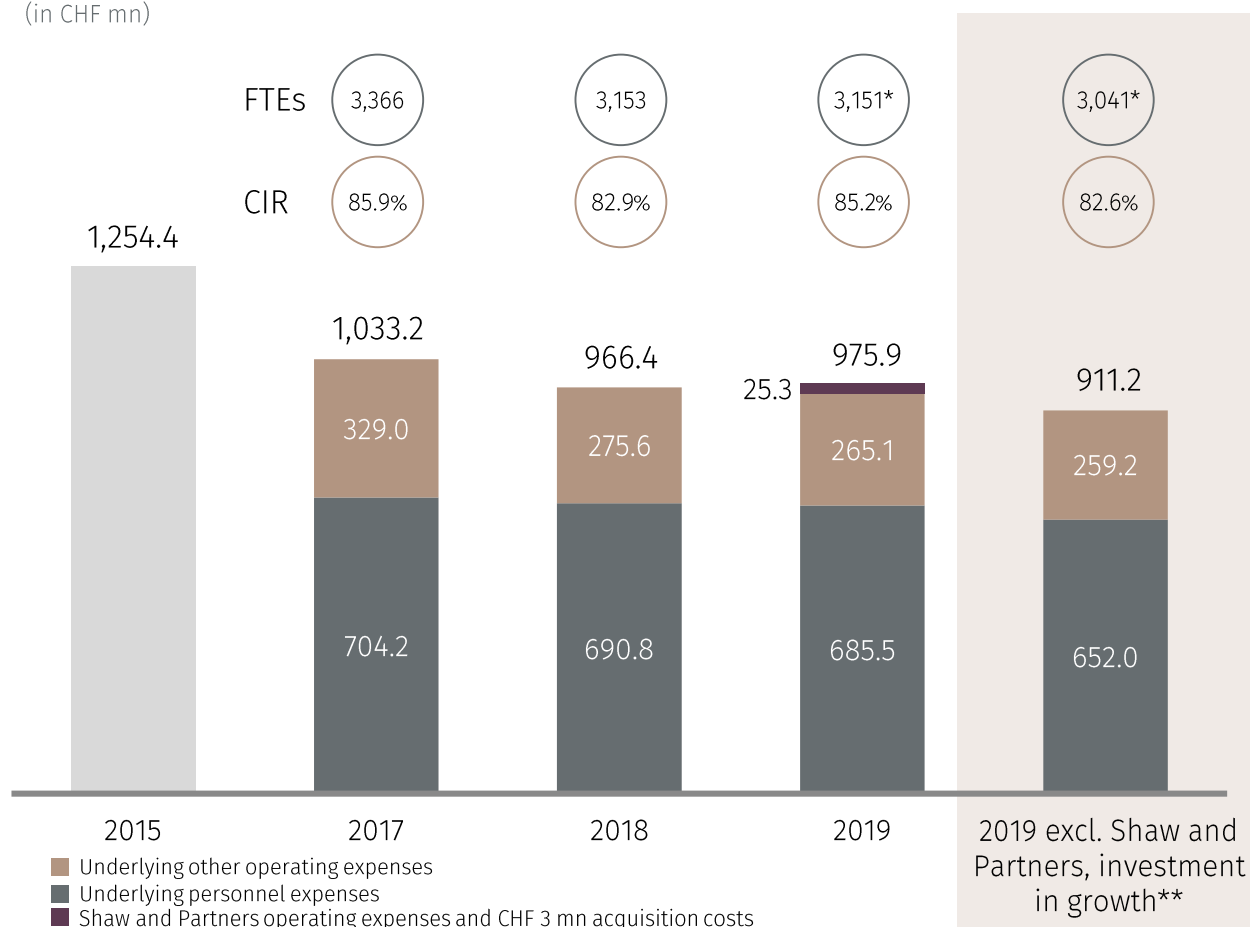
Evolution underlying revenue margin
(in bps)



Underlying operating expenses

Underlying operating expenses down CHF 343 mn since 2015 (on a like-for-like basis)

Underlying operating expenses
(in CHF mn)

