Media Release

EFG International reports first-half 2016 results

Stable core private banking performance amid challenging markets and cost reduction programme exceeds targets

Zurich, 27 July 2016.

- First-half 2016 results reflect difficult market conditions and strong headwinds faced by the financial services industry; EFG achieved stable core private banking income compared to the prior-year period; revenue margin slightly improved versus the second half of 2015

- Net new assets flat over the period, with positive momentum across most regions towards the end of the first half 2016; revenue-generating Assets under Management decreased by 3% versus end-2015, mainly due to negative currency effects in the context of the Brexit decision, as well as adverse markets

- Implementation of cost reduction programme announced in November 2015 ahead of schedule – savings will significantly exceed the CHF 30 million target, with an expected underlying cost base (excluding non-recurring items) of CHF 274 million for the second half of 2016, down 12% compared to the prior-year period, including the full-year effect of H2 2015 hirings; further focus on cost and efficiency

- Preparations for the integration of BSI into EFG ahead of plan, with a view to combining both banks' strengths to build a leading Swiss private bank with global reach, significant synergy potential and necessary scale to capture long-term opportunities in wealth management

- Underlying net profit, excluding life insurance, of CHF 38.1 million, compared with CHF 44.1 million a year earlier; IFRS net profit of CHF 22.3 million, versus CHF 48.0 million in first half 2015, with performance in particular impacted by exceptional costs and provisions related to BSI acquisition and implementation of EFG's cost reduction programme

Joachim H. Straehle, Chief Executive Officer of EFG International:

- "In the first half of 2016, the financial services industry faced strong headwinds and uncertainties in the markets worldwide. In this environment, we achieved resilient results in our core private banking business, sharpened our focus on CRO performance and productivity and made very good progress in our cost reduction programme, that we already announced last November. Most importantly, we are progressing well with regard to the business combination with BSI, which will create a strong private bank that provides us synergies and the necessary scale in this challenging environment. I am convinced about our forward momentum and potential for future growth, therefore I expect the positive trend to be reflected in our results in the second half of 2016."

Overview of key results	1H 2016	1H 2015	2H 2015
Underlying recurring net profit*	CHF 38.1 m	CHF 44.1 m	CHF 46.9 m
IFRS net profit	CHF 22.3 m	CHF 48.0 m	CHF 9.1 m
Operating income	CHF 341.7 m	CHF 353.0 m	CHF 343.7 m
Operating expenses	CHF 298.6 m	CHF 296.0 m	CHF 308.3 m
Cost-income ratio	86.9%	83.3%	89.1%
Revenue-generating AuM	CHF 80.6 bn	CHF 80.2 bn	CHF 83.3 bn
Net new assets	CHF (0.1) bn	CHF (0.3) bn	CHF 2.7 bn
Revenue margin (% of AuM)	84 bps	87 bps	83 bps
BIS capital ratio (Basel III)**	22.8%	17.8%	16.8%
CET 1 capital ratio (Basel III)**	18.5%	13.9%	12.8%
Client Relationship Officers (CROs)	424	444	462
Number of employees (FTEs)	2,056	2,103	2,137

** Excluding impact of non-recurring items and life insurance*
*** BIS-EU*

Performance impacted by challenging markets and exceptional costs

The first half of 2016 was characterized by accentuated market uncertainty, notably in emerging markets including Asia at the beginning of the year, but also in the context of the June Brexit vote in the UK. The challenging markets created strong headwinds across the financial services industry. As indicated in the update of the business performance for the first quarter on 29 April 2016, EFG International's business was constrained by the market environment and low levels of client activity. Client activity remained subdued during the first half of 2016, with a slight rise towards the end of the period from the lows in the first quarter.

EFG International's operating income in the first half of 2016 was CHF 341.7 million, down 3% compared to the first half of 2015. This was primarily due to a decline in net banking fee and commission income of 8%, reflecting a decline in transactional revenues, risk adversity and low levels of client activity, as well as foreign-exchange impacts. Net interest income and net other income improved slightly compared to the first half of 2015.

Revenues from the life insurance portfolios negatively impacted the performance by CHF (0.8) million, compared with a positive revenue contribution of CHF 6.9 million in the first half of 2015. The underlying private banking business achieved stable results: Core operating income remained flat at CHF 318.0 million compared to CHF 315.5 million in the previous year. The revenue margin was 84 bps, slightly better than the margin in the second half of 2015, which was at 83 bps.

