

Half-year 2020 results presentation

22 July 2020
Zurich



Important Legal Disclaimer

This document has been prepared by EFG International AG (“EFG”) solely for use by you for general information only and does not contain and is not to be taken as containing any securities advice, recommendation, offer or invitation to subscribe for, purchase or redeem any securities regarding EFG.

This presentation contains specific forward-looking statements that include terms like “believe”, “assume”, “expect”, “target” or similar expressions. Such forward-looking statements represent EFG’s judgments and expectations and are subject to known and unknown risks, uncertainties and other factors that may result in a substantial divergence between the actual results, the financial situation, and/or the development or performance of the company and those explicitly or implicitly presumed in these statements. These factors include, but are not limited to: (1) the ability to successfully realize the synergies expected from the integration of BSI SA (“BSI”), (2) general market, macroeconomic, governmental and regulatory trends, (3) movements in securities markets, exchange rates and interest rates, (4) competitive pressures, and (5) other risks and uncertainties inherent in the business of EFG and its subsidiaries, including BSI group legacy risks. EFG is not under any obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law or regulation.

Nothing contained herein is, or shall be relied on as, a promise or representation concerning the future performance of EFG and its subsidiaries. EFG may not realize the full benefits of the integration of BSI, including the expected synergies, cost savings or growth opportunities within the anticipated time frame or at all.

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”, “underlying net profit”, “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 Half-Year Report 2020 available at <https://www.efginternational.com/About-EFG/Investor-relations/Financial-reports.html>.

Key highlights

Giorgio Pradelli, Chief Executive Officer

Executing growth strategy amid coronavirus pandemic

Solid and resilient business



- Uninterrupted, high-quality private banking service leveraging new digital capabilities
- Solid capital position with ample liquidity, reflecting EFG's conservative balance sheet management
- Highly secured loan book

Maintained growth momentum



- Continued to grow business with 5.5% NNA increase
- Investments in growth initiatives materialising, with balanced NNA contribution from existing and new CROs and new locations
- Testimony to EFG's distinctive business model, focusing on client centricity
- 28 new CROs hired, signed or approved

Robust financial performance



- Increased IFRS net profit year on year by 10.5% amid coronavirus pandemic
- Underlying profitability impacted by one-off items and pressure on margins
- Underlying operating expenses down 5% on a like-for-like basis*
- Executing footprint rationalisation, focusing on core businesses: Sale of France and Chile operations; exit and transfer of Guernsey business; increase of stake in Shaw and Partners to 61%

* Excluding expenses in both periods relating to Shaw and Partners and investments in new locations (Milan, Lisbon and Dubai)

Financial performance

Dimitris Politis, Chief Financial Officer

Presentation of financial performance

Changes from previous reporting periods:

- 1H 2020 financial results include Shaw and Partners, which has been consolidated as of 30 April 2019
- The reconciliation of underlying net profit to IFRS results is included on slide 32: The only items excluded from underlying performance are the “*contribution of the life insurance portfolios*”, the “*legacy legal costs and provisions*” and the “*acquisition-related intangible amortisation*”

1H 2020 financial results in perspective

Executing the 2022 strategic plan

Business development	▪ Strong NNA of CHF 4.2 bn, annualised growth of 5.5%, at the top end of target range ▪ AuM down 3.9% to CHF 147.8 bn, reflecting negative market and foreign exchange movements ▪ Strong contribution from Continental Europe & Middle East, Latin America and UK regions, with growth rates exceeding the target range. Switzerland & Italy region just below the target range limit ▪ 28 CROs hired, signed or approved
Profitability	▪ IFRS operating profit of CHF 66.5 mn, up 27% vs. CHF 52.2 mn in 1H19 ▪ IFRS net profit of CHF 34.8 mn, up 10% vs. CHF 31.5 mn in 1H19 ▪ Underlying net profit decreased to CHF 37.7 mn year-on-year, due to a one-off CHF 9.9 million provision relating to the settlement with Italian tax authorities*, while H1 2019 benefitted from one-off gains and releases in expected credit losses
Cost evolution	▪ IFRS operating expenses down 5% on a like-for-like basis (excl. investments in new locations) ▪ Consistent reduction in general and administrative costs, down 8% year-on-year
Legacy issues	▪ Positive impact from life insurance of CHF 5.3 mn in 1H20
Capital position	▪ CET1 ratio at 15.3%, Total capital ratio at 19.1% ▪ Underlying capital generation of 60 bps

Financials summary

	1H20	2H19	1H19
Revenue-generating AuM, CHF bn	147.8	153.8	147.6
Net new assets, CHF bn	4.2	4.9	0.3
Net new asset growth (annualised)	5.5%	6.6%	0.5%
Operating income, CHF mn	563.7	615.1	555.8
Operating expense, CHF mn	497.2	494.7	503.6
Operating profit, CHF mn	66.5	120.4	52.2
IFRS net profit, CHF mn	34.8	62.7	31.5
Underlying operating income, CHF mn / excl. Shaw and Partners	554.8 / 535.0	566.9 / 542.5	575.9 / 569.8
Underlying operating expense, CHF mn / excl. Shaw and Partners	485.2 / 468.6	483.9 / 464.8	492.0 / 485.8
Underlying operating profit, CHF mn	69.6	83.0	83.9
Underlying net profit, CHF mn	37.7	33.1	75.6
Underlying revenue margin, in bps / excl. Shaw and Partners	76 / 79	76 / 80	83 / 84
Underlying cost-income ratio	87.3%	85.2%	85.2%
Return on shareholders' equity	4.6%	4.1%	9.2%
Return on tangible equity	5.4%	4.8%	10.8%
CROs / CROs excl. Shaw and Partners	791 / 601	815 / 629	737 / 587
Total FTEs* / Total FTEs* excl. Shaw and Partners	3,127 / 3,034	3,151 / 3,041	3,195 / 3,095
Total capital ratio**	19.1%	20.1%	21.0%
CET 1 capital ratio**	15.3%	16.2%	17.0%

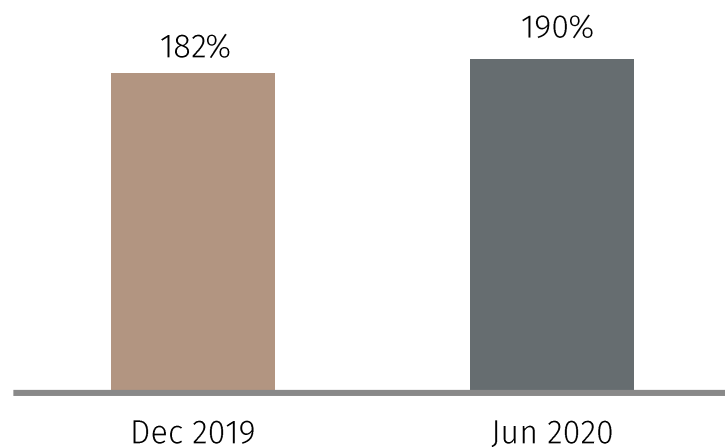
* Excl. FTEs on notice period or in social plan

