



## Helvea Swiss Equities Conference 2009

Rudy van den Steen, CFO

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Practitioners of the craft of private banking

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Overview

2.0

Business Update

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Acquisitions &  
Capital position

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Outlook &  
Conclusion

- **15** banks/booking centres
- **Regulated** on a consolidated basis by **Swiss Federal Banking Commission**
- Member of EFG Group, **third-largest banking group in Switzerland** by Tier 1 capital
- Present in **55** locations in over **30** countries
- **1H 2008** revenue-generating **AUM of CHF 96.8 bn**
- **2,455** employees
- **More than 700** Client Relationship Officers (CROs)
- **CHF 2.6 billion** current market capitalisation
- **Target BIS Tier 1 ratio of >13%** at the end of 2008

# Our international footprint

An expanding global network – and local businesses run by locals



 Proximity to our clients – a key ingredient of any relationship

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Overview

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**Business Update**

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Conclusion

## Business Update 14 November 2008 (status as of end October 2008)

### Number of CROs:

- Met its target of 675 CROs for end-2008 already, presently at 686 CROs
- Expect to exceed 700 CROs by the end of this year

### Update on current status




- Record results for CRO hiring, number of **CROs well above 700** by year-end 2008
- **Strong CRO hiring pipeline** in place for 2009, will continue to hire in 2009
- Many CROs willing to change, **hired most in Asia, Spain, UK and Luxembourg**, hiring in Switzerland is slower

## Business Update 14 November 2008

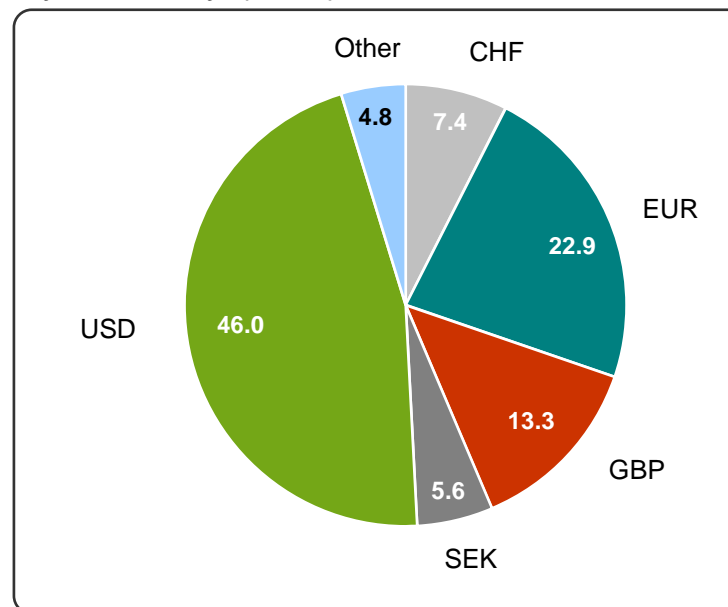
### Clients' AUM:

- Impacted by market conditions and strong Swiss franc
- Private banking inflows have continued to be strong in period July to October, although this has been offset by limited hedge fund redemptions and clients deleveraging

### Update on current status

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- **Inflows** since end of October but also continued hedge fund redemptions and clients deleveraging
  - Less liquidity events
  - During FY 2008 most of the currencies that compose EFGI's AUMs **depreciated vs. CHF**:
    - USD: - 6%
    - EUR: - 10%
    - GBP: - 32%
    - SEK: - 22%