Operating expenses were CHF 298.6 million in the first six months of 2016, compared to CHF 296.0 million in the prior-year period, and clearly below the CHF 308.3 million in the second half of 2015. Underlying operating expenses (excluding non-recurring costs) were CHF 292.5 million, versus CHF 291.0 million in the first half of 2015.

Underlying recurring net profit, excluding life insurance, was CHF 38.1 million in the first half of 2016, compared to CHF 44.1 million in the first half of 2015. This excludes the following non-recurring items, most of which have been previously indicated:

- CHF 6.1 million in costs and provisions relating to the acquisition and integration of BSI

- CHF 3.8 million in costs relating to the cost reduction programme, in line with the announcement made on 23 November 2015

- CHF 4.5 million in legal and professional charges and litigation provisions relating to previously disclosed and other matters

- CHF 0.6 million in costs relating to the CRO hiring programme in 2015

- CHF 0.8 million negative contribution from life insurance

As a result, IFRS net profit was CHF 22.3 million, compared to CHF 48.0 million for the first half of 2015. The cost-income ratio on a reported basis was 86.9%, up from 83.3% a year before, but down compared to 89.1% at the end of 2015. Underlying cost-income ratio was 84.9% in the first half of 2016, versus 83.5% in the first half of 2015.

On a Basel III (fully applied) basis, EFG International's BIS-EU Capital Ratio stood at 22.8% at the end of the first half of 2016, compared to 16.8% at year-end 2015. The Common Equity Ratio (CET1) was 18.5%, versus 12.8% at the end of last year. The increase of both capital ratios was mainly driven by the ordinary share capital increase completed in May 2016 to support the BSI transaction. A further driver was the reduction of risk-weighted assets by approx. 10% since end-2015 to CHF 5.6 billion, highlighting EFG's focus on capital ratios and effective RWA optimization. EFG International maintains a strong and liquid balance sheet, with a liquidity coverage ratio of 247% and a loan/deposit ratio of 49%.

Net asset inflows with disappointing start and good momentum towards the end of the first-half 2016

Net new assets generation was flat in the first half of 2016, with net assets of CHF (0.1) billion over the period, compared to net assets of CHF (0.3) billion in the first half of 2015. Net new asset generation was disappointing in the first quarter of 2016, while a positive momentum emerged across most regions towards the end of the second quarter 2016.

Revenue-generating Assets under Management were CHF 80.6 billion as at the end of the first half of 2016, down from CHF 83.3 billion at end-2015. This decline reflects negative currency effects of CHF (2.0) billion, primarily driven by foreign-exchange movements following the Brexit decision, negative market effects of CHF (0.6) billion, and net new assets of CHF (0.1) billion.

Cost reduction programme exceeds targets

EFG International made very good progress in implementing its cost reduction programme announced in November 2015, which aimed to improve efficiency through CHF 30 million in cost savings and 200 headcount reductions by the end of 2016. With CHF 19 million in savings and 170 FTE reductions already achieved in the first-half, expected to reach CHF 57 million and 254 FTEs for the full year 2016, these targets will be significantly exceeded.

EFG had an underlying cost base in the first half of 2016 of CHF 292.5 million, which is a reduction of 6% compared to the underlying adjusted cost base in the second half of 2015, including the full-year effect of H2 2015 hirings. For the second half of 2016, EFG targets a further reduction of its underlying cost base to CHF 274 million, which would imply a reduction of 12% compared to the underlying adjusted cost base in the second half of 2015.

The number of employees (full-time equivalents, FTEs) was 2,056 at end-June 2016, versus 2,103 a year before and 2,183 (including new committed CROs and initiatives) at the peak in September 2015. The target number of FTEs as per end-2016 is now 1,990, expected to be down 7% compared to end-2015 and down 9% versus the peak.

Regional business development

In Continental Europe, net new asset generation remained robust in the first half of 2016, with an annualised growth of approx. 4%. The region recorded an increase in operating income by 7% and in pre-provision profit by 16% compared to the prior-year period.