** Swiss GAAP Basel III, fully applied

Strong and highly liquid Balance Sheet

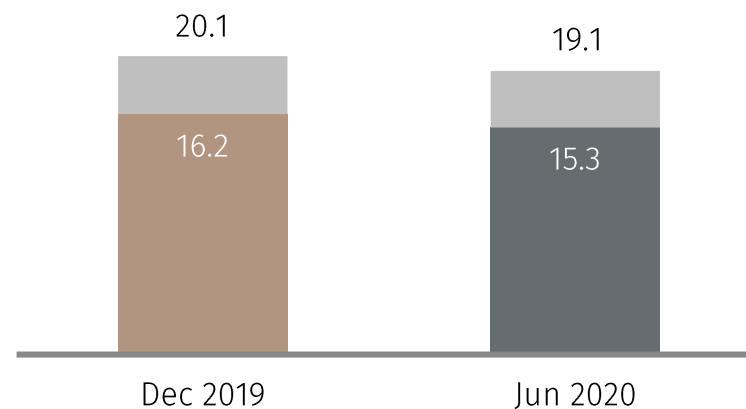
Highly liquid Balance Sheet

Liquidity coverage ratio (LCR)
(in %)



Strong capital position

CET1 capital ratio / Total capital ratio*
(in %)

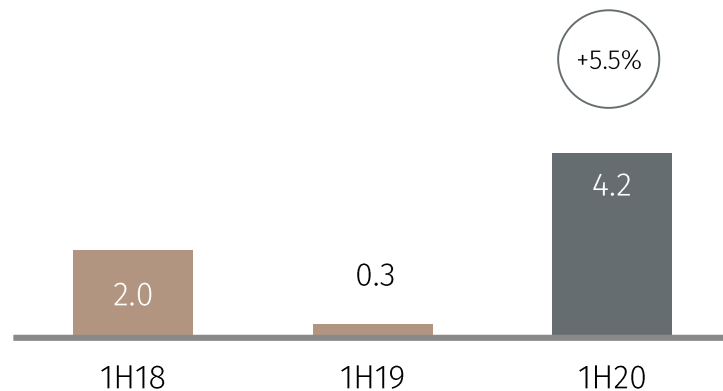


* Swiss GAAP fully applied

Growing the business and improving profitability

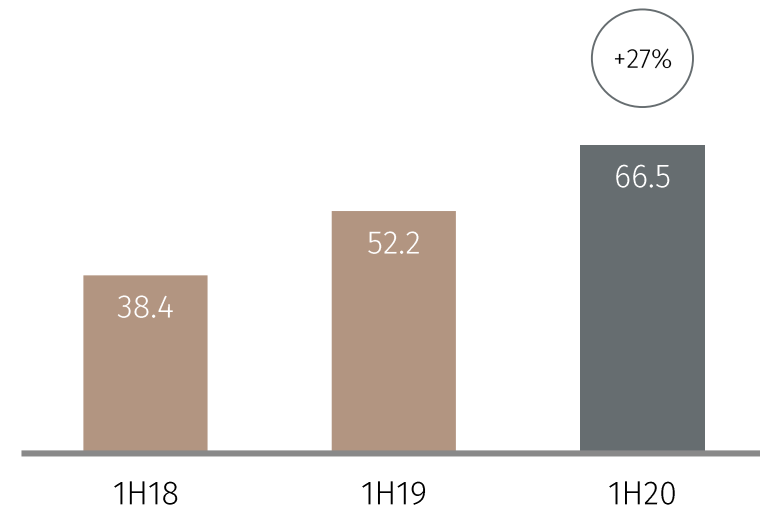
NNA growth at the top of 4-6% target range

NNA evolution
(in CHF bn)



Positive IFRS operating profit development

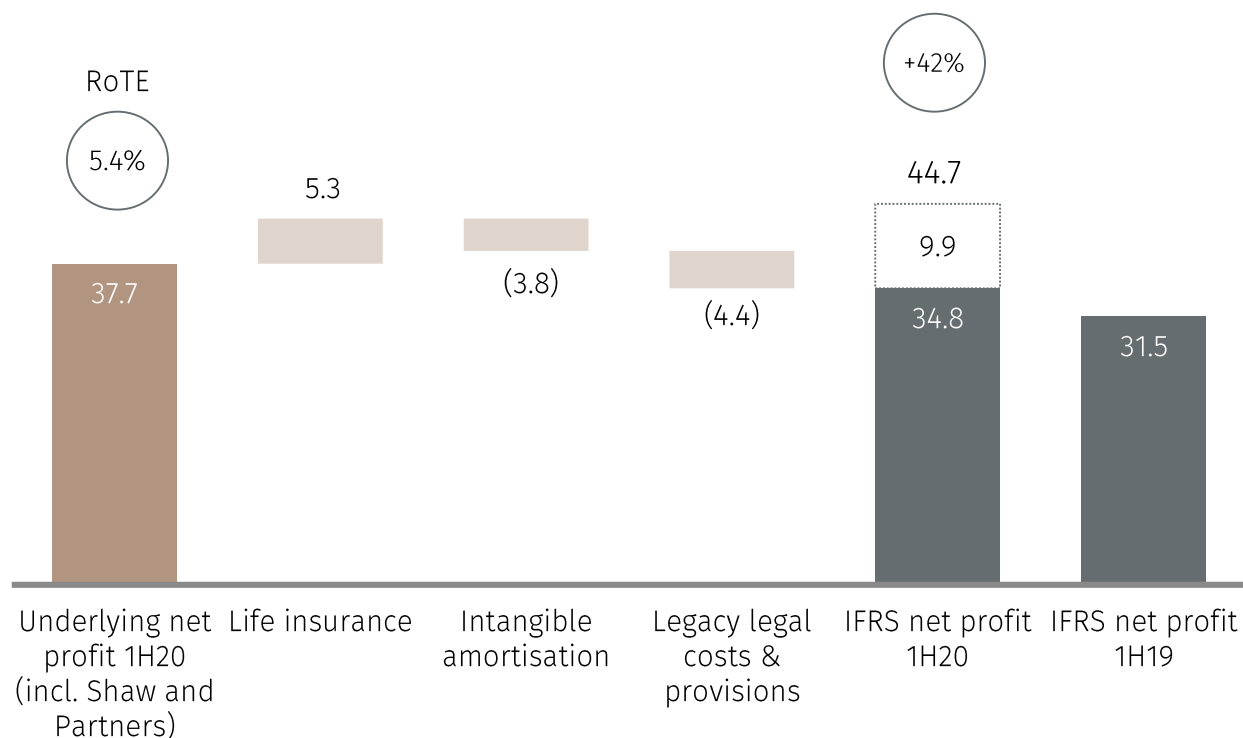
Evolution of operating profit (pre-tax)
(in CHF mn)



IFRS net profit up 10% year-on-year

Underlying profitability vs. IFRS net profit

Reconciliation of underlying net profit
(in CHF mn)



Adjusted for provision for Italian tax matter

- Increased IFRS net profit by 10% year-on-year, or 42% adjusting for the provision for the Italian tax matter
- Life insurance portfolio with a positive contribution of CHF 5.3 mn, vs. CHF 27.7 mn loss in 1H 2019
- Taiwanese insurance company legacy case: court hearings scheduled in the second half of the year in multiple jurisdictions

1H20 annualised NNA growth rate of 5.5%

AuM stabilised following industry-wide decline at beginning of year

Revenue-generating AuM evolution
(in CHF bn)

