



Deutsche Bank Swiss Equities  
Conference 2009

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1.0

Review 2008

2.0

Current situation

## Year on year

Revenues / revenues  
excluding non-recurring



**4% / 10%**

to CHF 946 million /  
CHF 1,005 million

Net profit / net profit  
excluding non-recurring



**33% / 15%**

to CHF 222 million /  
CHF 281 million

AUM



**21%**

to CHF 77.2 billion

Net new assets & increase  
in client loans



**Broadly flat overall, but  
record PB inflows**

to CHF 13.2 billion  
(PB inflows CHF 18.2 billion)

CROs



**31%**

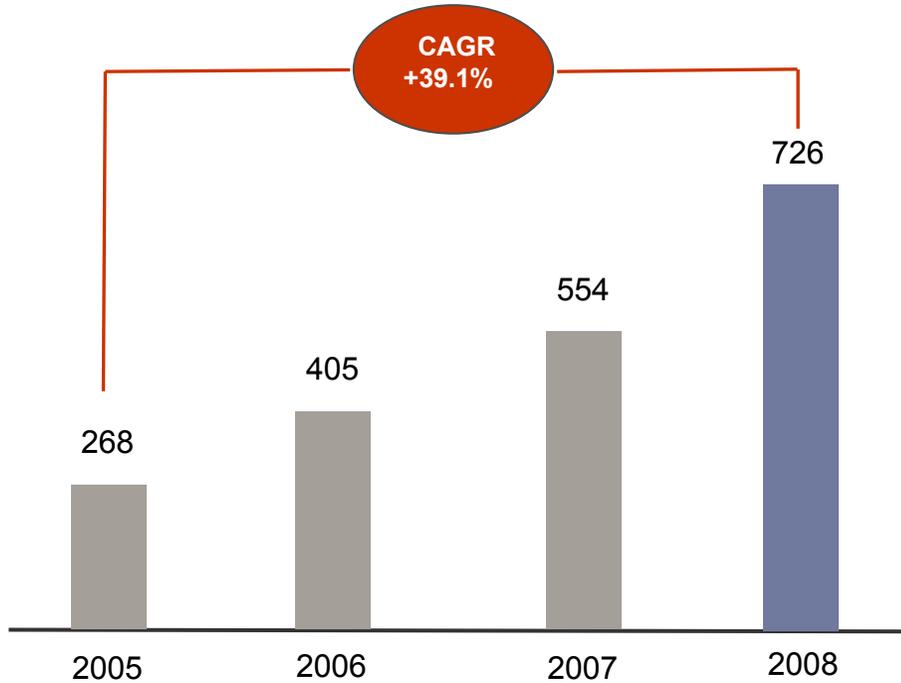
to 726

Our growth projections were based on normal conditions. However, external factors have produced a highly testing environment.