In Switzerland, net new asset growth was 2%, which was lower than in the second half of 2015, but well above the level in the first half of 2015. Pre-provision profit decreased, reflecting higher revenues offset by an increase in operating expenses mainly due to higher personnel costs. These included the full-year effect of the teams hired in the second half of 2015, which are developing well and confirm the respective business case.

The UK delivered continued net new asset growth of 5%. Pre-provision profit decreased, primarily reflecting a positive impact from bonds sales recorded in the first half of the previous year, as well as investments into compliance and risk functions. EFG expects the Brexit decision to have a limited impact on its business, with the exception of translation effects of a depreciation of the GBP.

Asia recorded net asset outflows in the first half of 2016 due to client deleveraging and the run-off of an investment product that could not be immediately replaced, but saw a particularly strong rebound towards the end of the first half of 2016. Asia increased its profitability substantially in the first of half of 2016, with pre-provision profit up by 40% year-on-year, reflecting higher revenues and lower costs.

In the Americas region, net asset outflows reflected continued difficult market conditions in Latin America in the first half of 2016, while pre-provision profit increased by 14% year-on-year.

CRO development reflecting focus on efficiency gains and performance

The number of Client Relationship Officers (CROs) stood at 424 at end-June 2016, compared to 462 at end-2015, reflecting a continued strong focus on performance management. EFG International was more selective in hiring, adding 15 experienced CROs during the first half of 2016, compared to 66 new hires in the second half of 2015. The CRO pipeline remains strong, reflecting EFG's commitment to private banking and enhanced attractiveness as an employer of choice, also in view of its expanded platform in combination with BSI.

Excluding the CROs hired in the first half of 2016, Assets under Management per CRO stood at CHF 197 million at end-June 2016, up 10% since 2012 and the highest level reached since the business review in 2011, underlining management's strong focus on CRO productivity and performance. After completion of the cost reduction programme, Assets under Management per CRO are expected to exceed CHF 200 million.

Update on premium increases in relation to life insurance policies

To date, EFG International has been informed of premium increases relating to 45 of 48 of its holdings of policies issued by Transamerica that are part of EFG International's held-to-maturity life insurance portfolio with a total number of 213 policies. EFG continues to consider the increases to be unjustified and will challenge their implementation in US courts, while continuing to monitor relevant pending actions. EFG has concluded that the carrying value is fully recoverable.

Preparations for the integration of BSI into EFG ahead of plan

As regards EFG International's planned acquisition of BSI, the financing process has been completed. EFG's shareholders approved an ordinary share capital increase that was completed on 11 May 2016, as well as the creation of authorized capital that will enable EFG to fully satisfy the share component of the purchase price for BSI. The disgorgement of CHF 95 million of profits to the FINMA and the fine of CHF 10 million to the MAS will reduce the purchase price but will not impact the negotiated indemnities. A market issue of AT1 instrument is no longer required.

Preparations for the integration of BSI into EFG International, driven by joint EFG and BSI teams, are ahead of plan. On 5 July 2016, EFG International announced the future management structure for the combined EFG and BSI business, effective as of the date of the closing of the transaction.

As announced on 14 July 2016, EFG International aims to integrate BSI's business in Singapore into EFG Bank's Singapore branch by the end of November 2016 at the latest, on the basis of an accelerated asset deal, which is subject to approval by the Monetary Authority of Singapore and court approval in Singapore.

The closing of the transaction is expected in the fourth quarter of 2016, as announced before. Following the approval of the transaction by the Swiss Financial Market Supervisory Authority (FINMA) in May 2016, the process for obtaining the other necessary regulatory approvals also remains on track. After closing, the legal integration of BSI into EFG will take place market by market and remains planned for completion by mid-2017, while the migration of BSI's business to EFG's IT platform is expected to complete by end-2017.

Half Year Report 2016

This press release and the results presentation can be found at EFG International's website: www.efginternational.com

A copy of the Half Year Report 2016 can be downloaded here:
http://www.efginternational.com/cms1/files/live/sites/efgi_public_site/files/investors/financial_reporting/2016_HY/EFGI_2016_Half_Year_Report_EN.pdf

Contact

Investor Relations
+41 44 212 7377
investorrelations@efginternational.com

Media Relations
+41 44 226 1272
mediarelations@efginternational.com

About EFG International

EFG International is a global private banking group offering private banking and asset management services, headquartered in Zurich. EFG International's group of private banking businesses operates in around 30 locations worldwide, with circa 2,000 employees. EFG International's registered shares (EFGN) are listed on the SIX Swiss Exchange.