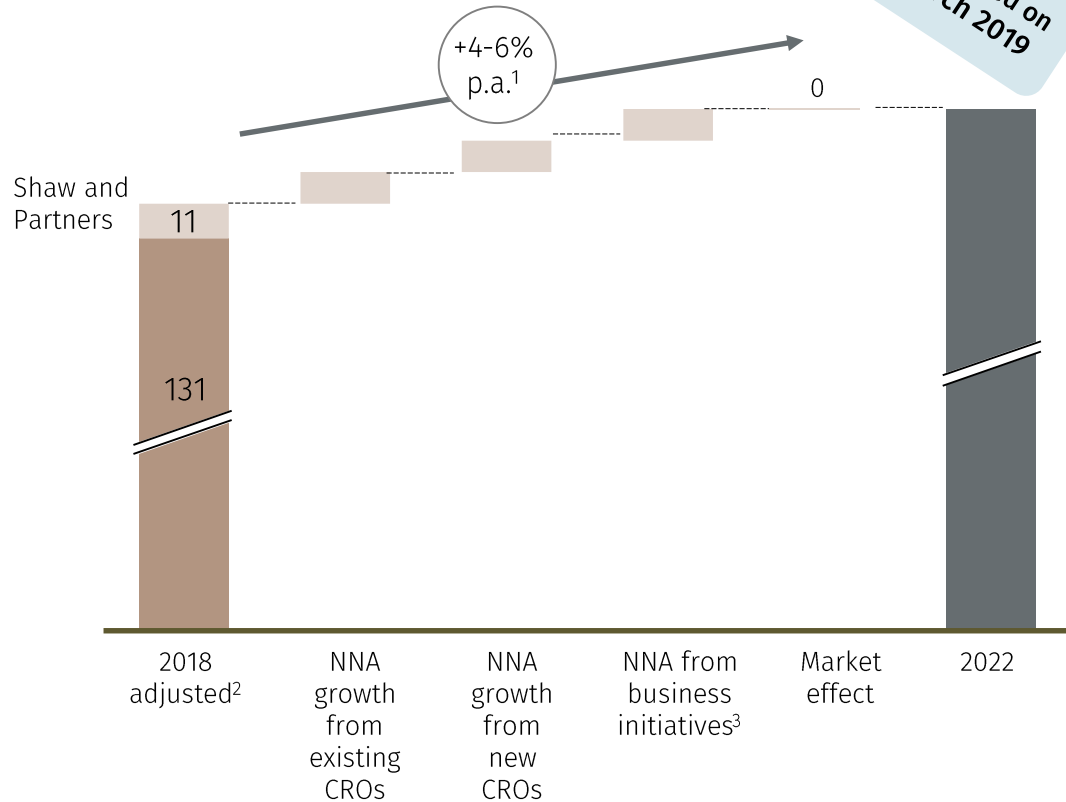


* Including reclassifications

Balanced NNA growth

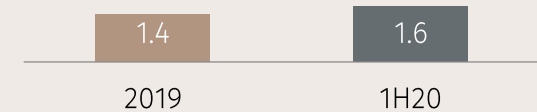
Investor update growth targets

(in CHF bn)



Update on evolution of NNA drivers

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

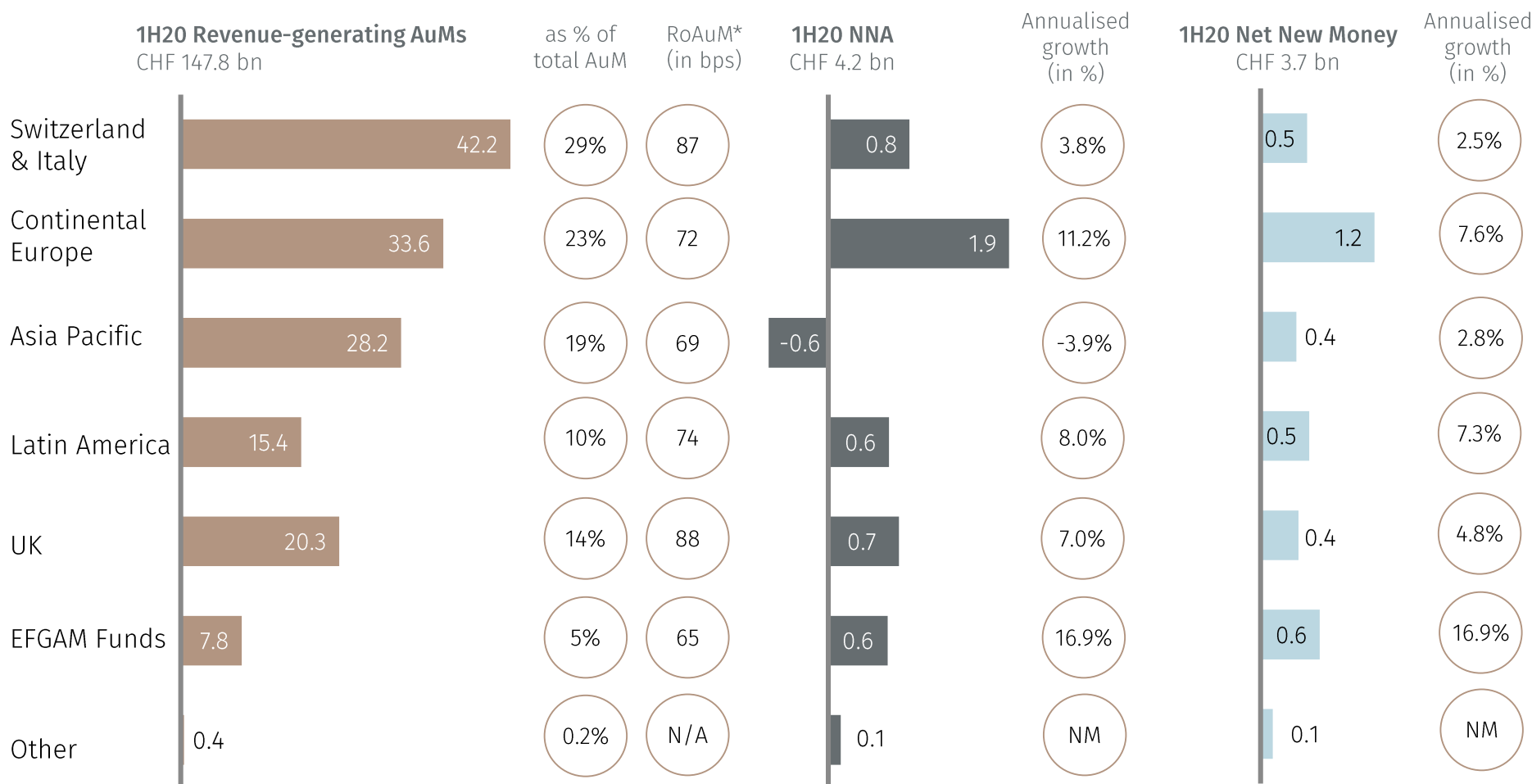
2 Adjusted to include Shaw and Partners and EFG as of 31 December 2018