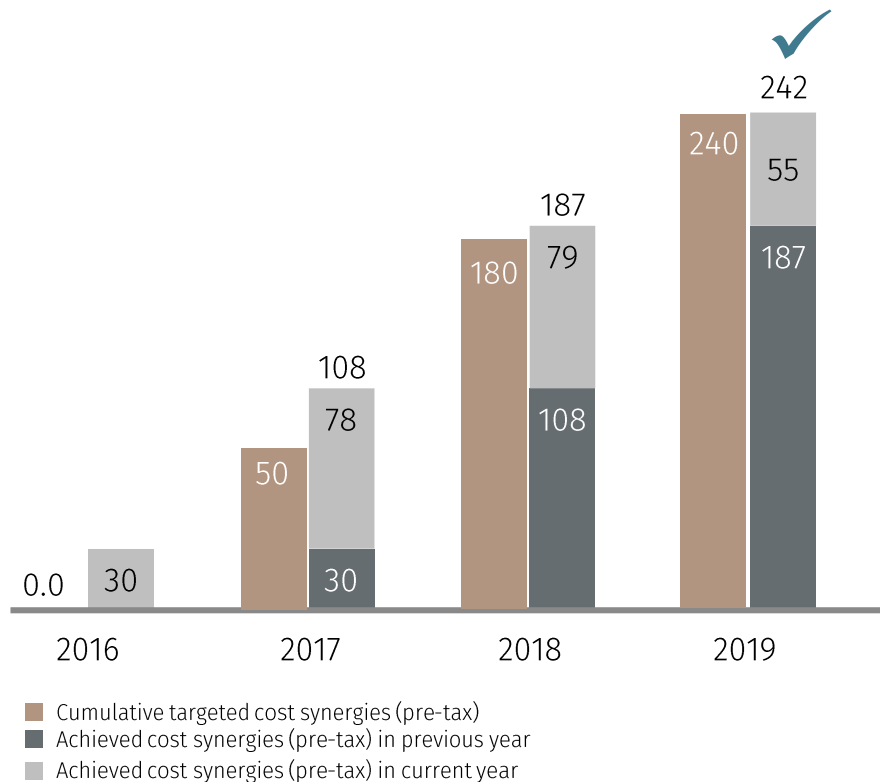


- Cumulative cost savings of 27% since 2015 (based on proforma cost base of CHF 1,254 mn)
- Continued cost management efforts with tangible results. On a like-for-like basis:
 - Headcount reduction of 4%
 - Operating expense reduction of 6%
- Substantial (and higher than initially expected) investment of CHF 31.5 mn in growth initiatives

Update on cost synergies from BSI transaction

Successful delivery of cost synergies

Cumulative targeted cost synergies (pre-tax)
(in CHF mn)



Delivered targeted cost synergies, even without the envisaged actions on sub-critical booking centres, so far

Breakdown of targeted cost synergies

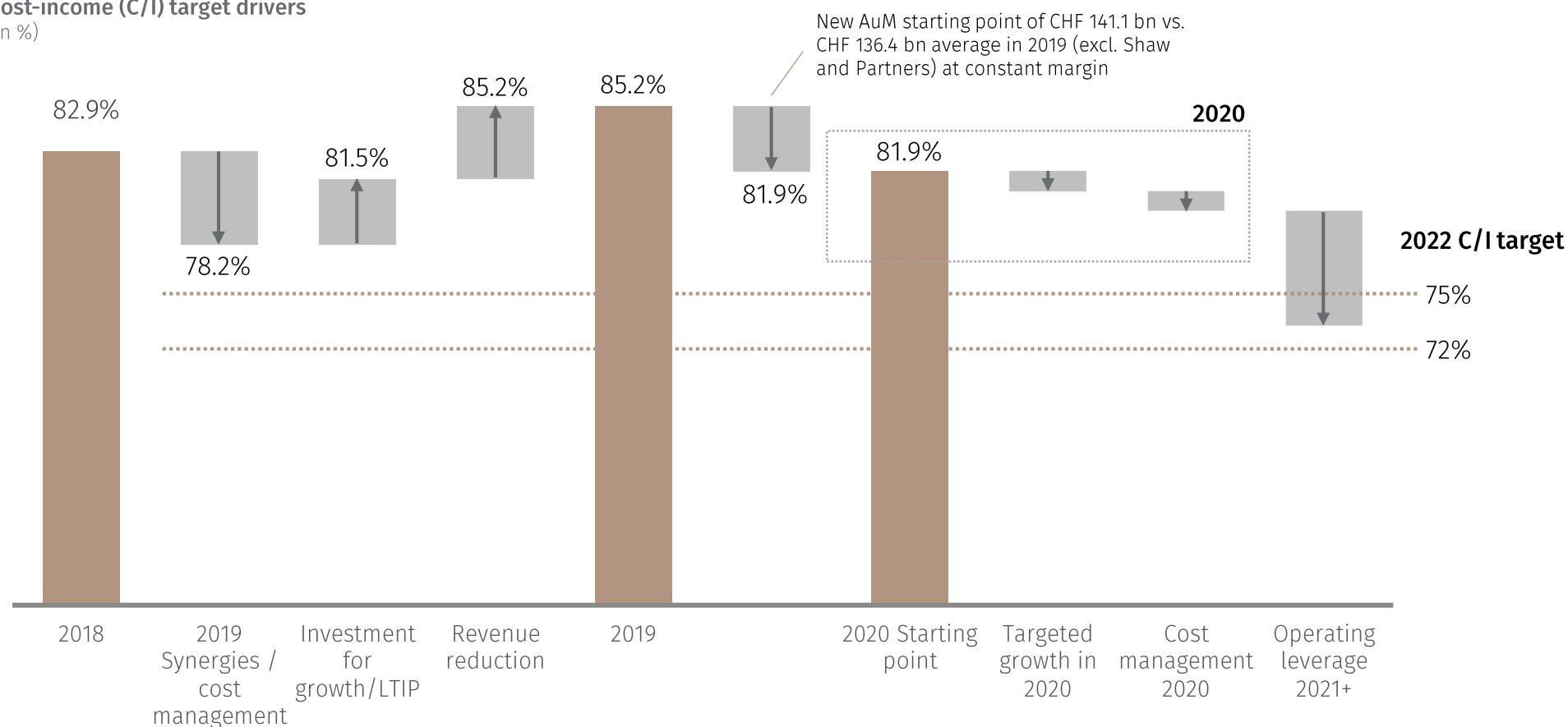
	Amount (in CHF m)	% of total
IT, OPs & premises	110 20 130	54%
Corporate structure	27 5 32	13%
Front office	21 5 26	11%
Corporate functions and other	28 4 32	13%
Booking centers and perimeter review	20	8%
Total cost synergies	185 55 240	100%

