

## EFG International announces a new business initiative, EFG Financial Products

### **Zurich, 25 October 2007 – EFG International to launch a new business initiative, EFG Financial Products, focusing on structured investment products**

EFG International will establish a new business, EFG Financial Products. This will comprise a Swiss securities dealer (subject to regulatory approval) and a Guernsey issuing entity. It is expected that the business will be fully operational effective December 2007. A minority stake in the business is held by its employees.

This business will differ from existing activities relating to structured investment products in that it will involve issuing instruments in its own name, with a strong orientation towards listed products. These will be open to the market at large, not just to existing clients.

EFG Financial Products is committed to helping the market for structured investment products to come of age. Its approach is characterised by a high degree of focus, unrivalled expertise, and an entrepreneurial ethos. It will provide a high quality and differentiated service for the products it will issue. This will be based on experienced individuals in all aspects of structured products and derivatives; a leading edge technology platform; and price competitiveness. Initially, it will provide structured product solutions to the Swiss market, encompassing private and institutional clients. The new business venture now has over 40 employees, with an average of more than ten years' relevant industry experience.

At the time of its interim results, EFG International mentioned that it was seeing strong growth in specialist product areas, with significant appetite among clients to source investment opportunities, and that it was looking at ways of further increasing choice. This was linked to a desire among clients for value-adding, internally generated solutions, notably in fast-moving and sometimes complex product areas, such as structured products, as well as hedge funds and derivatives.

With the launch of this new business, EFG International is responding to these trends. It will enjoy access to leading expertise, as well as a source of innovative products. This in turn will help to increase choice and quality; and, crucially, further enhance its ability to simplify product complexity and craft innovative solutions for clients. As always, however, this will be subject to strict market tests. Client Relationship Officers (CROs) will continue to be able to choose the most appropriate product provider, externally and in select areas internally. There will be no compulsion on CROs to sell internal products.

EFG International sees structured products as an integral part of wealth management, with relevance to clients across the wealth spectrum. For many, they offer the benefit of access to upside potential but with downside protection, in a

packaged and accessible form. For more sophisticated clients, they can be used to exploit highly specialised opportunities that require technical / structuring expertise of the highest order.

In light of the above, EFG Financial Products sees a significant opportunity to develop business and add significant value to a wide range of clients. The ambition is to be among the front rank of market players. Risks will be carefully managed, within well controlled and monitored risk limits. Instruments issued will be hedged, and EFG International's overall risk levels and appetite will not change. More detail on business plans will follow later in the year.

Central to these ambitious plans are high quality people. EFG Financial Products is adopting a similar entrepreneurial approach to EFG International, and this has enabled it to assemble a high quality team of experienced practitioners. The management team of EFG Financial Products will consist of Lukas Ruffin, Jan Schoch, Michael Hartweg and Sandro Dorigo:

- Lukas Ruffin, currently working for EFG Private Bank Limited, London and member of EFG International's Executive Committee, joined the company in early 2004 from Lehman Brothers. Since then, he has played an important role in a number of initiatives, including the setting up of several new businesses and the recent equity capital financings of EFG International. Given his new responsibility, he will formally relinquish his membership of the Executive Committee of EFG International on 31 December 2007.
- Jan Schoch will be responsible for distribution and financial engineering. He was formerly Head of Equity, Commodity and Hybrid Derivative Sales Switzerland at Lehman Brothers, where he was responsible for establishing its Swiss structured products business. Prior to Lehman Brothers, he spent five years at Goldman Sachs, helping to drive the establishment of its Swiss structured products business.
- Michael Hartweg will be responsible for structuring and trading. He was formerly Head of Trading Securitized Structured Products for Europe at Goldman Sachs, where he played an important role in setting up its European securitized structured products business. Prior to this he was the Head of Certificates Trading Germany for Commerzbank in Frankfurt, playing a key role in establishing its securities derivatives platform.
- Sandro Dorigo will be responsible for operations and the distribution platform. He formerly built up and led the Securitized Structured Products platform at Lehman Brothers, Switzerland. Prior to this, he worked for Julius Baer where he was central to building up its structured products platform, and was responsible for structured products within discretionary mandates.

In addition, the development of EFG Financial Products is supported by a strong team drawn from leading market players and characterised by expertise in relation to structured products, derivatives and wealth management more generally.

Lonnie Howell, CEO of EFG International:

- "I am excited by the team we have assembled at EFG Financial Products, and its business potential. To us, the thinking that goes into structured investment products is central to wealth management, and we are seeing strong appetite

among our clients for us to provide practical solutions in some of the more complex product areas. The capabilities within EFG Financial Products will further help us to do this. In addition, it will widen the scope of EFG International, with an offering of the highest quality to a wide range of private and institutional clients.”

Lukas Rufin, General Manager of EFG Financial Products (Guernsey) Ltd:

- “Structured products is a fast-growing area of financial services, which reflects the benefits they can offer to clients across the spectrum of wealth. We believe it is an area that is coming of age, and EFG Financial Products is intent on being at the forefront of the industry. We are convinced that the combination of talented and experienced individuals and of a modern operating and IT platform will enable us to achieve our ambition in becoming a leading service provider.”

Jan Schoch, Member of the Executive Committee of EFG Financial Products, Zurich:

- “It is extremely exciting to be part of such an experienced team of people who all share the same passion for this business, as well as a belief that the service for clients of structured products can be significantly improved. We are committed to delivering this, based on the quality of our people; the scope, speed and flexibility of our business and technology platform; and our commitment to delivering innovative ideas combined with value for money. We are raring to go, and look forward to showing prospective clients the difference that EFG Financial Products can make.”

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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 currently operate in 44 locations in 30 countries, with over 1,600 employees. EFG International's registered shares (EFGN) are listed on the SWX Swiss Exchange. EFG International is a member of the EFG Group headquartered in Geneva, Switzerland, which is the third-largest banking group in Switzerland by Tier-1 Capital.

*EFG International*

*Practitioners of the craft of private banking*