### Assets under management by currency (in %)\*



\* Based on weighted average revenue-generating AUM for 1H08

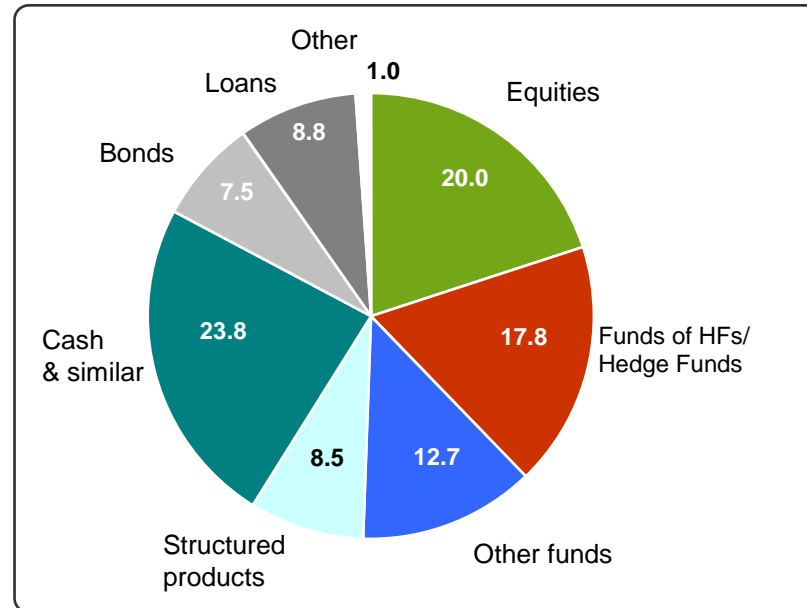


## Update on current status



- Overall level of clients' AUMs impacted by negative investment performance & market conditions, taking account of asset class composition
- Clients more defensive, moved to higher cash allocations
- Transaction volumes have held up
- RoAUM continues to be resilient
- Decline in lending as clients continued to delever

## Assets under management by category (in %)\*



\* As of end of June 2008 (based on CHF 96.8 bn revenue-generating AUM)

## Business Update 14 November 2008

### Specialist product businesses:

- YTD, MBAM's investment performance remains positive
- C.M. Advisors is outperforming most of its peers
- EFG FP continues to improve market share and has been trading profitably in the period July to October

### Update on current status



- **MBAM's flagship** fund was up 0.2% for the year
- **CMA unlevered flagship funds** performance was negative between 10% - 13.5%, substantially better than most benchmark indices (negative between 17% - 25%)
- **EFG Financial Products**
  - Profitable during second half of 2008
  - More than 100 employees

## Business Update 14 November 2008

### Income:

- On course to achieve another record level, in ten months to end-October, income was some **16% higher** than in same period in 2007

### Net profit:

- Slowing of activity among clients clearly had an impact on profitability
- However, for the first ten months of 2008, net profit **remains ahead** of that achieved for same period last year

### Update on current status



- Operating income developed in line with first ten months of the year
- No significant loss items expected at this point
- No intangibles impairment expected subject to external audit

## Business Update 14 November 2008 (based on end of June 2008 data)

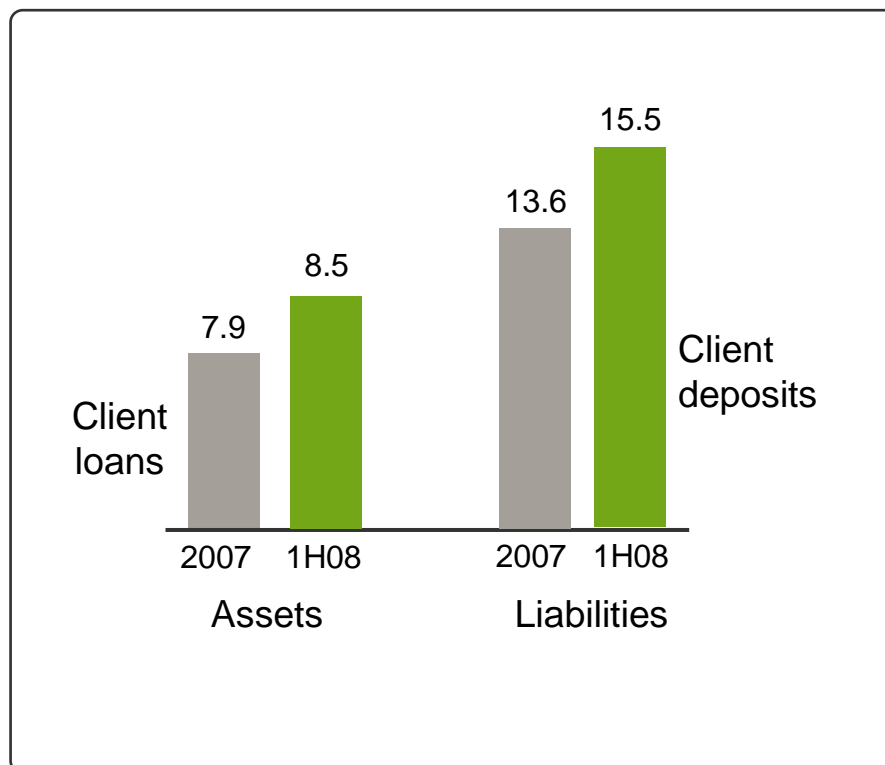
### Stable funding structure:

- Client deposits covering loans over **1.9 times**
- No reliance on wholesale or inter-bank borrowing