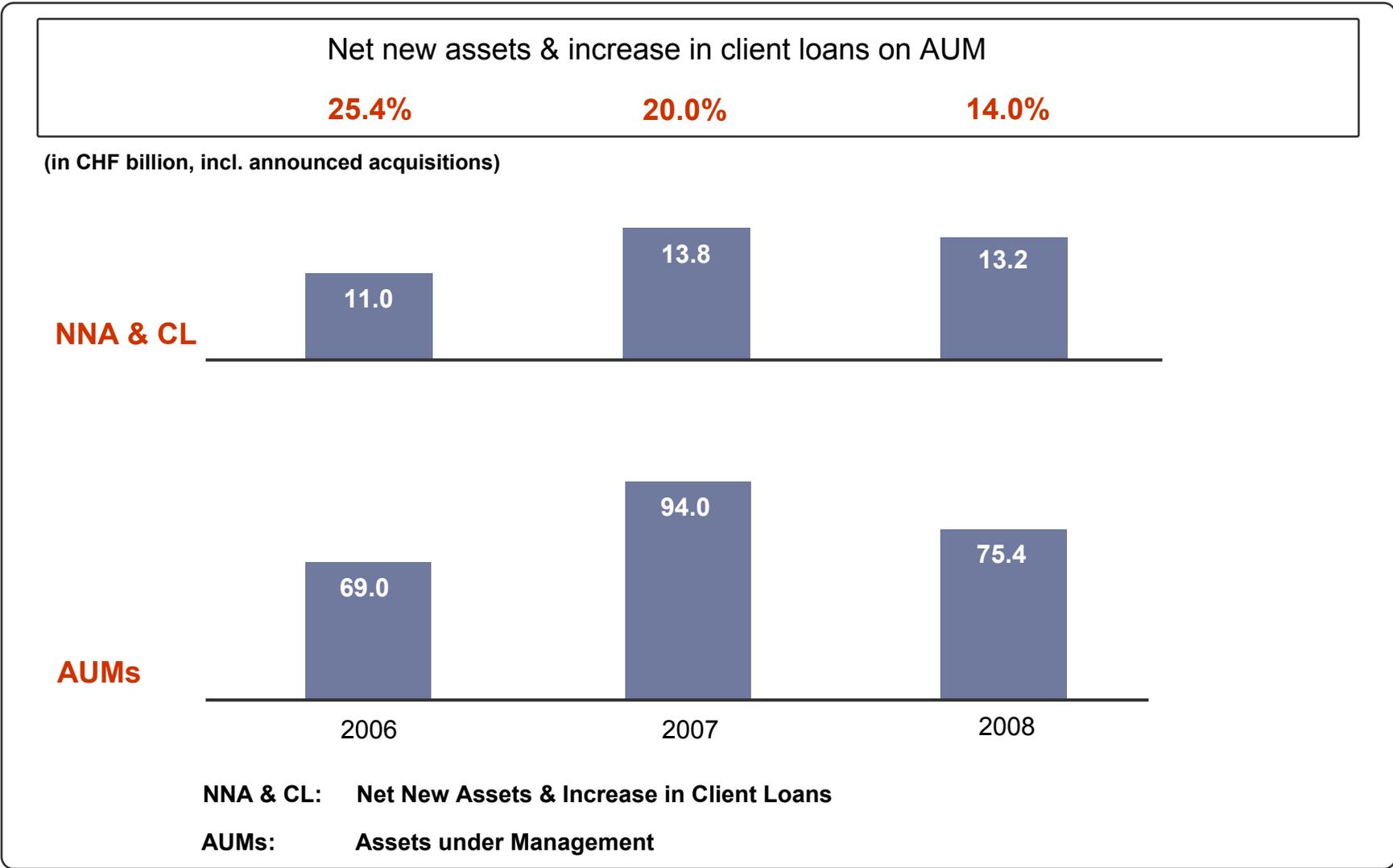
- Falling and volatile equity markets.
- Concerns over stability of financial system.
- Global economy in severe recession.
- Heightened pressure on offshore banking.
- Strength of the Swiss franc vs. major currencies.
- High levels of uncertainty.
- Clients (understandably) extremely cautious.