EFG International AG, Bleicherweg 8, 8001 Zurich, Switzerland
www.efginternational.com

Practitioners of the craft of private banking

Important 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 or purchase or redemption of any securities regarding EFG.

This document is not a prospectus pursuant to arts. 652a and/or 1156 of the Swiss Code of Obligations or arts. 27 et seq. of the SIX Swiss Exchange Listing Rules or under any other applicable laws.

Investors must rely on their own evaluation of EFG and its securities, including the merits and risks involved.

Copies of this document may not be sent to jurisdictions, or distributed in or sent from jurisdictions, in which this is barred or prohibited by law. The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, in any jurisdiction in which such offer or solicitation would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any jurisdiction.

This document is not for publication or distribution in the United States of America, Canada, Australia or Japan and it does not constitute an offer or invitation to subscribe for or purchase any securities in such countries or in any other jurisdiction. In particular, the document and the information contained herein should not be distributed or otherwise transmitted into the United States of America or to U.S. persons (as defined in the U.S. Securities Act of 1933, as amended (the **"Securities Act"**)) or to publications with a general circulation in the United States of America. The securities referred to herein have not been and will not be registered under the Securities Act, or the laws of any state, and may not be offered or sold in the United States of America absent registration under or an exemption from registration under Securities Act. There will be no public offering of the securities in the United States of America.

Any offer of securities to the public that may be deemed to be made pursuant to this communication in any member state of the European Economic Area (each a "**Member State**") that has implemented Directive 2003/71/EC (together with the 2010 PD Amending Directive 2010/73/EU, including any applicable implementing measures in any Member State, the "**Prospectus Directive**") is only addressed to qualified investors in that Member State within the meaning of the Prospectus Directive.

This results presentation contains specific forward-looking statements, e.g. statements which 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 which 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: (i) the ability to successfully acquire BSI and realize expected synergies, (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/or BSI. 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 as to the future performance of EFG and/or BSI SA and its subsidiaries ("**BSI**"). The completion of the contemplated transaction remains subject to certain conditions and, if it is completed, EFG and BSI as a combined group may not realize the full benefits of the contemplated transaction, including the expected synergies, cost savings or growth opportunities within the anticipated time frame or at all.

Presentation of first-half 2016 results

Wednesday, 27 July 2016, 9.30 am (CEST)
SIX Swiss Exchange ConventionPoint, Selnaustrasse 30, Zurich

Joachim H. Straehle, Chief Executive Officer, and Giorgio Pradelli, Deputy Chief Executive Officer & Chief Financial Officer, of EFG International will present and discuss the results at a meeting for analysts, investors and media representatives.

You will be able to join us for the presentation at **SIX Swiss Exchange ConventionPoint**, Selnaustrasse 30, Zurich, via **telephone conference** or by **webcast** via the internet.

Telephone conference dial-in numbers

Switzerland: +41 58 310 50 00
UK: +44 203 059 58 62

Please call before the start of the presentation and ask for “EFG International Half-Year 2016 Results”.

Webcast

A results webcast will be available at www.efginternational.com from 9.30 am (CEST).

Presentation slides and press release

The presentation slides and press release will be available from 7.00 am (CEST) on Wednesday, 27 July 2016 at www.efginternational.com (Investor Relations / Investor Presentations).

Playback of telephone conference

A digital playback of the telephone conference will be available one hour after the conference call for 48 hours under the following numbers:

Switzerland: +41 91 612 43 30
UK: +44 207 108 62 33

Please enter conference ID 15744 followed by the # sign.

Playback of results webcast

A playback of the results webcast will be available around three hours after the event at www.efginternational.com.