3 Hired in the last 24 months rolling

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

Business development by region

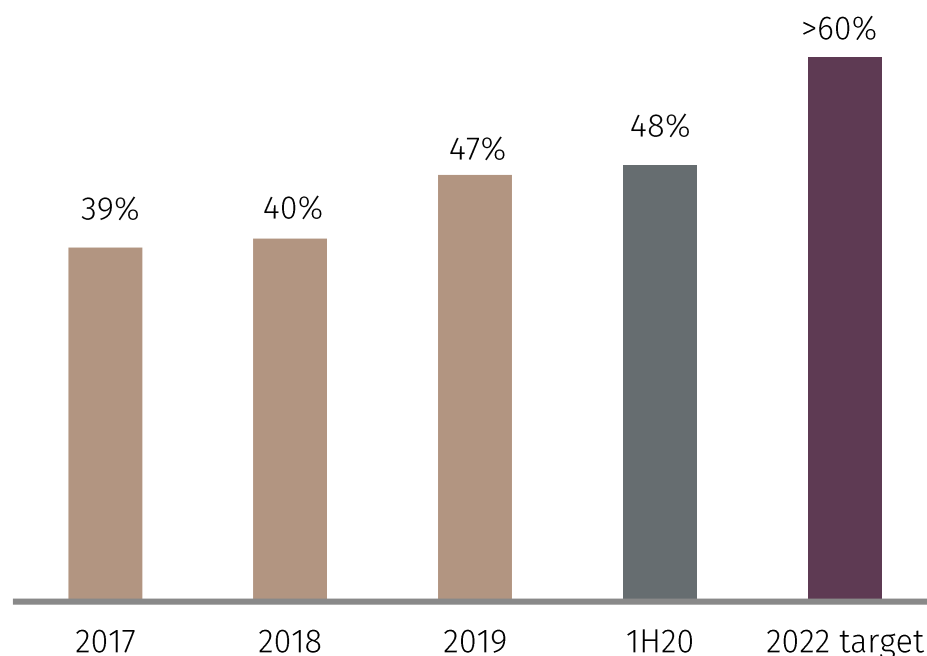
Continental Europe, UK and Latin America all recorded NNA growth above target range



*Including Global Markets & Treasury contribution

Continued positive trend in mandate penetration

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

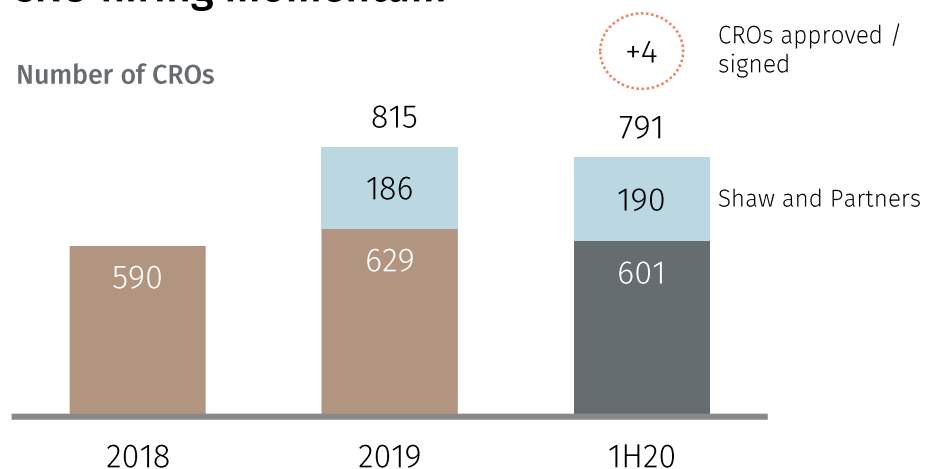


- Increasing penetration of advisory, discretionary mandates and funds driven by:
 - Solid performance of discretionary offering
 - Increased utilisation of digital Investment Advisory Tool across the organisation
- Recent developments:
 - Further roll-out of Investment Advisory Tool to Americas during 2Q20, Asia during 2H20
 - Further expansion of funds offering to complement existing strategies
- ESG criteria are increasingly taken into consideration in overall investment process

CRO performance

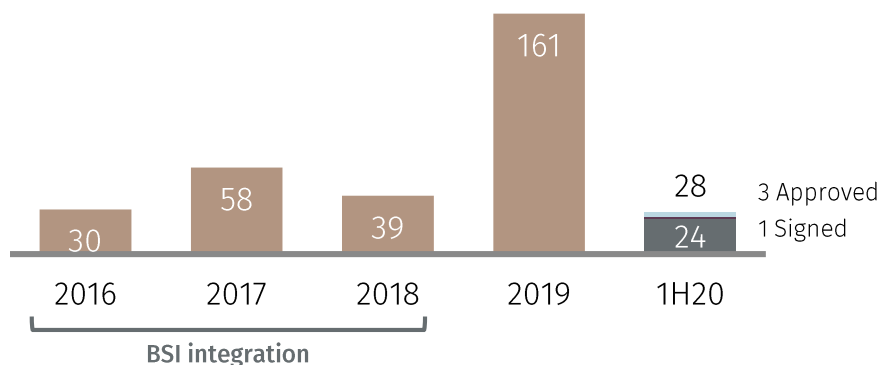
CRO hiring momentum

Number of CROs

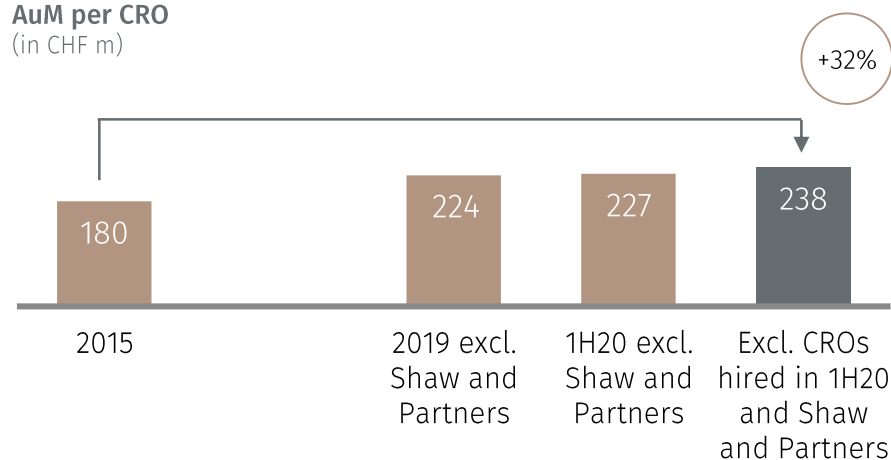


- CRO hiring activity: YTD 28 CROs have been hired, signed or approved
- Ongoing performance management efforts:
 - Continuous assessment of CROs
 - Release of new hires who do not meet EFG performance standards
 - CROs hired in 2019 have in aggregate achieved positive net contribution