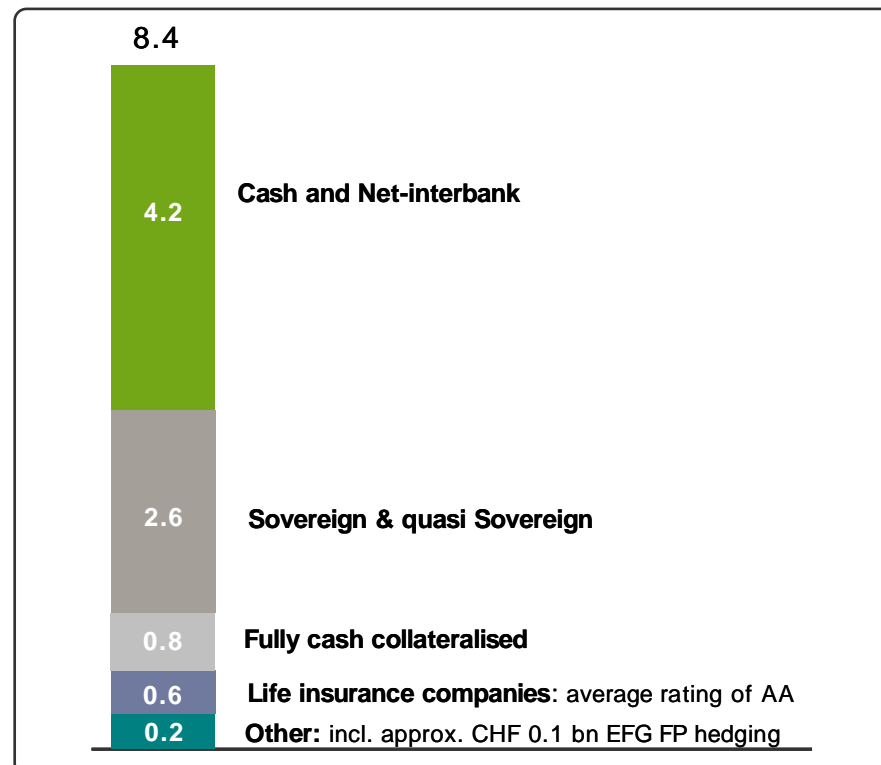
### Asset quality:

- Other balance sheet assets that are **highly liquid** and of **high quality**

### Client positions (in CHF billion)



### Non-client positions (in CHF billion)



# Recently announced organic growth initiatives

## Canada

- Recruitment of new CEO for EFG Wealth Management (Canada)
- New Montreal office operational (2 CROs)
- Several CROs for Toronto and Vancouver offices were hired

## France

- Business changed name to EFG Gestion Privée, relocation to new premises in Paris
- Recruited 3 CROs since the acquisition & plans to recruit around 15 CROs during 2009

## Los Angeles

- Strengthened existing team with appointment of Senior Director of WM

## Caribbean

- Bank license in Cayman Islands as of 30 Sep 2008
- Cayman business appointed new head of trust
- New office in Lyford Cay (Bahamas) with 2 CROs

|            |  |
|------------|--|
|            |  |
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| 2.0        | Business Update                            |
| <b>3.0</b> | <b>Acquisitions &amp; Capital position</b> |
| 4.0        | Outlook & Conclusion                       |

## Review 2008

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- Announced acquisition of Sycomore Gestion Privée in Paris in June, transaction closed 25 July 2008
- Suspended further acquisitions to preserve capital
- Pricing has not declined as fast as valuations in public markets
- Integrated past acquisitions relatively smoothly

## Capital status

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- 11.3% BIS Tier 1 ratio reported as of June 30, 2008
- >13.0% estimated BIS Tier 1 ratio as of year end, includes retained earnings from expected 2H08 profits
- RWAs are expected to have decreased by year end as a result of deleveraging



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## Outlook 2009

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- Maintaining selective, disciplined approach in deploying capital
- Continue to focus on transactions that are economically compelling; reinforce existing private banking businesses; or provide entry / foundation to build in new private banking markets
- There should be more potential targets in 2009, perhaps even significant / sizeable ones
- EFG International continues to view itself as a consolidator with a proven track record in M&A

- Record CRO hiring and record CRO recruitment pipeline
- Overall client satisfaction relatively high – particularly in the competitive context
- Substantially improved brand recognition
- Motivated management team
- Strong capital position and ratios
- High quality assets and balance sheet