## Record level of organic hiring during 2008

Including announced acquisitions, as per period end

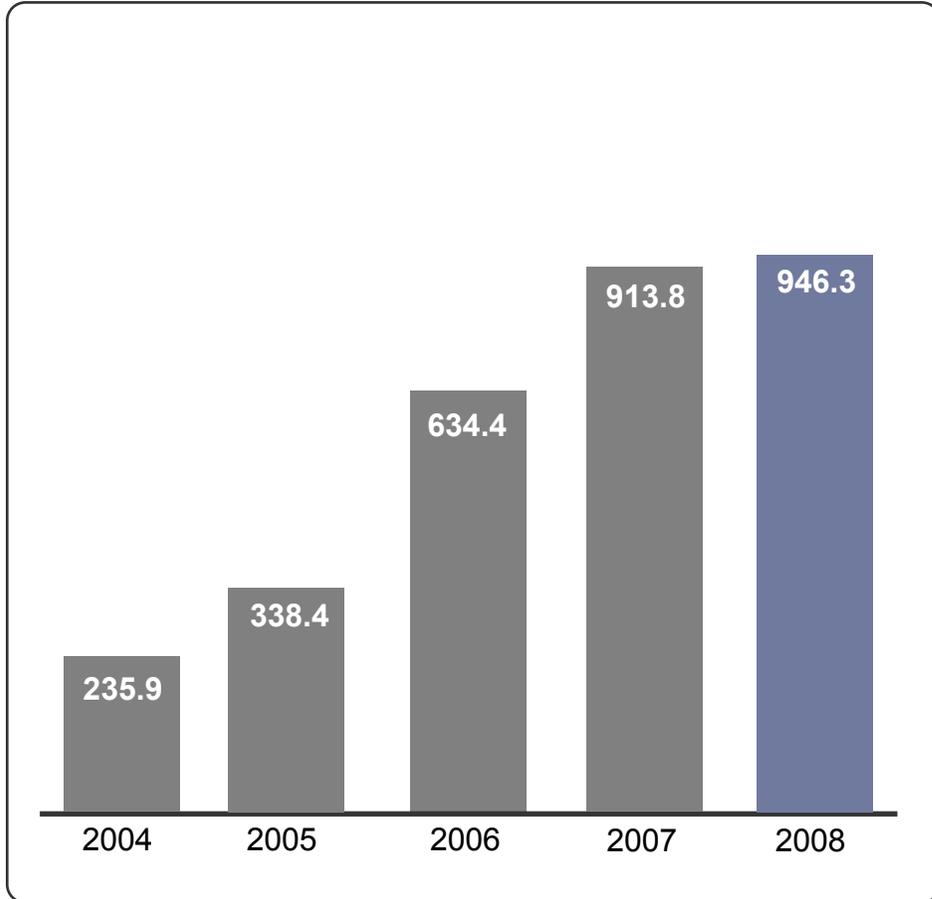


## Superior growth rates for net new assets & client loans

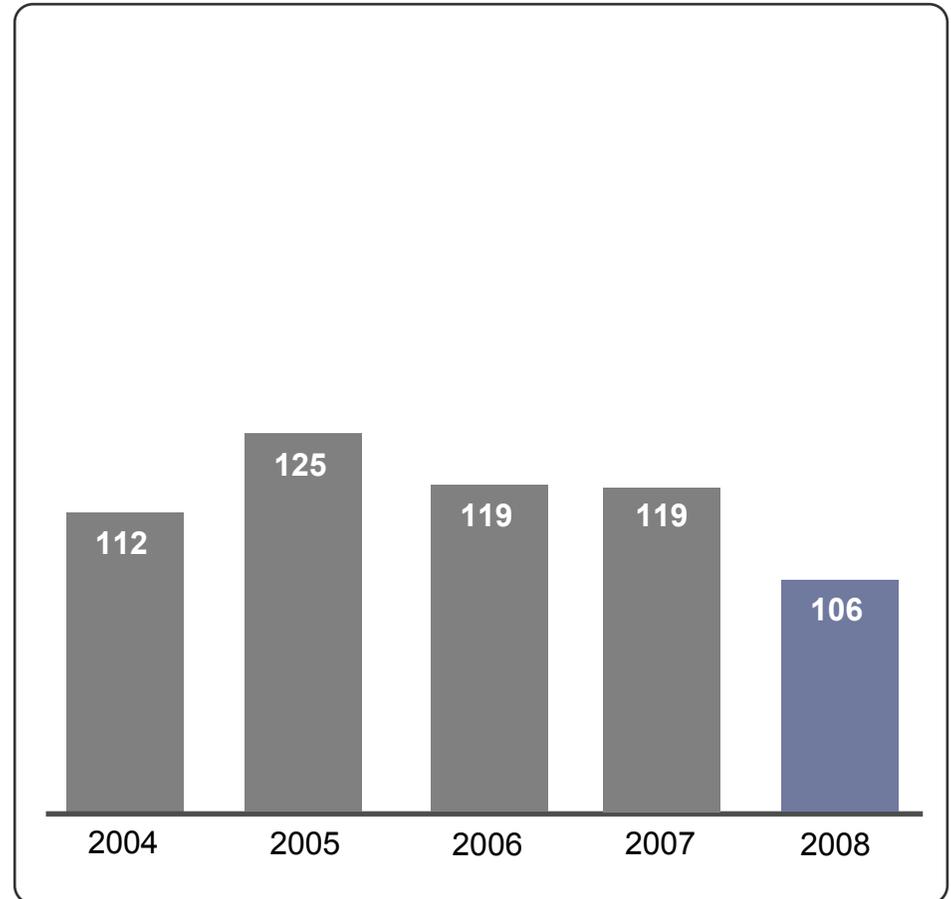


# Evolution of Operating income & RoAUM

**Operating income**  
(in CHF million)

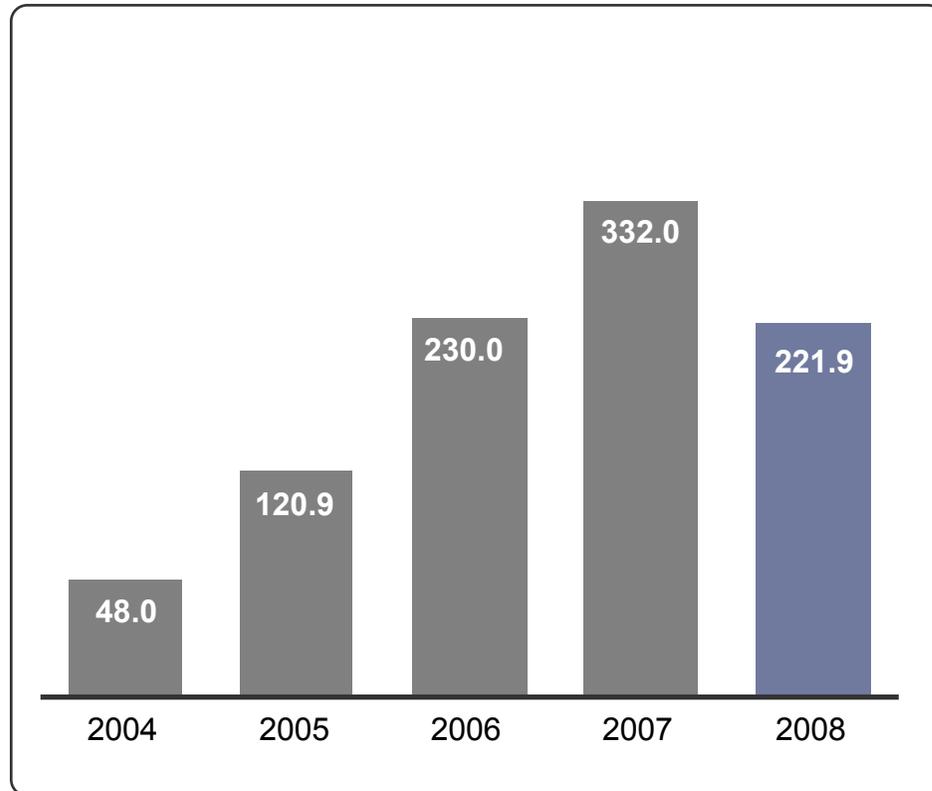


**Return on AUM**  
(in bps)

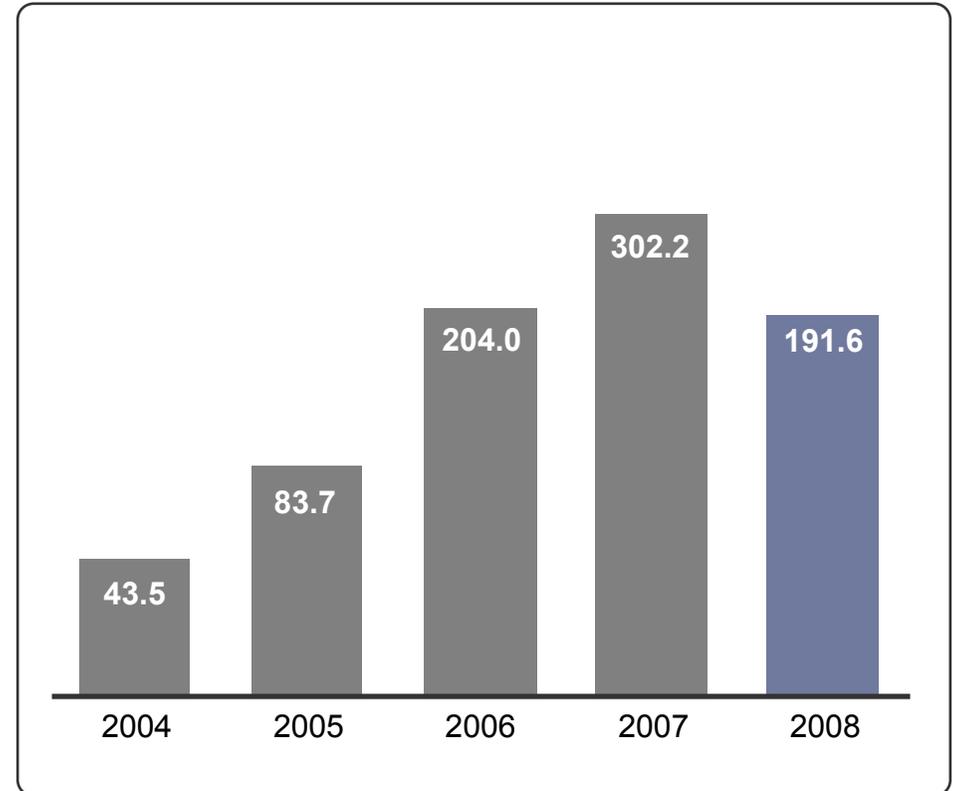


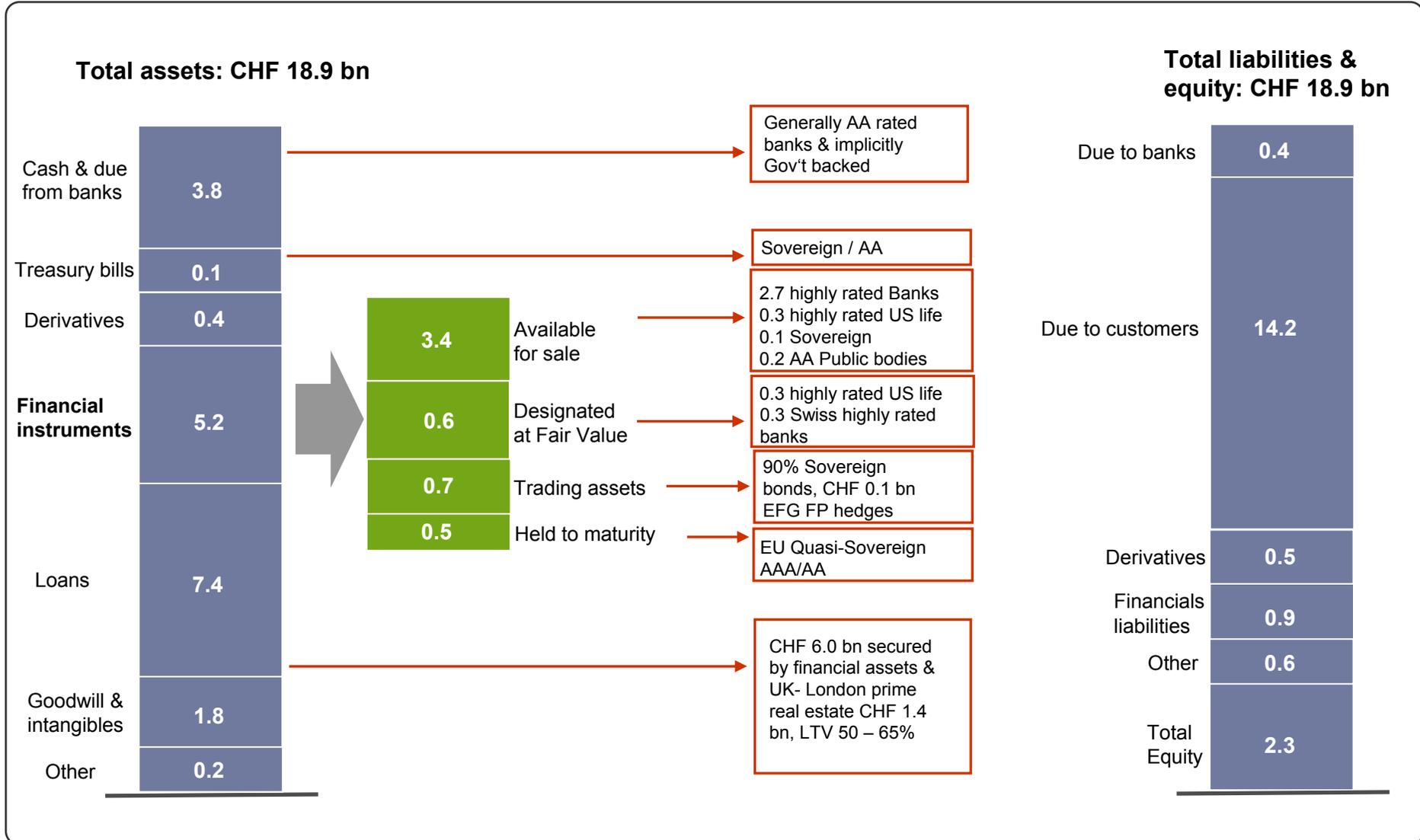
# Evolution of Net profit & Net profit attributable

**Net profit**  
(in CHF million)



**Net profit attributable to ordinary shareholders**  
(in CHF million)