Number of new CROs



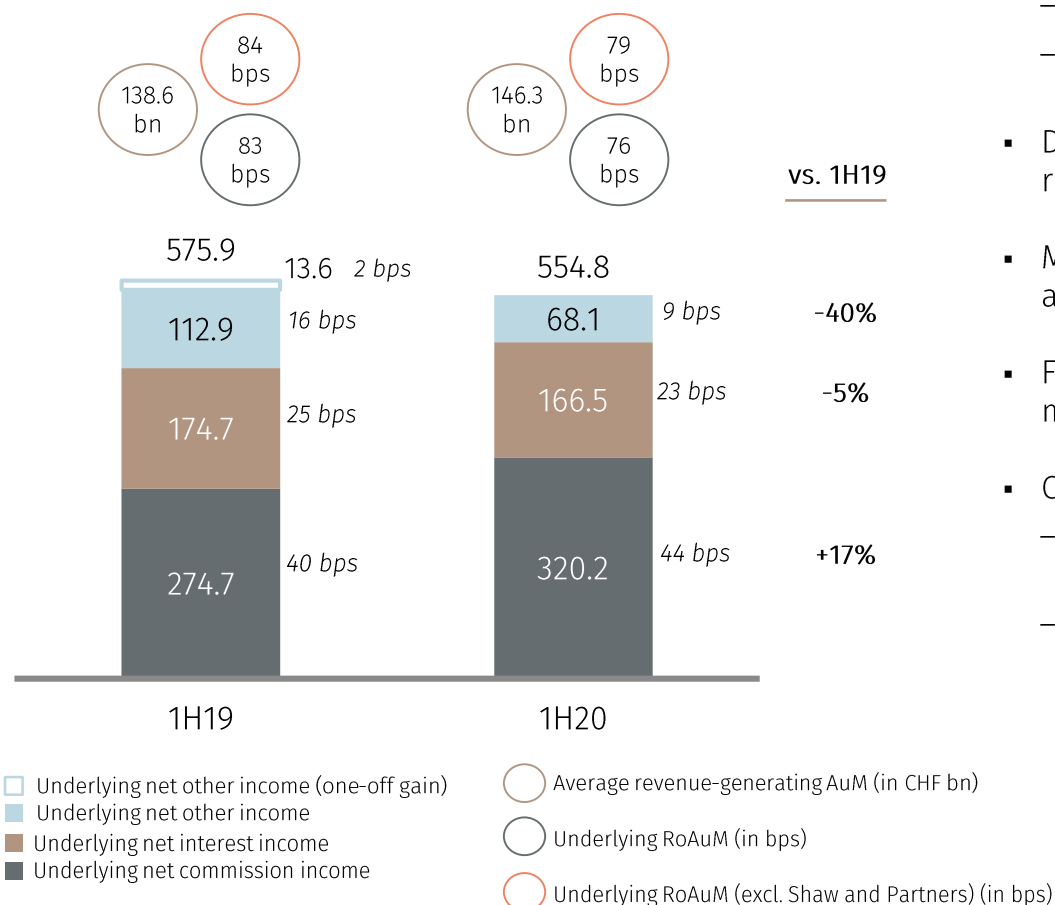
AuM per CRO
(in CHF m)



Improving quality of revenues

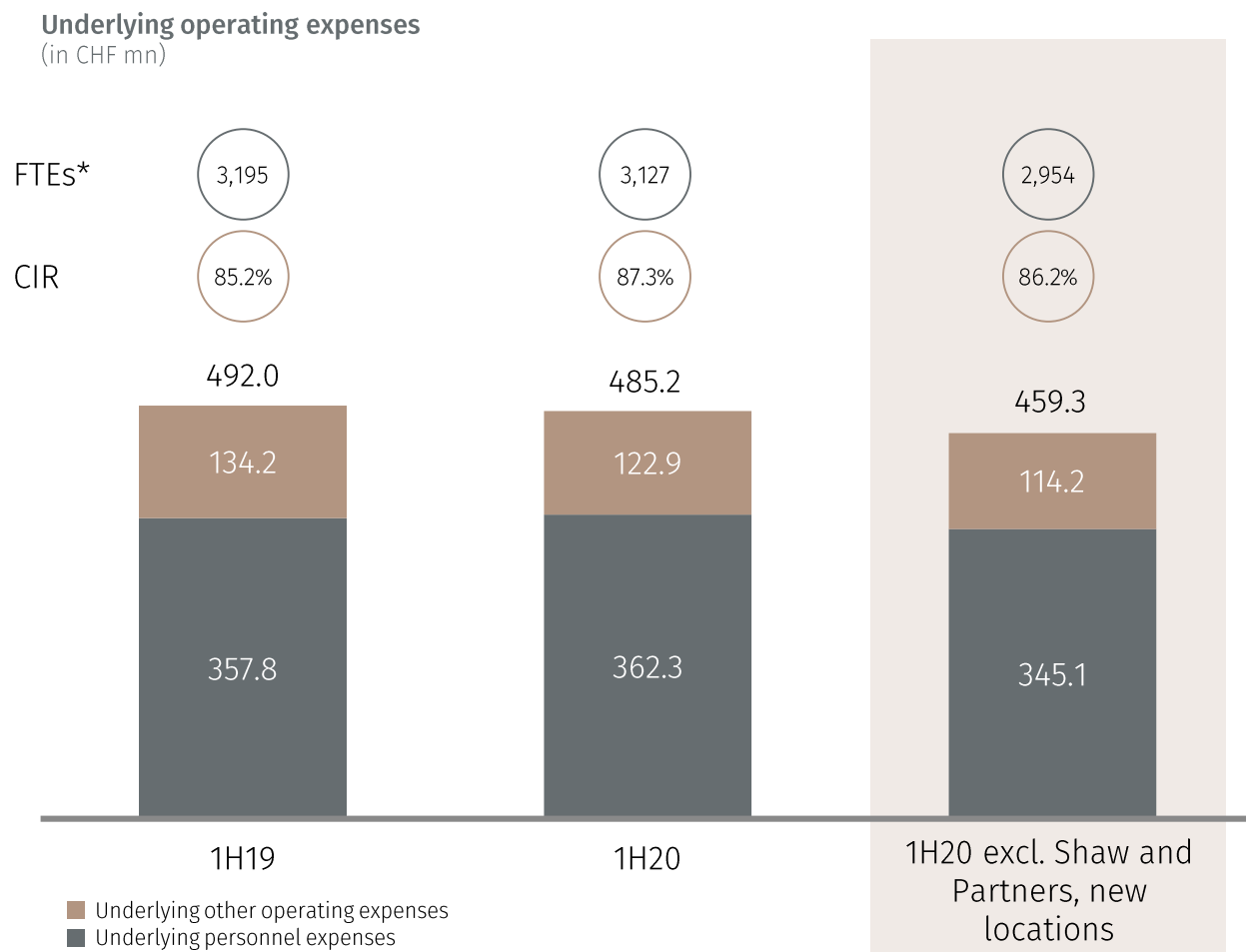
Underlying operating income of CHF 554.8 mn

Underlying operating income
(in CHF mn)



- Solid increase in commission margin
 - Increasing penetration level of high-value services
 - Strong client trading activity throughout 1H20
 - Repricing actions yielding results already in 1H20
- Drop in combined NII and NOI due to decline in reference interest rates (mostly USD, GBP)
- Muted performance from Global Markets, from negative asset revaluations
- Footprint optimisation actions will improve revenue margin
- Comparability information
 - The inclusion of Shaw and Partners reduces revenue margin by 3 bps for 1H20
 - Underlying RoAuM (excl. loans and Shaw and Partners at 92 bps)

Consistent and continued cost reduction efforts



- On a like-for-like basis, underlying operating expenses decreased by 5% year-on-year and by approx. 30% since the acquisition of BSI
- Consistent reduction in general and administrative costs: 8% year-on-year
- Rationalisation of international footprint:
 - Sale of operations in Chile and France
 - Exit and transfer of Guernsey business to other EFG booking centres

Balance sheet

Strong and highly liquid Balance sheet

Total assets:

CHF 42.3 bn

Cash & banks	11.7	
Treasury bills	1.1	
Derivatives	1.3	
Financial instruments	8.5	Fair value through OCI 6.2 Financial assets at fair value through P&L 2.3
Loans	18.7	CHF 12.8 bn secured by financial assets CHF 5.9 bn secured real estate financing
Goodwill & intangibles	0.3	
Other	0.7	

Total liabilities & equity:

CHF 42.3 bn

Due to banks	0.6
Deposits	32.0
Derivatives	1.5
Other financial liabilities	5.3
Other	0.8
Subordinated loans	0.4
Total Equity	1.7

~50% of Balance sheet in liquid assets

- Loan-deposit ratio of 51%*
- Liquidity coverage ratio (LCR) of 190%
- CHF 1.3 bn deposit increase in 1H 2020
- Loans decreased by CHF 0.3 bn due to currency revaluation

Quality loan book

- Almost fully secured
- Marginal ECL increase despite market correction

Life Insurance exposures

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

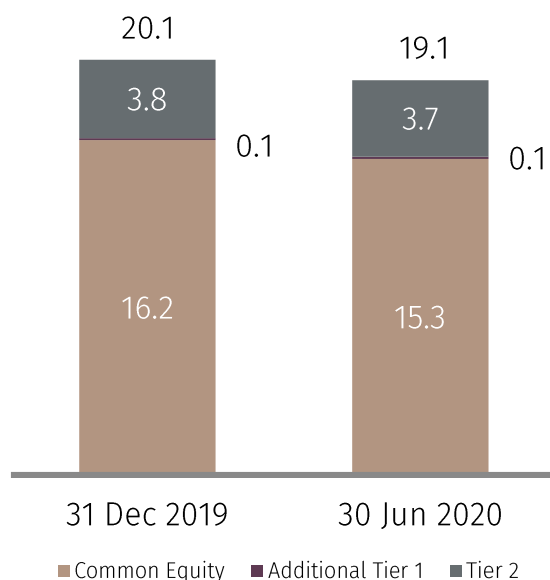
Please refer to slides 38/39 in the Appendix for additional information

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

Capital position (I)

Continued strong capital position despite challenging market environment

Total Capital Ratios*
(in %)



Breakdown of RWAs*
(in CHF bn)



- Leverage ratio (FINMA) at 4.3%**
- New regulations (SA-CCR) have led to a CHF 400 mn increase in RWAs
- Approx. 0.6 mn shares repurchased in 1H20 for a total amount of CHF 3.5 mn; program concluded
- Capital ratios incorporate an accrual for the payment of the second tranche of the 2020 dividend and a steady accrual for the 2021 dividend

* Swiss GAAP fully applied

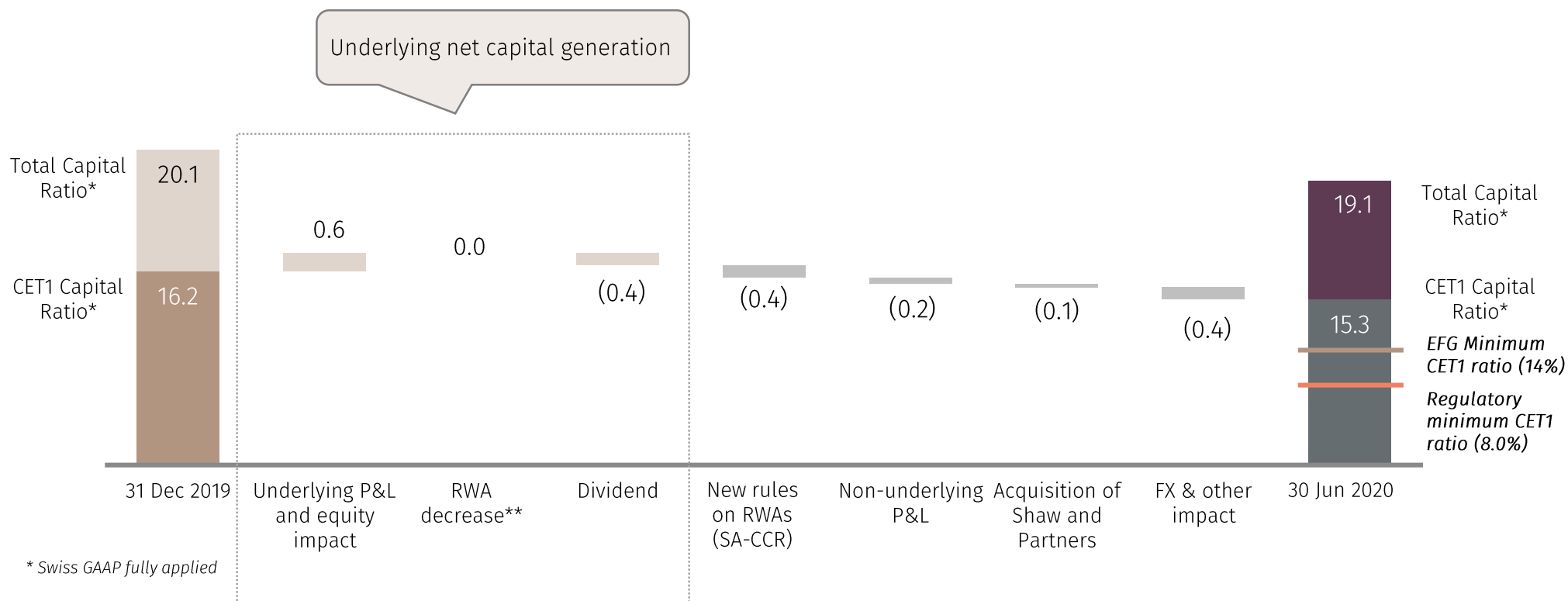
** After relief measures per FINMA regulation

1H20 IFRS BIS-EU Basel III fully applied CET1 Capital ratio of 12.6% and Total Capital ratio of 16.5%

Capital position (II)

Substantial available CET1 capital allows for expansion

Evolution of CET1 Capital ratio*
(in %)



As presented on
13 March 2019

Executing the plan

		2019-2020	2021-2022
Management Control	More ↑	Cost management	Operational efficiency Digital solutions
		Investment for growth, e.g. CRO hiring	
	Capital management	Dividend payout ratio increase to 50%	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 - Lower-than-expected nominal AuM base - Strong Swiss franc
Less ↓	Legacy issues	Life insurance P&L volatility	Realise life insurance embedded value