As presented on
08 December
2016

Evolution of cost-income ratio

Further improving efficiency by 2022

Cost-income (C/I) target drivers
(in %)



Profitable growth into perspective

Data points excl. Shaw and Partners

2018

Average AuM	CHF 139.5 bn
Revenue margin	84 bps

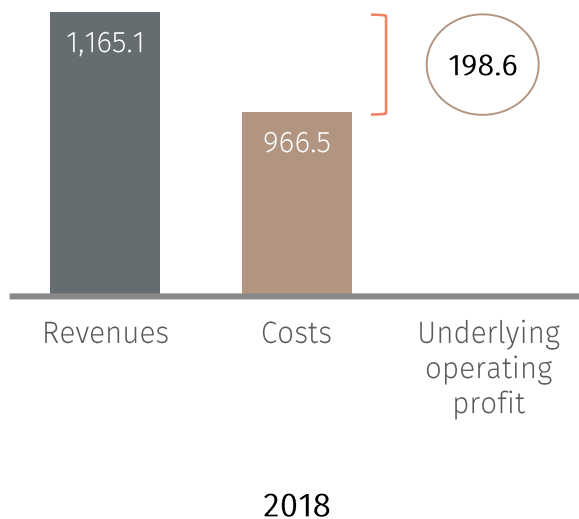
2019

Average AuM	CHF 136.4 bn
Revenue margin	82 bps

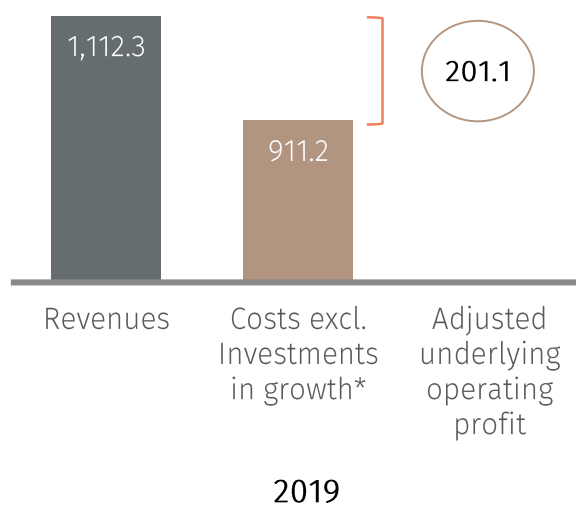
2020

Starting point AuM	CHF 141.1 bn
Revenue margin	Stabilising

(in CHF mn)



(in CHF mn)



* New hires and LTIP

- + Starting point of CHF 141.1 bn AuM plus expected impact from front-loaded investment for growth
- + Stabilising revenue margin + efforts to accelerate penetration of higher value services
- + Cost benefits from FTE reductions in late 2019
- + Continuing and expanding cost efficiency measures: rationalisation of operating footprint
- + Front-loaded investments in CROs - lower future gross hiring levels
- + Positive contribution to operating profit from Shaw and Partners
- Risk of margin compression
- Geopolitical risks