- EFG International remains profitable.
- We have good capital ratios, with strong liquidity.
- We were not involved in sub-prime / other toxic assets.
- Minimal exposure to organisations that ceased trading.
- Overall lending book of high quality; conservative LTVs; focused on HNWI's. Provisions across credit and operations remained modest.
- Revaluation of life policies resulted in an accounting write-down. But well diversified; highly rated; leading US insurers.

1.0

Review 2008

2.0

**Current situation**

- We have a strong core private banking business.
  - Close to CHF 70 billion in private banking AUM (as of Dec 08).
  - Over 90% of total AUM – higher percentage than most peers.
  - Over 700 Client Relationship Officers.
  - A record of double digit net new asset growth.
  - Truly international.
  - Onshore and offshore.
  - Loyal clients.
- Strong in-house product capabilities in specialist areas. Integrate capabilities more effectively for the benefit of the whole business.
- However, we are about clients, not products.

- Maintaining a freeze on non-client facing employees.
- Salaries generally being held at existing levels (and in some cases reduced).
- Starting in 2008, changed CRO profit participation arrangements to include a proportion as restricted stock (25%), to reinforce the prevailing long-term mindset.
- But the fundamentals of our business model have not changed – nor will they. CROs still remunerated based on their profitability, providing incentive to do right by clients and to build a sustainable business, without distortionary sales targets.
- Executive team remuneration comprises salary and discretionary bonus (taken 100% in restricted stock / options). Starting 2008, CEO has waived profit-based formula in favour of salary plus discretionary bonus.