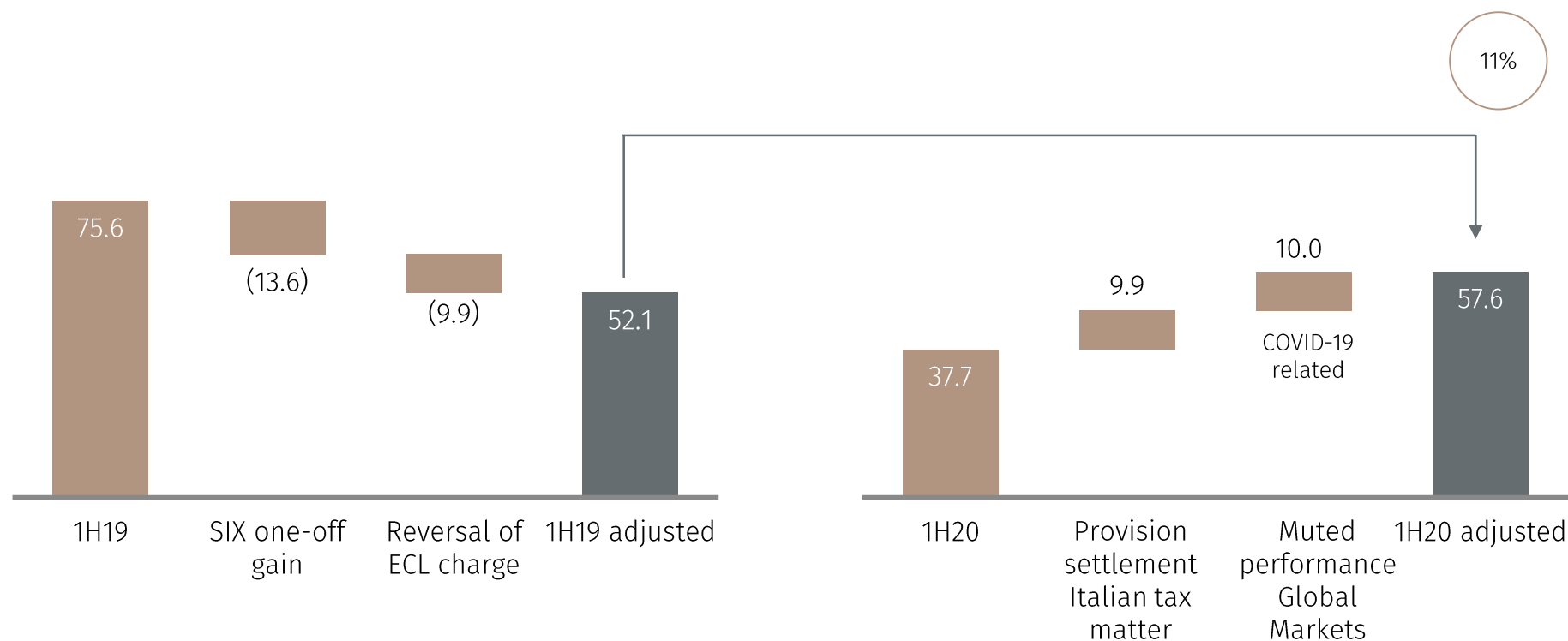
Repricing actions

¹ Acquisition of 51%

Evolution of underlying profitability

Illustration of underlying net profit evolution excluding material one-off items

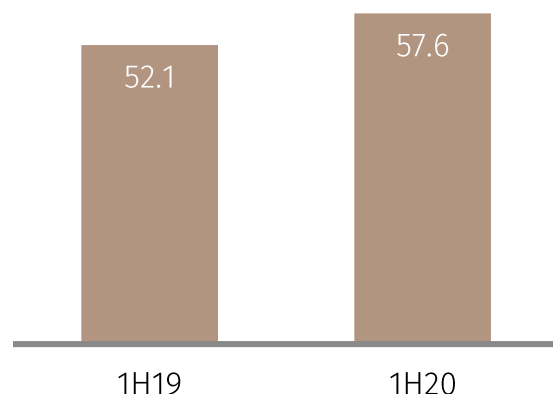
Evolution of underlying net profit
(in CHF mn)



The way forward in 2020

Executing the 2020 strategic plan

Underlying profitability (after tax)
(CHF mn)



Note: Illustration of underlying profitability excluding significant one-off items as highlighted on previous slide

(+)

Business development

Strong NNA momentum, *plus* AuM levels at the end of June are higher than the average AuMs for 1H20.

(-)

Interest rate environment

Headwinds from lower interest rates in 2H20 as asset rates re-set

(+)

Revenue management actions

Promoting higher-value products and revisiting pricing of services in line with the value delivered

(+)

Cost management actions

Incremental actions on G&A costs

Rationalisation of international footprint (to eliminate approx. 5% of cost base by end-2021)

Optimisation of the operational set-up of its eight main offshore booking centres (5% reduction of underlying cost base over the next 18 months)

Strategic priorities & outlook

Giorgio Pradelli, Chief Executive Officer

Key focus: Driving profitability

Challenging market environment



Structural pressure on revenues and impact of coronavirus pandemic on global economy expected to fully materialise in coming months.

- Continuation of extremely low interest rate levels
- Heightened foreign exchange impacts with strengthening of the Swiss franc
- Persistent market uncertainty and volatility

Management actions



Focus on driving profitability by accelerating revenue management actions and enhancing efficiency to support execution of 2022 strategic plan.

- Maintain growth momentum
- Promote high-value products and services to increase mandate penetration
- Rationalising international footprint, reducing presence in low-yielding, high cost/income locations
- Optimising operational set-up through of eight main offshore booking centres
- Leveraging new digital solutions to enhance operational efficiency and client experience

Taking stock and moving forward



Demonstrated the operational resilience and financial solidity of EFG's business



Maintain positive growth momentum, building on EFG's distinctive business model and leveraging new digital capabilities to facilitate client interaction and proximity



Continue to execute the 2022 strategic plan, with heightened focus on driving profitability



Appendix

Income statement (IFRS)

(in CHF million)	1H19	2H19	1H20
Net interest income	169.3	156.6	163.6
Net banking fee & commission income	274.7	318.3	320.2
Net other income	111.8	140.2	79.9
Operating income	555.8	615.1	563.7
Personnel expenses	(357.8)	(339.1)	(362.3)
Other operating expenses	(105.1)	(116.6)	(93.2)
Amortisation of tangible fixed assets & software	(35.2)	(33.1)	(35.9)
Amortisation of acquisition related intangibles	(5.5)	(5.9)	(5.8)
Total operating expenses	(503.6)	(494.7)	(497.2)
Operating profit	52.2	120.4	66.5
Provisions	(9.6)	(15.0)	(15.7)
Loss allowance expenses	(0.6)	(24.0)	(3.5)
Profit before tax	42.0	81.4	47.3
Income tax expense	(9.3)	(13.8)	(9.9)
Net profit	32.7	67.6	37.4
Non-controlling interests	(1.2)	(4.9)	(2.6)
Net profit attributable to equity holders of the Group	31.5	62.7	34.8
Dividend on Bons de Participation	(0.1)	(0.1)	0.0
Net profit attributable to ordinary shareholders	31.4	62.6	34.8

Underlying income statement

(in CHF million)	1H19	2H19	1H20
Net interest income	174.7	161.7	166.5
Net banking fee & commission income	274.7	318.3	320.2
Net other income	126.5	86.9	68.1
Operating income	575.9	566.9	554.8
Personnel expenses	(357.8)	(339.1)	(362.3)
Other operating expenses	(134.2)	(144.8)	(122.9)
Total operating expenses	(492.0)	(483.9)	(485.2)
Operating profit	83.9	83.0	69.6
Provisions	(7.0)	(11.4)	(15.7)
Loss allowance expenses	9.9	(18.6)	(2.6)
Profit before tax	86.8	53.0	51.3
Income tax expense	(10.0)	(15.0)	(11.0)
Net profit	76.8	38.0	40.3
Non-controlling interests	(1.2)	(4.9)	(2.6)
Underlying net profit	75.6	33.1	37.7

Reconciliation of Underlying results to IFRS results 1H20

(in CHF million)	Underlying results 1H20	Life insurance	Acquisition related intangible amortisation	Exceptional legal costs and provisions	IFRS results 1H20
Net interest income	166.5	(3.8)		0.9	163.6
Net banking fee & commission income	320.2				320.2
Net other income	68.1	11.8			79.9
Operating income	554.8	8.0		0.9	563.7
Personnel expenses	(362.3)				(362.3)
Other operating expenses	(122.9)	(2.7)	(4.9)	(4.4)	(134.9)
Operating expenses	(485.2)	(2.7)	(4.9)	(4.4)	(497.2)
Provisions	(15.7)				(15.7)
Loss allowance expense	(2.6)			(0.9)	(3.5)
Profit before tax	51.3	5.3	(4.9)	(4.4)	47.3
Income tax expense	(11.0)		1.1		(9.9)
Net profit	40.3	5.3	(3.8)	(4.4)	37.4
Non-controlling interests	(2.6)				(2.6)
Net profit attributable	37.7	5.3	(3.8)	(4.4)	34.8