Executing the plan

As presented on
13 March 2019

		2019-2020	2021-2022
Management Control ↑ More ↓ Less	Cost management	Executing remaining synergies ✓	Operational efficiency
			Digital solutions
	Capital management	Investment for growth, e.g. CRO hiring ✓	
		Dividend payout ratio increase to 50% ✓	
		Shaw and Partners acquisition ¹ ✓	Managing excess capital: Acquisitions / buyback / extraordinary dividends
	Revenue generation	2019 AuM starting point affected by market movement in 2018, coupled with challenging market conditions	Challenging USD interest rates
		Switzerland stabilising ✓	Switzerland back to growth
		Accelerated CRO hiring, with time lag in revenue generation ✓	
		Increasing penetration of high-margin products ✓	
	Legacy issues	Life insurance P&L volatility ✓	Realise life insurance embedded value

¹ Acquisition of 51%
Full-year 2019 results presentation

Balance sheet

Strong and highly liquid Balance sheet

Total assets:

CHF 41.0 bn

Cash & banks	11.0					
Treasury bills	1.4					
Derivatives	0.8					
Financial instruments	7.8	→				
		<table><tr><td>Fair value through OCI</td><td>5.4</td></tr><tr><td>Financial assets at fair value through P&L</td><td>2.4</td></tr></table>	Fair value through OCI	5.4	Financial assets at fair value through P&L	2.4
Fair value through OCI	5.4					
Financial assets at fair value through P&L	2.4					
Loans	19.0	→				
		<table><tr><td>CHF 12.9 bn secured by financial assets</td></tr><tr><td>CHF 6.1 bn secured real estate financing</td></tr></table>	CHF 12.9 bn secured by financial assets	CHF 6.1 bn secured real estate financing		
CHF 12.9 bn secured by financial assets						
CHF 6.1 bn secured real estate financing						
Goodwill & intangibles	0.3					
Other	0.7					

Total liabilities & equity:

CHF 41.0 bn

Due to banks	0.4
Deposits	30.7
Derivatives	1.0
Other financial liabilities	5.9
Other	0.8
Subordinated loans	0.4
Total Equity	1.8

~50% of Balance sheet in liquid assets

- Loan-deposit ratio of 53%*
- Liquidity coverage ratio (LCR) of 182%

Life Insurance exposures

- Legacy positions
- Embedded value to be realised over time
- Short-term P&L volatility

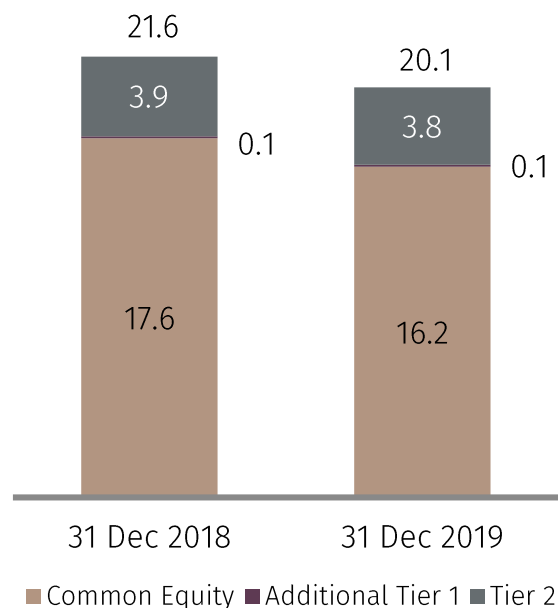
Please refer to slides 43/44 in the Appendix for additional information

** Including financial liabilities at amortised cost (structured products funding)*

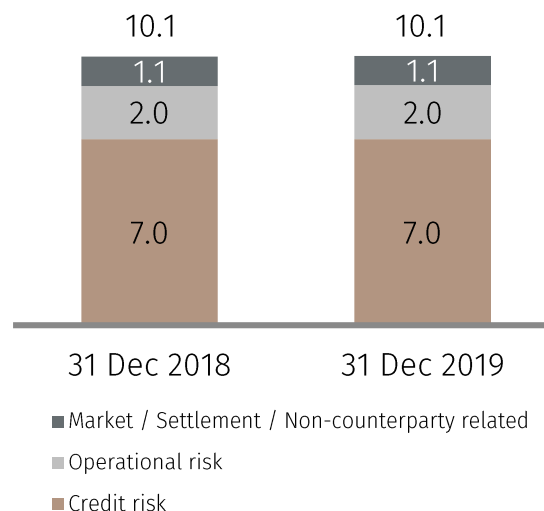
Capital position (I)

