

Media Release

EFG International proposes payment of second tranche of dividend, comments on business performance and announces changes to its Board of Directors

Zurich, 11 November 2020

EFG International today published the invitation to its Extraordinary General Meeting (EGM) on 08 December 2020, where shareholders will vote on the distribution of the second tranche of the 2019 dividend of CHF 0.15 per share. EFG today also provides an update on its financial performance and announces changes to its Board of Directors. Spiro J. Latsis has decided not to stand for re-election to the Board of Directors at the next Annual General Meeting in April 2021. As part of the long-term succession planning, John S. Latsis will take over the role as principal representative of the majority shareholder. In addition, Ilan Hayim is nominated as a new member of the Board for election at the EGM.

Proposed dividend distribution at EGM of 08 December 2020

In line with the recommendation from the Swiss Financial Market Supervisory Authority FINMA relating to the current COVID-19 situation, EFG announced on 15 April 2020 that its Board of Directors proposes to distribute the 2019 dividend of CHF 0.30 per share in two equal instalments. Following the first distribution out of reserves from capital contributions on 06 May 2020, in line with shareholders' approval at the Annual General Meeting on 29 April 2020, EFG's Board of Directors now proposes a second cash distribution of CHF 0.15 per share (free of Swiss withholding tax) to be made on 14 December 2020, subject to shareholder approval at the Extraordinary General Meeting on 08 December 2020.

EFG has a strong capital position and ample liquidity buffers, which are well above regulatory requirements. In the third quarter of 2020, EFG further strengthened its capital ratios, while accruing for expected dividend payments in 2020 and 2021. For more information on EFG's capital and liquidity positions, please refer to [EFG's Pillar 3 report](#) for the first half of 2020.

The full invitation and agenda items for the Extraordinary General Meeting can be found at the following link: www.efginternational.com/egm

Update on EFG's business performance

In the third quarter of 2020, EFG maintained its growth momentum and continued to execute its 2022 strategic plan.

In particular, EFG recorded net new asset¹ inflows at the top end of its 4-6% target range in the third quarter, following up on a solid first half of 2020, when net new asset grew at an annualised rate of 5.5%. Overall, Assets under Management increased to CHF 151.3 billion as of end-September 2020.

As expected, revenue margins continued to be under pressure in the third quarter, as assets and liabilities reset to the low interest rate environment. However, several of EFG's revenue management actions are already yielding results, with more being activated before year-end. At the same time, cost management actions are bearing fruit. At the end of the third quarter of 2020, the underlying cost/income ratio² was at 80%, reflecting a six-percentage-points reduction versus the end of the first half of the year, as EFG executes its efficiency and optimisation measures. In line with its strategic plan, EFG continues to rationalise its international footprint and to optimise the operational set-up of its eight main booking centres. This included the successful transfer of its Ticino-based retail business to BancaStato, as announced on [30 September 2020](#), in order to concentrate on its core private banking business.

Giorgio Pradelli, Chief Executive Officer: "In the third quarter of 2020, we successfully maintained our strong growth momentum, as we focused on providing our clients high-quality service and on executing our strategic initiatives. Considering the continued pressure on margins, we will continue to concentrate on further improving profitability by implementing revenue management actions, promoting higher-value products, and executing our cost reduction measures."

Update on legal case relating to Taiwanese insurance company

As previously announced, EFG participated in court hearings scheduled in Hong Kong on 17-19 August 2020 to determine whether the arbitration award that was obtained by a Taiwanese insurance company will be enforced against EFG International. EFG is now pleased to announce that the High Court of Hong Kong has decided in EFG's favour that the Taiwan arbitration award will not be enforced in Hong Kong. The Taiwanese insurance company has 14 days, from the court's decision on 05 November 2020, to seek leave from the High Court to appeal the decision. Regarding the multi-jurisdictional proceedings, EFG has ongoing legal proceedings in Singapore, which it expects to be resolved in the first half of 2021.

For additional information on the multi-jurisdictional proceedings, including previous judgements and outstanding legal matters in Singapore, please refer to Note 5 of the [Half-year Report 2020](#).