Balance sheet (IFRS)

(in CHF million)	Dec 2019	Jun 2020
Cash and balances with central banks	8,384	7,616
Treasury bills and other eligible bills	1,375	1,092
Due from other banks	2,622	4,034
Derivative financial instruments	801	1,345
Financial asset at fair value through P&L	2,400	2,343
Financial asset at fair value through other comprehensive income	5,396	6,181
Loans and advances to customers	19,030	18,706
Property, plant and equipment	282	262
Intangible assets	259	256
Deferred income tax assets	94	97
Other assets	342	369
Total assets	40,985	42,301
Due to other banks	397	633
Due to customers	30,706	31,965
Derivative financial instruments	951	1,535
Financial liabilities at fair value	552	579
Financial liabilities at amortised cost	5,313	4,709
Current income tax liabilities	20	13
Deferred income tax liabilities	25	24
Provisions	144	148
Other liabilities	706	615
Subordinated loans	390	384
Total liabilities	39,204	40,606
Share capital	146	148
Share premium	1,859	1,856
Other reserves	286	218
Retained earnings	(564)	(578)
Non controlling interests	54	52
Total equity	1,781	1,695
Total equity and liabilities	40,985	42,301
CET1 ratio (Swiss GAAP fully applied)	16.2%	15.3%
Total Capital ratio (Swiss GAAP fully applied)	20.1%	19.1%
Leverage ratio (FINMA)	3.9%	4.3%

Breakdown of AuM

By category	31.12.19	30.06.20	30.06.20 (in CHF bn)
Cash & deposits	23%	24%	35.3
Bonds	23%	23%	34.5
Equities	30%	28%	41.8
Structured products	3%	3%	3.9
Loans	13%	13%	19.2
Hedge funds	2%	2%	2.6
Other	6%	7%	10.5
Total	100%	100%	147.8

By currency	31.12.19	30.06.20	30.06.20 (in CHF bn)
USD	42%	44%	65.3
EUR	27%	26%	37.7
GBP	10%	9%	14.0
AUD	8%	8%	12.0
CHF	6%	7%	9.9
Other	7%	6%	8.9
Total	100%	100%	147.8

Segmental analysis 1H20

Performance summary (in CHF m)	Switzerland, & Italy	Continental Europe	Americas	UK	Asia Pacific	Investment Solutions	Global Markets & Treasury	Corporate Overheads	Eliminations	Total
Segment revenues	147.6	92.5	43.8	71.9	78.8	58.4	78.2	(7.5)	-	563.7
Segment expenses	(129.2)	(89.8)	(43.5)	(63.6)	(67.4)	(44.9)	(33.1)	(19.9)	-	(491.4)
Pre-provision profit	18.4	2.7	0.3	8.3	11.4	13.5	45.1	(27.4)	-	72.3
IFRS net profit	16.1	0.4	0.3	6.2	10.2	12.1	40.3	(48.2)	-	37.4
AuMs (in CHF bn)	42.2	33.6	15.4	20.3	28.2	41.0	-	0.4	(33.1)	147.8
NNA (in CHF bn)	0.8	1.9	0.6	0.7	(0.6)	0.6	-	0.1	-	4.2
CROs	175	187	62	76	286	5	-	-	-	791
Employees (FTEs)	359	410	146	212	292	276	89	1,343	-	3,127

Segmental analysis 1H19

Performance summary (in CHF m)	Switzerland, & Italy	Continental Europe	Americas	UK	Asia Pacific	Investment Solutions	Global Markets & Treasury	Corporate Overheads	Eliminations	Total
Segment revenues	148.8	88.1	57.0	75.0	64.4	53.3	89.3	(20.1)	-	555.8
Segment expenses	(138.5)	(84.1)	(54.5)	(68.1)	(64.1)	(47.1)	(34.3)	(7.4)	-	(498.2)
Pre-provision profit	10.3	4.0	2.5	6.9	0.3	6.2	55.0	(27.5)	-	57.7
IFRS net profit	6.0	3.7	2.2	6.0	(4.2)	5.5	56.8	(43.3)	-	32.7
AuMs (in CHF bn)	42.6	31.7	15.4	20.0	30.0	37.5	-	0.9	(30.6)	147.6
NNA (in CHF bn)	(0.3)	0.4	(0.4)	0.9	(0.5)	0.0	-	0.2		0.3
CROs	195	153	70	64	246	9	-	-	-	737
Employees (FTEs)	396	363	158	189	298	275	97	1,419	-	3,195

Segmental analysis 2H19

Performance summary (in CHF m)	Switzerland, & Italy	Continental Europe	Americas	UK	Asia Pacific	Investment Solutions	Global Markets & Treasury	Corporate Overheads	Eliminations	Total
Segment revenues	150.4	108.5	51.4	71.3	81.9	56.6	44.3	50.7	-	615.1
Segment expenses	(133.1)	(90.7)	(51.7)	(58.2)	(73.7)	(46.2)	(7.3)	(27.9)	-	(488.8)
Pre-provision profit	17.3	17.8	(0.3)	13.1	8.2	10.4	37.0	22.8	-	126.3
IFRS net profit	23.4	12.7	0.0	7.8	13.3	11.0	35.1	(35.7)	-	67.6
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)	1.3	1.1	0.2	0.8	1.4	0.3	-	(0.3)	-	4.9
CROs	195	180	70	73	290	7	-	-	-	815
Employees (FTEs)	371	403	149	206	308	265	90	1,359	-	3,151

Update on Life Insurance Exposures

Life Insurance related portfolios

- Legacy exposures acquired more than 10 years ago
- Outright portfolio carried at fair value (marked-to-model, Level 3) for IFRS accounts – incorporation of Lombard loan portfolio (LFS) in December 2019 introduced higher diversification. For regulatory capital purposes (Swiss GAAP), this portfolio is carried as a Held-to-Maturity; 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

Interest rate risk

- Hedged since February 2018

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
1H20	94.4	16.1

Update on Life Insurance Exposures (II)

Outright portfolio

Direct holding of life insurance policies for 237 insureds (2019: 255) of an average age of 91.6 years. Portfolio size increased due to reclassification of lombard loan portfolio (LFS) in December 2019

- Death benefit: CHF 1,655.3 mn
- Carrying value: CHF 856.9 mn
- 1H20 premium: CHF 74.5 mn
- Life expectancy: 4.3 years

- Non-underlying
- P&L impact: CHF 8.1* mn

Synthetic portfolio

Direct holding of life insurance policies + hedge instruments mitigating most of the risks, for 84 insureds of an average age of 88.9 years

- Net death benefit: CHF 68.8 mn
- Net carrying value: CHF 19.1 mn
- 1H20 net premium: CHF 2.4 mn
- Life expectancy: 5.3 years

- Non-underlying
- P&L impact: CHF -0.1 mn

**includes result of interest rate hedge*

Contacts

Investors

Investor Relations

Jens Brueckner
Head of Investor Relations

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

Media

Marketing & Communications

Daniela Haesler
Head of Marketing & Communications

Phone +41 44 226 1804
daniela.haesler@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