Strong capital position: CET1 ratio of 16.2%, Total capital ratio at 20.1%

Total Capital Ratios*
(in %)



Breakdown of RWAs*
(in CHF bn)



- Capital ratios include the full impact from the acquisition of Shaw and Partners (approx. 20 bps)
- Leverage ratio (FINMA) at 3.9%
- Approx. 5.1 mn shares repurchased in 2019 for a total amount of CHF 31.6 mn

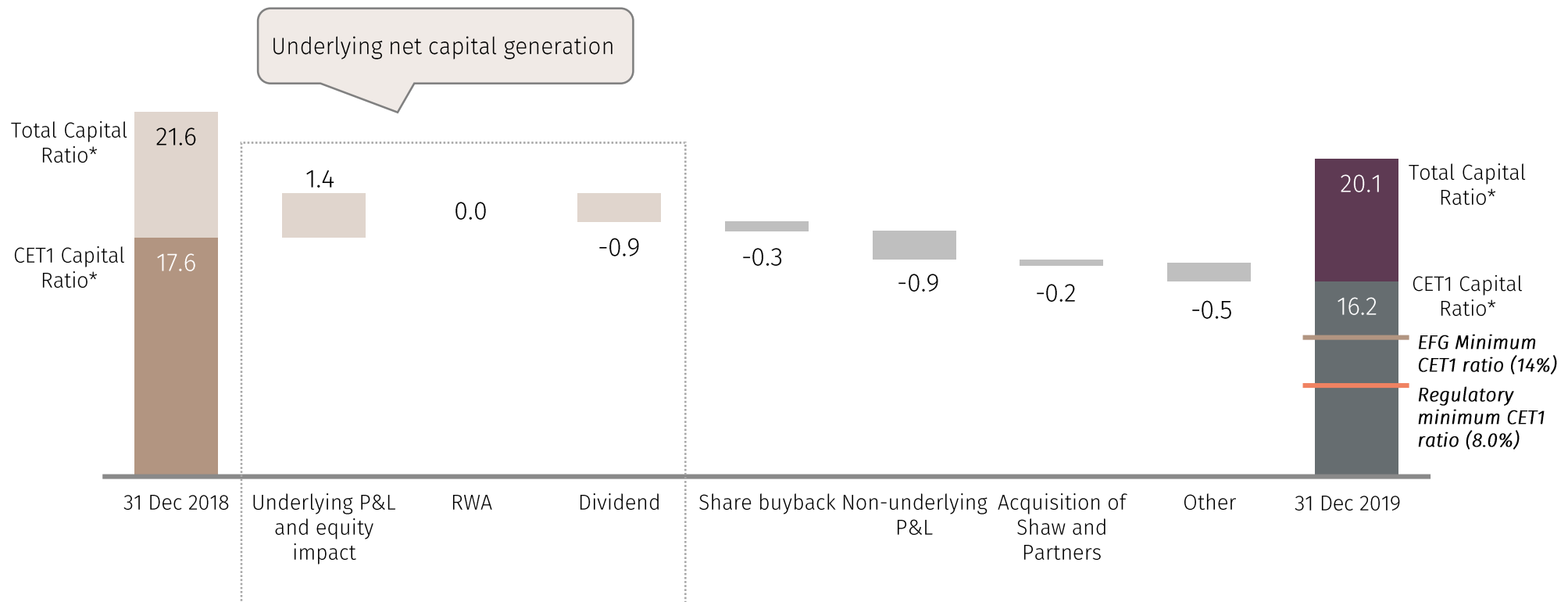
* Swiss GAAP fully applied

1H19 IFRS BIS-EU Basel III fully applied CET1 Capital ratio of 14.0% and Total Capital ratio of 18.2%

Capital position (II)

Substantial available CET1 capital allows for expansion

Evolution of CET1 Capital ratio*
(in %)



* Swiss GAAP fully applied

Strategic priorities & outlook

Giorgio Pradelli, Chief Executive Officer

Maintaining growth & profit momentum

Keep up growth momentum while further increasing profitability

Business initiatives

- Ensure growing contribution from new CROs and new strategic locations
- Further enhance productivity of existing CROs
- Leverage our client solutions platform to improve mandate penetration

Cost efficiency

- Rationalise booking centre footprint
 - Exit or reduce presence in locations with high cost/income ratio and low return on AuM
 - Optimise operational set-up of main 8 offshore locations
- Further execute cost efficiency measures

Strategic prerequisites

- Maintain strict Risk and Compliance standards and further optimise processes
- Focus on organic capital generation to support our dividend policy

