

To all pensioners

Lugano, 31 May 2022

2021 Annual Financial Statements

Dear Sir / Madam,

The board of “Fondazione di Previdenza EFG SA” (“Fondazione”) and the board of “Fondo Complementare di Previdenza EFG SA” (“Fondo”) (“Fondazioni”) approved the 2021 annual financial statements during the meetings of May 9th, 2022.

2021 was a good year for the financial markets, generating a net performance in the management of the assets of Fondazione of 4.11% and of Fondo of 5.91%.

Summary of “Key Figures”	Fondazione	Fondo
Coverage Ratio	110.7%	113.1%
Technical Interest Rate	1.75%	1.75%
Net investment performance	+4.11%	+5.91%
Fluctuation reserve (target 31.12.2021 = CHF 203 mln for Fondazione)	CHF 96.9 mln	CHF 6.0 mln
Net Pension assets	CHF 1'007.2 mln	CHF 51.8 mln
Pension liabilities and actuarial provisions	CHF 910.3 mln	CHF 45.8 mln

The **Coverage Ratio** is in largely positive territory at the end of 2021, reaching **110.7%** for the Fondazione and **113.1%** for the Fondo. On the one hand, Net Assets increased due to positive financial results, while on the other hand, Pension Capital and Actuarial Provisions decreased due to the adoption of the latest generational tables (BVG 2020) and the release of the no longer required provision for longevity risk for pensioners in the Fondazione.

The annual report of Fondazione closed the year with a Fluctuation reserve of CHF 96.9 mln (target set CHF 203 mln). A pension fund with a fully funded Fluctuation reserve has a greater risk capacity and the financial strength to face the future with confidence.

The annual report of Fondo closed the year with a Fluctuation Reserve of CHF 6.0 million, transferred on 1.1.2022 *pro rata individually* to Fondo insureds who decided to transfer their vested benefits in the new FCT 1e plan (irrevocable opt-in) or *collectively* to the Fondazione for individuals who chose the irrevocable opt-out or grandfathering options.

2021 was a year full of challenges and important decisions for the Boards of Fondazione and Fondo in cooperation with the Employer EFG and the "Steering Committee Pension Fund EFG."

On 1.1.2021, the **"Pensioners Ring Fencing"** project was successfully realized, implementing an internal Pensioners fund ("CPR") in the Fondazione. All the pensioners present in the Fondazione and in the Fondo as at 31.12.2020 have been transferred into the CPR, which disposes of separate accounts, assets, balance sheets and coverage ratio within the Fondazione. It aims to better guaranteeing future financial commitments towards pensioners of EFG's pension funds. In addition, with the aim of mitigating the impact of any unfavorable fluctuations in the financial markets in the CPR's management, the EFG Employer has decided to contribute with an Employer Contribution Reserve of CHF 52 mln paid in January 2021.

The Steering Committee and the Boards of the EFG pension funds continued to work throughout 2021 to align the forms of financing and pension benefits of all EFG insureds by implementing the **"harmonized basic pension plan"** from 1.1.2022.

As of 2022, EFG has appointed **Ioanna Archimandriti** as the new employer representative on the Fondazione Board to replace Josué M'Bon.

The 2021 annual financial statements were presented by the respective Boards to the Delegates meetings of May 30, meetings. They are available to all insureds, pursuing the policy of transparent, timely and widespread communication implemented by the Fondazioni over the years. The annual accounts are available in Italian and English at the following address: <https://www.efginternational.com/ch/fondazione-prev>

Best Regards



Yves Bersier
Chairman of the Board
Fondazioni EFG SA



Michele Casartelli
Foundation Manager
Fondazioni EFG SA

C.p.c.:

- Autorità di Vigilanza sulle Fondazioni e LPP della Svizzera orientale (Authority on Foundations and LPP of Eastern Switzerland), Piazza Stazione 4a, 6602 Muralto
- Ernst & Young SA, Corso Elvezia 9, 6901 Lugano
- Willis Towers Watson, Talstrasse 62, 8021 Zürich
- PPCmetrics AG, Badenerstrasse 6, 8021 Zürich