Financials

Key figures as at 30 June 2016 (unaudited)

(in CHF million unless otherwise stated)	**30 June 2016**	**31 December 2015**	**30 June 2015**	Change vs. 31 December 2015	Change vs. 30 June 2015
Clients Assets under management (AUM)	**80,580**	84,133	81,237	-4%	-1%
AUM excluding shares of EFG International	**80,580**	83,304	80,196	-3%	0%
Assets under administration	**9,454**	9,605	8,726	-2%	8%
Number of Client Relationship Officers	**424**	462	444	-8%	-5%
Number of Employees (FTE's)	**2,056**	2,137	2,103	-4%	-2%

Consolidated Income Statement as at 30 June 2016 (unaudited)

(in CHF millions)	**Half-year ended 30 June 2016**	**Half-year ended 31 December 2015**	**Half-year ended 30 June 2015**	Change vs 2H15	Change vs 1H15
Interest and discount income	209.4	210.3	203.3	0%	3%
Interest expense	(107.1)	(109.9)	(103.1)	-3%	4%
Net interest income	**102.3**	**100.4**	**100.2**	**2%**	**2%**
Banking fee and commission income	208.5	213.3	238.9	-2%	-13%
Banking fee and commission expense	(33.8)	(28.5)	(48.4)	19%	-30%
Net banking fee and commission income	**174.7**	**184.8**	**190.5**	**-5%**	**-8%**
Dividend income	1.9	4.7	1.8	-60%	6%
Net trading income and foreign exchange gains less losses	58.5	57.4	46.9	2%	25%
Net loss from financial instruments measured at fair value		(5.0)	(1.4)	-100%	-100%
Gains less losses on disposal of available-for-sale investment securities	0.6	0.2	14.0	200%	-96%
Other operating income	3.7	1.2	1.0	208%	270%
Net other income	**64.7**	**58.5**	**62.3**	**11%**	**4%**
Operating income	**341.7**	**343.7**	**353.0**	**-1%**	**-3%**
Operating expenses	(298.6)	(308.3)	(296.0)	-3%	1%
Other provisions	(8.9)	(21.5)	1.5	-59%	-693%
(Impairment)/Reversal of impairment on loans and advances to customers	(0.4)		0.1	nm	-500%
Profit before tax	33.8	13.9	58.6	143%	-42%
Income tax expense	(9.9)	(4.0)	(9.1)	148%	9%
Net profit for the period	**23.9**	**9.9**	**49.5**	**141%**	**-52%**
Net profit for the period attributable to:					
Net profit attributable to equity holders of the Group	22.3	9.1	48.0		
Net profit attributable to non-controlling interests	1.6	0.8	1.5		
	23.9	**9.9**	**49.5**		

Financials (cont.)

Consolidated Balance Sheet as at 30 June 2016

(in CHF millions)	**30 June 2016**	**31 December 2015**	**Variation**
ASSETS			
Cash and balances with central banks	5,359.9	4,862.0	10%
Treasury bills and other eligible bills	799.2	757.1	6%
Due from other banks	2,216.8	2,168.5	2%
Loans and advances to customers	11,574.8	12,061.6	-4%
Derivative financial instruments	824.8	735.4	12%
Financial assets at fair value :			
- Trading assets	0.6	58.6	-99%
- Designated at inception	307.9	305.0	1%
Investment securities :			
- Available-for-sale	4,189.9	4,243.8	-1%
- Held-to-maturity	1,141.0	1,162.2	-2%
Intangible assets	272.7	271.7	0%
Property, plant and equipment	19.4	21.6	-10%
Deferred income tax assets	33.1	35.0	-5%
Other assets	237.6	113.9	109%
	26,977.7	**26,796.4**	**1%**
LIABILITIES			
Due to other banks	398.0	503.2	-21%
Due to customers	19,664.8	19,863.5	-1%
Subordinated loans	233.6	242.8	-4%
Debt issued	350.4	392.0	-11%
Derivative financial instruments	894.9	714.1	25%
Financial liabilities designated at fair value	359.8	353.1	2%
Other financial liabilities	3,392.4	3,237.9	5%
Current income tax liabilities	5.8	4.9	18%
Deferred income tax liabilities	13.5	35.1	-62%
Provisions	10.4	7.7	35%
Other liabilities	310.1	313.1	-1%
	25,633.7	**25,667.4**	**0%**
EQUITY			
Share capital	100.6	76.1	32%
Share premium	1,517.3	1,245.9	22%
Other reserves	(220.2)	(153.4)	44%
Retained earnings	(74.9)	(59.1)	27%
	1,322.8	1,109.5	19%
Non-controlling interests	21.2	19.5	9%
Total equity	**1,344.0**	**1,129.0**	19%