2020 strategic priorities

Continue to execute our 2022 strategic plan

Maintain growth momentum

**Focus on strategic prerequisites:
Risk and Compliance standards**

Improve profitability via operational leverage



Appendix

Income statement (IFRS)

(in CHF million)	2018	2019
Net interest income	361.3	325.9
Net banking fee & commission income	564.6	593.0
Net other income	219.7	252.0
Operating income	1,145.6	1,170.9
Personnel expenses	(708.3)	(696.9)
Other operating expenses	(313.6)	(221.7)
Amortisation of tangible fixed assets & software	(32.4)	(68.3)
Amortisation of acquisition related intangibles	(10.0)	(11.4)
Total operating expenses	(1,064.3)	(998.3)
Operating profit	81.3	172.6
Provisions	15.8	(24.6)
Loss allowance expenses	(16.9)	(24.6)
Profit before tax	80.2	123.4
Income tax expense	(7.1)	(23.1)
Net profit	73.1	100.3
Non-controlling interests	(2.8)	(6.1)
Net profit attributable to equity holders of the Group	70.3	94.2
Dividend on Bons de Participation	(0.1)	(0.2)
Net profit attributable to ordinary shareholders	70.2	94.0

Income statement (IFRS)

(in CHF million)	1H18	2H18	1H19	2H19
Net interest income	177.7	183.6	169.3	156.6
Net banking fee & commission income	295.1	269.5	274.7	318.3
Net other income	97.6	122.1	111.8	140.2
Operating income	570.4	575.2	555.8	615.1
Personnel expenses	(355.4)	(352.9)	(357.8)	(339.1)
Other operating expenses	(155.9)	(157.7)	(125.5)	(96.2)
Amortisation of tangible fixed assets & software	(15.7)	(16.7)	(14.9)	(53.4)
Amortisation of acquisition related intangibles	(5.0)	(5.0)	(5.5)	(5.9)
Total operating expenses	(532.0)	(532.3)	(503.6)	(494.7)
Operating profit	38.4	42.9	52.2	120.4
Provisions	19.5	(3.7)	(9.6)	(15.0)
Loss allowance expenses	(9.9)	(7.0)	(0.6)	(24.0)
Profit before tax	48.0	32.2	42.0	81.4
Income tax expense	(0.4)	(6.7)	(9.3)	(13.8)
Net profit	47.6	25.5	32.7	67.6
Non-controlling interests	(1.2)	(1.6)	(1.2)	(4.9)
Net profit attributable to equity holders of the Group	46.4	23.9	31.5	62.7
Dividend on Bons de Participation	(0.1)	(0.1)	(0.1)	(0.1)
Net profit attributable to ordinary shareholders	46.3	23.8	31.4	62.6

Underlying income statement

(in CHF million)	2018	2019	2019 excl. Shaw and Partners
Net interest income	372.7	336.4	336.6
Net banking fee & commission income	564.6	593.0	562.9
Net other income	227.8	213.4	212.8
Operating income	1,165.1	1,142.8	1,112.3
Personnel expenses	(690.8)	(696.9)	(685.5)
Other operating expenses	(275.7)	(279.0)	(265.1)
Total operating expenses	(966.5)	(975.9)	(950.6)
Operating profit	198.6	166.9	161.7
Provisions	18.7	(18.4)	(18.4)
Loss allowance expenses	(14.1)	(8.7)	(8.7)
Profit before tax	203.2	139.8	134.6
Income tax expense	(8.6)	(25.0)	(22.6)
Net profit	194.6	114.8	112.0
Non-controlling interests	(2.8)	(6.1)	(3.8)
Underlying net profit	191.8	108.7	108.2

Note: Acquisition costs of Shaw and Partners of CHF 3 mn included as a Shaw and Partners cost item

Underlying income statement

(in CHF million)	1H18	2H18	1H19	2H19
Net interest income	183.5	189.2	174.7	161.7
Net banking fee & commission income	295.1	269.5	274.7	318.3
Net other income	126.0	101.8	126.5	86.9
Operating income	604.6	560.5	575.9	566.9
Personnel expenses	(348.1)	(342.7)	(357.8)	(339.1)
Other operating expenses	(134.5)	(141.1)	(134.2)	(144.8)
Total operating expenses	(482.6)	(483.8)	(492.0)	(483.9)
Operating profit	122.0	76.7	83.9	83.0
Provisions	19.5	(0.8)	(7.0)	(11.4)
Loss allowance expenses	(9.9)	(4.3)	9.9	(18.6)
Profit before tax	131.6	71.6	86.8	53.0
Income tax expense	(1.2)	(7.4)	(10.0)	(15.0)
Net profit	130.4	64.2	76.8	38.0
Non-controlling interests	(1.2)	(1.6)	(1.2)	(4.9)
Underlying net profit	129.2	62.6	75.6	33.1