- All businesses are reviewing costs; have made (and are in the process of making) savings.
- Focus is presently on optimising the business, not on acquisitions. However, we continue to monitor market developments and acquisition opportunities that may arise.
- In terms of CROs, a record hiring year in 2008; coming into 2009, a record pipeline.
- However, conditions mean recruitment will be extremely prudent this year. Limited to individuals / teams, where we have strong conviction they can be profitable in short order. We are also looking closely at existing CROs who are loss-making.

- EFG derives benefit from its balanced geographical spread, and is now represented in more than 30 countries.
- All existing offices presently being reviewed. Likely a number will be downsized / closed. Possible that offices will be opened in select new locations, but only where strong prospect of significant new business.
- Review of all asset management capabilities to yield efficiency gains; also improved practical support to CROs.
- Ongoing review of IT and operational platforms, with view to producing efficiency gains / qualitative improvements.

- Q1 2009 still challenging; business started year with lower AUMs
- Improvement in activity in April
- Economically, hopefully seeing arrest in downward spiral
- Prospect of gradual pick-up late 2009 / 2010



Practitioners of the craft of private banking

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3.0

## Appendix

(in CHF million)	2007	2008	Change
Net interest income	244.4	286.6	17.3%
Net banking fee & commission income	589.8	571.7	-3.1%
Net other income	79.6	88.0	10.6%
<b>Operating income</b>	<b>913.8</b>	<b>946.3</b>	<b>3.6%</b>
Operating expenses	(542.0)	(709.5)	30.9%
Provisions for operating and credit losses	(1.0)	(15.4)	NM
<b>Profit before tax</b>	<b>370.8</b>	<b>221.4</b>	<b>-40.3%</b>
Income tax expense	(40.6)	(25.5)	-37.3%
Consolidated net profit	330.2	195.9	-40.7%
Minorities	1.8	26.0	NM
<b>Net profit for the period</b>	<b>332.0</b>	<b>221.9</b>	<b>-33.2%</b>
Expected preference dividend on fiduciary shares	(29.8)	(30.3)	1.7%
<b>Net profit attributable to shareholders</b>	<b>302.2</b>	<b>191.6</b>	<b>-36.6%</b>

# Consolidated balance sheet

(in CHF million)	Dec 2007	Dec 2008	Change
Cash and balances with central banks	74	115	55%
Treasury bills and other eligible bills	795	74	-91%
Due from other banks	3,501	3,731	7%
Derivative financial instruments	223	453	103%
Financial instruments	4,141	5,119	24%
Loans and advances to customers	7,920	7,424	-6%
Goodwill and intangible assets	1,192	1,763	48%
Property, plant and equipment	45	57	27%
Deferred tax assets	11	26	127%
Other assets	135	133	-1%
<b>Total assets</b>	<b>18,037</b>	<b>18,894</b>	<b>5%</b>
Due to other banks	807	401	-50%
Due to customers	13,580	14,213	5%
Derivative financial instruments	236	460	95%
Financial liabilities at fair value		263	NM
Other financial liabilities		680	NM
Debt securities in issue	158		NM
Current income tax liabilities	40	13	-33%
Deferred income tax liabilities	36	66	83%
Other liabilities	742	541	-27%
<b>Total liabilities</b>	<b>15,598</b>	<b>16,637</b>	<b>7%</b>
Share capital	78	77	-1%
Share premium	1,263	1,205	-5%
Other reserves and retained earnings	1,095	880	-20%
Minority shareholders	2	95	NM
<b>Total shareholders' equity</b>	<b>2,439</b>	<b>2,257</b>	<b>-8%</b>
<b>Total liabilities and shareholders' equity</b>	<b>18,037</b>	<b>18,894</b>	<b>5%</b>

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Publication half-year results 2009

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