**Well placed to grow organically and through acquisitions**

**25 February 2009**

Publication annual results 2008

**29 April 2009**

Annual General Meeting

**28 July 2009**

Publication half-year results 2009



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## Appendix

# Balance sheet highlights

| <b>(in CHF million)</b>               | <b>Dec 31,<br/>2007</b> | <b>Jun 30,<br/>2008</b> | <b>Change</b> |
|---------------------------------------|-------------------------|-------------------------|---------------|
| Loans and advances to customers       | 7,920                   | 8,510                   | 7.4%          |
| Due to customers                      | 13,580                  | 15,515                  | 14.2%         |
| Acquisition related intangible assets | 1,179                   | 2,068                   | 75.0%         |
| - of which deducted from BIS Tier 1   | 875                     | 1,578                   | 80.3%         |
| Total shareholders' equity            | 2,439                   | 2,404                   | -1.4%         |
| Risk weighted assets                  | 6,198                   | 6,486                   | 4.6%          |
| BIS Tier 1 Capital                    | 1,469                   | 735                     | -50.0%        |
| BIS Total Capital                     | 1,630                   | 906                     | -44.4%        |
| BIS Tier 1 Ratio (in %)               | 23.7                    | 11.3                    |               |
| BIS Total Capital Ratio (in %)        | 26.3                    | 14.0                    |               |

# Consolidated balance sheet (unaudited)

| (in CHF million)                          | Dec 2007      | June 2008     | Change     |
|---|---------------|---------------|------------|
| Cash and balances with central banks      | 74            | 78            | 5%         |
| Treasury bills and other eligible bills   | 795           | 1,868         | 135%       |
| Due from other banks                      | 3,501         | 2,651         | -24%       |
| Loans and advances to customers           | 7,920         | 8,510         | 7%         |
| Derivative financial instruments          | 223           | 182           | -18%       |
| Financial assets designated at fair value | 38            | 474           | NM         |
| Investment securities                     | 4,104         | 4,101         | 0%         |
| Intangible assets                         | 1,191         | 2,084         | 75%        |
| Property, plant and equipment             | 45            | 50            | 11%        |
| Deferred income tax assets                | 11            | 18            | 64%        |
| Other assets                              | 135           | 251           | 86%        |
| <b>Total assets</b>                       | <b>18,037</b> | <b>20,266</b> | <b>12%</b> |
| Due to other banks                        | 807           | 813           | 1%         |
| Due to customers                          | 13,580        | 15,515        | 14%        |
| Derivative financial instruments          | 236           | 206           | -13%       |
| Debt securities in issue                  | 158           | 153           | -3%        |
| Other liabilities                         | 742           | 1,050         | 42%        |
| Current income tax liabilities            | 40            | 50            | 25%        |
| Deferred income tax liabilities           | 36            | 77            | 114%       |
| <b>Total liabilities</b>                  | <b>15,598</b> | <b>17,862</b> | <b>15%</b> |
| Share capital                             | 78            | 78            | 0%         |
| Share premium                             | 1,263         | 1,218         | -4%        |
| Other reserves and retained earnings      | 1,095         | 1,091         | 0%         |
| Minority interest                         | 2             | 18            | NM         |
| <b>Total shareholders' equity</b>         | <b>2,439</b>  | <b>2,404</b>  | <b>-1%</b> |
| <b>Total equity and liabilities</b>       | <b>18,037</b> | <b>20,266</b> | <b>12%</b> |



# Summary: EFGI common core vs. non-common core

| Key Features   | EFGI's Common core | EFGI's Non-common core   |
|--|--------------------|--|
| Regulatory Core Tier 1 Treatment                               | Yes                | Yes  |
| Loss Absorption  | Yes                | Yes (part of free reserves)  |
| Maturity   | Perpetual          | Perpetual  |
| Cumulative Dividends   | No                 | No   |
| Step-up Features   | No                 | No   |
| Dividend   | Ordinary           | Pre-defined fixed, only payable with AGM approval and no regulatory breach |
| Conversion right into common shares or other non-common equity | N/A                | Yes  |

## EFG International Investor Relations

- Jens Brueckner, Head of Investor Relations
- Telephone: +41 44 226 1799
- E-mail: [jens.brueckner@efggroup.com](mailto:jens.brueckner@efggroup.com)

EFG International, Bahnhofstrasse 12,  
8001 Zurich, Switzerland

- Telephone: +41 44 212 73 77
- Fax: +41 44 226 18 55
- [www.efginternational.com](http://www.efginternational.com)
- Reuters: EFGN.S
- Bloomberg: EFGN SW