Reconciliation of Underlying results to IFRS results 2019

(in CHF million)	Underlying results 2019	Life insurance	Acquisition related intangible amortisation	Exceptional legal costs and provisions	IFRS results 2019
Net interest income	336.4	(14.1)		3.6	325.9
Net banking fee & commission income	593.0				593.0
Net other income	213.4	38.6			252.0
Operating income	1,142.8	24.5		3.6	1,170.9
Personnel expenses	(696.9)				(696.9)
Other operating expenses	(279.0)	(4.5)	(9.3)	(8.6)	(301.4)
Operating expenses	(975.9)	(4.5)	(9.3)	(8.6)	(998.3)
Provisions	(18.4)	(6.2)			(24.6)
Loss allowance expense	(8.7)	(2.1)		(13.8)	(24.6)
Profit before tax	139.8	11.7		(18.8)	123.4
Income tax expense	(25.0)		1.9		(23.1)
Net profit	114.8	11.7	(7.4)	(18.8)	100.3
Non-controlling interests	(6.1)				(6.1)
Net profit attributable	108.7	11.7	(7.4)	(18.8)	94.2

Balance sheet (IFRS)

(in CHF million)	Dec 2018	Dec 2019
Cash and balances with central banks	7,142	8,384
Treasury bills and other eligible bills	1,199	1,375
Due from other banks	3,206	2,622
Derivative financial instruments	1,220	800.9
Financial asset at fair value through P&L	2,041	2,400
Financial asset at fair value through other comprehensive income	5,806	5,396
Loans and advances to customers	18,810	19,030
Property, plant and equipment	202	282
Intangible assets	201	259
Deferred income tax assets	118	94
Other assets	218	342
Total assets	40,161	40,985
Due to other banks	303	397.2
Due to customers	30,066	30,706
Derivative financial instruments	1,214	951
Financial liabilities at fair value	584	552
Financial liabilities at amortised cost	5,205	5,313
Current income tax liabilities	13	20
Deferred income tax liabilities	20	25
Provisions	136	144
Other liabilities	569	706
Subordinated loans	397	390
Total liabilities	38,504	39,204
Share capital	145	146
Share premium	1,877	1,859
Other reserves	206	286
Retained earnings	(601)	(564)
Non controlling interests	28	54
Total equity	1,656	1,781
Total equity and liabilities	40,161	40,985
CET1 ratio (Swiss GAAP fully applied)	17.6%	16.2%
Total Capital ratio (Swiss GAAP fully applied)	21.6%	20.1%
Leverage ratio (FINMA)	4.4%	3.9%

Breakdown of AuM

By category	31.12.18	31.12.19	31.12.19 (in CHF bn)
Cash & deposits	25%	23%	34.8
Bonds	25%	23%	35.3
Equities	21%	30%	45.8
Structured products	3%	3%	4.7
Loans	14%	13%	19.8
Hedge funds	3%	2%	2.9
Other	10%	6%	10.6
Total	100%	100%	153.8

By currency	31.12.18	31.12.19	31.12.19 (in CHF bn)
USD	44%	42%	64.0
EUR	29%	27%	41.0
GBP	11%	10%	15.1
AUD	1%	8%	12.7
CHF	8%	6%	9.7
Other	7%	7%	11.4
Total	100%	100%	153.8

Segmental analysis 2019

Performance summary (in CHF m)	Switzerland, & Italy	Continental Europe	Americas	UK	Asia Pacific	Investment Solutions	Global Markets & Treasury	Corporate Overheads	Eliminations	Total
Segment revenues	299.2	196.6	108.4	146.3	146.3	109.9	133.6	30.6	-	1,170.9
Segment expenses	(271.6)	(174.8)	(106.2)	(126.3)	(137.8)	(93.3)	(41.6)	(35.3)	-	(986.9)
Pre-provision profit	27.6	21.8	2.2	20.0	8.5	16.6	92.0	(4.7)	-	184.0
IFRS net profit	29.4	16.4	2.2	13.8	9.1	16.5	91.9	(79.0)	-	100.3
AuMs (in CHF bn)	44.5	33.5	15.7	21.1	31.5	39.7	-	0.2	(32.4)	153.8
NNA (in CHF bn)	1.0	1.5	(0.2)	1.7	0.9	0.3	-	(0.1)	-	5.2
CROs	195	180	70	73	290	7	-	-	-	815
Employees (FTEs)	371	403	149	206	308	265	90	1,359	-	3,151

