



Media Release

EFG International updates on the integration of BSI and announces increase in targeted cost synergies

Zurich, 8 December 2016. After the successful closing of the BSI acquisition announced on 1 November 2016 and the full operational integration of BSI in Singapore in mid-November, EFG International today further updates on the integration process and announces an increase in targeted fully phased cost synergies of CHF 55 million to approx. CHF 240 million by 2019.

In an analyst and investor call today at 9.30 am CET, EFG International will provide an update on the integration of BSI, including further information on the planned strategy and ambitions of the combined group and the revised synergy potential. Please click [here](#) to register for the conference call and to receive the dial-in details. The corresponding presentation is available at www.efginternational.com.

Joachim H. Straehle, CEO of EFG International: "Since the closing of the BSI acquisition, we have made good progress in implementing our integration plan. Having conducted more detailed analysis, additional synergies have been identified which will support us in building an efficient business of substantial scale to deliver sustainable growth. Our clear ambition is to reinforce EFG International's position as a top-tier Swiss private bank, offering broad opportunities to clients and employees and leveraging our enhanced global presence and strong Swiss hubs in Zurich, Lugano and Geneva."

Ambitions of the combined group

The ambition of the combined group is to improve its competitive position as a top-tier Swiss private bank; to capture the significant potential for economies of scale; and to deliver sustainable growth. Key pillars of the combined group's strategy include:

- Focus on current competitive strength in the HNWI core private banking segment, which has historically offered attractive margins, with a particular focus on entrepreneurs in all stages of their life-cycle as a key target client segment;
- Strengthening of existing locations as part of the enhanced global network with a presence in main financial centres and target growth regions, notably Switzerland, Europe (in particular the UK, Russia, CEE and selected onshore markets such as Italy and Spain), Latin America and Asia;
- Offering an extensive range of wealth management products and services through a flexible open architecture platform and an increased penetration of investment solutions;

- Differentiation through the entrepreneurial spirit of the business, and the seniority and continuity of its Client Relationship Officers;
- Strong capitalization and low risk profile.

Additional synergy potential

Since the BSI acquisition was completed, additional data has been assessed and a more detailed analysis regarding synergy potential has been conducted. As a result, additional synergies have been identified in order to reflect the size of the combined business:

- Targeted pre-tax cost synergies of approx. CHF 240 million p.a. (CHF 55 million higher than the previously announced target of CHF 185 million), which should come into full effect in 2019;
- Revised targeted cost synergies mainly reflect additional synergies in IT/Operations and from optimising booking centres and exiting non-core businesses; in this context, BSI Panama will be closed by the third quarter of 2017, a partial sale of BSI Bahamas client portfolios has been agreed in December 2016, and EFG's Independent Financial Advisers business in the UK is planned to be sold;
- Estimated one-off integration costs borne by EFG International of approx. CHF 250 million (vs. previously communicated approx. CHF 200 million), which are expected to be phased over 2016-2018;
- Estimated AuM attrition rate of approx. CHF 10 billion over the next three years and estimated net revenue loss of approx. CHF 69 million (vs. previously communicated approx. CHF 82 million);
- Estimated post-tax net synergies (based on 17.5% tax rate) of CHF 141 million (vs. previously communicated approx. CHF 85 million) from 2019; transaction expected to be EPS accretive from 2018 onwards (excluding integration costs).

On the basis of the revised cost synergies target, a net reduction of approx. 100-150 jobs p.a. is expected across EFG and BSI globally during the years 2017-2019, excluding divestures. Approx. two thirds of these reductions are expected to take place in Switzerland, while Zurich, Lugano and Geneva will all remain important hubs for the governance and operation of the combined bank. The phasing of job reductions over three years will allow the bank to take into account natural staff turnover and retirements. Where redundancies cannot be avoided, a social plan will be put in place in conformity with applicable rules and regulations.

Integration process well on track, Singapore integration completed

Following the successful completion of the BSI acquisition announced on 1 November 2016, which has created one of the largest private banks in Switzerland with approx. CHF 148¹ billion in assets under management, the process of integrating BSI into EFG International is well under way. As announced on 15 November 2016, the successful completion of the operational integration of BSI in Singapore marked the first major

¹ As at 31 October 2016

milestone in the phased integration process. The migration approach in Singapore will serve as a blueprint for other international locations.

As a next step, the integration of BSI in Hong Kong is planned in the first quarter of 2017. The integration of BSI's Swiss business is planned in the second quarter of 2017 and the legal integration of all BSI entities is expected to be completed in the third quarter of 2017. The migration of BSI's business to EFG's IT platform is expected to be completed by year-end 2017, as previously announced.

The future target operating model combines:

- Five regional front office-organizations (Central Switzerland, Ticino & Italy; Romandie & Continental Europe; Latin America; UK; Asia);
- A group-wide Investment Solutions platform, leading all asset management activities and providing global guidance and coordination on advisory and product management; and
- A global diversified trading business serving sophisticated private and institutional clients and external asset managers (Global Markets).

The business organization is complemented by strong corporate functions, supporting and overseeing businesses worldwide, and an integrated IT and operations platform in a highly internalized model.

Playback of telephone conference

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

Switzerland: +41 91 612 4330
UK: +44 207 108 6233

Please enter conference ID 12813 followed by the # sign.

EFG International will report its annual results on 15 March 2017.

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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, including Lugano-based BSI, operates in around 40 locations worldwide, with circa 3,800 employees. EFG International's registered shares (EFGN) are listed on the SIX Swiss Exchange.

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