Changes to EFG's Executive Committee

EFG is today also announcing that Raj Singh, Chief Risk Officer, will be stepping down from his position effective 31 December 2020 to pursue his external mandate portfolio and other outside opportunities. Raj Singh joined EFG in January 2019 and has played a key role in shaping a strong and uniform risk management framework across the combined business, following the acquisition and integration of BSI. Today, EFG has a strong risk and compliance framework in place, which – as an important prerequisite for sustainable growth – it will continue to further enhance and strengthen on a global basis. A successor for the Chief Risk Officer position will be communicated in due course.

Giorgio Pradelli, Chief Executive Officer: "I want to thank Raj for his contribution to EFG over the past two years and wish him well in his future endeavours."

Changes to EFG's Board of Directors

EFG today announces that Dr. Spiro J. Latsis has decided not to stand for re-election as a member of the Board of Directors at the next Annual General Meeting in April 2021. Dr. Spiro J. Latsis, who is a founding member of EFG International, will remain the Chair of the Board of Directors of EFG's majority shareholding, EFG Bank European Financial Group SA, and member of the Board of Directors of EFG Bank (Monaco). As part of the long-term succession planning, which demonstrates the continued commitment and support of EFG's majority shareholder, his son, Dr. John S. Latsis, who has been a member of EFG International's Board of Directors since April 2018 and of EFG Bank European Financial Group since 2016, will become the principal representative of the Latsis family and EFG's majority shareholder going forward.

In addition, EFG is announcing the nomination of Ilan Hayim as a new member of the Board of Directors of EFG International and EFG Bank at the EGM on 08 December 2020, upon recommendation by the majority shareholder. He will also join the Board of Directors of EFG Bank European Financial Group. Ilan Hayim is a seasoned professional, with extensive experience in executive and non-executive roles at Swiss and international financial industry players. Last, he was Chair of the Board of Directors of Bank J. Safra Sarasin AG and a member of the Board of Directors of J. Safra Sarasin Holding AG from 2013 to 2019. From 2008 to 2012, Ilan Hayim was the Vice-Chair at HSBC Private Bank and served as Chief Executive Officer of HSBC Guyerzeller from 1999 to 2008. Prior to that, Ilan Hayim also served as Chief Executive Officer and member of the Board of Directors at Banque Unigestion and held several senior positions at Paribas, where he started his career. Ilan Hayim is a Swiss citizen and holds an MBA as well as a PhD in economics from the University of Geneva.

Peter Fanconi, Chair of EFG's Board of Directors: "Dr. Spiro J. Latsis has shaped EFG's development and strategic positioning since its inception – growing it from a simple start-up to one of the top ten Swiss private banks today. On behalf of the entire Board of Directors, I already want to thank him and his family for their unwavering support and commitment. Likewise, we look forward to continuing to work closely with Dr. John S. Latsis, and the Board is also pleased to propose Ilan Hayim as a new member at the upcoming EGM. Together, the Board of Directors and EFG's management will continue to drive our bank's strategy forward to further strengthen EFG's market position."

¹ Alternative performance measures and Reconciliations: This media release contains certain financial measures of historical and future performance and financial position that are not defined or specified by IFRS, such as "net new assets", "Assets under Management", "cost/income ratio". These alternative performance measures (APM) should be regarded as complementary information to, and not as a substitute for the IFRS performance measures. The definitions of APM used in this media release and other communications to investors, together with reconciliations to the most directly reconcilable IFRS line items, are provided in the section headed "Alternative performance measures" of the Half-year Report 2020 available at www.efginternational.com/Half-year-report.

² Underlying results, such as "underlying cost/income ratio", are not defined or specified by IFRS and should be regarded as complementary information to, and not as a substitute for the IFRS performance measures. For a definition of these non-IFRS performance measures, together with reconciliations to the most directly reconcilable IFRS line items, please refer to the section headed "Alternative Performance Measures" of the Half-year Report 2020 available at www.efginternational.com/Half-year-report.

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About EFG International

EFG International is a global private banking group offering private banking and asset management services and is headquartered in Zurich. EFG International's group of private banking businesses operates in around 40 locations worldwide. Its registered shares (EFGN) are listed on the SIX Swiss Exchange.

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