Segmental analysis 2018

Performance summary (in CHF m)	Switzerland, & Italy	Continental Europe	Americas	UK	Asia Pacific	Investment Solutions	Global Markets & Treasury	Corporate Overheads	Eliminations	Total
Segment revenues	310.5	198.9	121.2	147.7	141.6	99.3	135.4	(9.0)	-	1,145.6
Segment expenses	(278.1)	(183.7)	(110.3)	(124.9)	(116.6)	(98.9)	(46.1)	(95.0)	-	(1,053.6)
Pre-provision profit	32.4	15.2	10.9	22.8	25.0	0.4	89.3	(104.0)	-	92.0
IFRS net profit	33.0	10.3	11.8	20.4	20.2	(1.1)	89.3	(110.8)	-	73.1
AuMs (in CHF bn)	41.1	30.9	15.2	18.8	18.4	34.7	-	0.4	(28.2)	131.2
NNA (in CHF bn)	(4.4)	1.0	0.4	0.6	(1.1)	1.3	-	0.1	-	(2.1)
CROs	187	148	76	72	99	8	-	-	-	590
Employees (FTEs)	405	365	169	196	206	272	93	1,447	-	3,153

Update on Life Insurance Exposures

Life Insurance related portfolios

- Legacy exposures acquired more than 10 years ago
- Lombard loan portfolio (LFS) was restructured in December to a direct exposure – economic exposure remained unchanged. 138 insured (death benefit: USD 526 mn) transferred from indirect to direct exposure.
- Outright portfolio carried at fair value (marked-to-model, Level 3) for IFRS accounts – small size of portfolio introduces substantial P&L volatility. For regulatory capital purposes (Swiss GAAP), this portfolio is carried as a Held-to-Maturity portfolio; the carrying value remains fully recoverable under Swiss GAAP.
- Synthetic portfolio carried at fair value for IFRS accounts and under Swiss GAAP. Limited P&L volatility through hedging

Longevity risk

- Significant risk in the portfolios due to the impact of longevity (premium payment increasing with age)
- Assumptions are derived by external life settlement underwriters based on the specific medical history
- Regular in-depth reviews of the accuracy as well as developments due to general and individual trends are assessed and incorporated if material

Premium / Cost of Insurance risk

- Legal cases against AXA, Transamerica, Lincoln and John Hancock filed with strong legal basis. All claims are proceeding as anticipated by EFG.
- Based on the current status, EFG remains in a strong position for prevailing in its claims

Year	Outright portfolio	
	Death benefits received (USD mn)	Net Cashflow (USD mn)
2011	14.6	(58.2)
2012	73.0	17.8
2013	91.7	22.4
2014	93.2	21.9
2015	52.3	(22.6)
2016	83.6	(5.5)
2017	57.4	(41.9)
2018	117.2	8.8
2019	157.3	38.2

Update on Life Insurance Exposures (II)

Outright portfolio	Direct holding of life insurance policies for 255 insureds (2018: 145) of an average age of 91.2 years. Portfolio size increased due to reclassification of lombard loan portfolio (LFS)	▪ Death benefit: CHF 1,771.6 mn ▪ Carrying value: CHF 804.3 mn ▪ 2019 premium: CHF 158.8 mn* ▪ Life expectancy: 4.5 years	▪ Non-underlying ▪ P&L impact: CHF 11.7 mn
Synthetic portfolio	Direct holding of life insurance policies + hedge instruments mitigating most of the risks, for 85 insureds of an average age of 88.6 years. Hedges restructured at the end of 2017	▪ Net death benefit: CHF 74.3 mn ▪ Net carrying value: CHF 20.3 mn ▪ 2019 net premium: CHF 3.6 mn ▪ Life expectancy: 6.6 years	▪ Non-underlying ▪ P&L impact: CHF 2.1 mn
Lombard loan portfolio (LFS)	LFS loans were restructured (December 2019) and related life settlement portfolios incorporated into direct exposure		▪ Non-underlying ▪ P&L impact: CHF (2.1) mn

* CHF 158.8 mn includes the reclassified lombard loan portfolio (LFS); CHF 115.1 mn actual premiums paid in 2019

Contacts

Investors

Investor Relations

Jens Brueckner
Head of Investor Relations

Phone +41 44 226 1799
jens.brueckner@efginternational.com

EFG International AG

Bleicherweg 8
8001 Zurich
Switzerland

Phone +41 44 212 73 77
Fax +41 44 226 18 55

efginternational.com
Reuters: EFGN.S
Bloomberg: EFGN SW

Media

Marketing & Communications

Daniela Haesler
Head of Marketing & Communications

Phone +41 44 226 1804
daniela.haesler@efginternational.com