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Media Release

EFG reports on business performance and announces GBC appointment

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EFG International is continuing to systematically execute its 2022 strategic plan with a focus on achieving sustainable and profitable growth. As part of these efforts, EFG has made strong progress with its strategic business initiatives and CRO hiring in the year to date, while realising significant cost synergies.

- **EFG strengthened its international footprint with the official launch of operations in Portugal and the opening of a new office in Dubai**
- **Successful CRO hiring efforts resulted in 157 new CROs being hired, signed or approved in the year to date, exceeding previous guidance, and the pipeline remains strong**
- **Assets under Management[1] now total CHF 150.7 billion, with positive trends in net new asset[1] growth; this reflects strong performance in the UK and Continental Europe & Middle East and a return to positive net asset inflows in the Switzerland & Italy Region**
- **EFG is on track to realise targeted BSI-related cost synergies by end-2019 and is exercising further strict cost discipline to support the financing of growth initiatives**

Since presenting its new 2022 strategic plan to the market in March 2019, EFG has made considerable progress in executing its strategic business initiatives. In particular, it has accelerated its CRO hiring efforts and has hired, approved or signed a total of 157 new CROs in the year to date, exceeding its previous guidance of 75-100 new CRO hires per annum. In addition, EFG has relaunched its domestic Italian business from its Milan branch and has further expanded its footprint in Southern Europe with the opening of its new branch in Lisbon, Portugal, which has been fully operational since 01 September 2019. This was followed on 31 October 2019 by the launch of EFG's new advisory office in Dubai. With its new presence in the Dubai International Financial Centre, EFG is even better positioned to service the regional HNWI client segment and capture attractive opportunities in this market.

Net new asset[1] generation was robust for the year to date, with the exception of the first quarter of 2019, which was marked by deleveraging. On an annualised basis, net new asset growth until the end of October was at 1.7%, recovering considerably following the first quarter to 4.2% for the period from April to end-October 2019. The second half of the year to date showed a continuation of strong net new asset generation in the UK and Continental Europe & Middle East as well as a return to net asset inflows in Switzerland & Italy and positive developments in Asia. In addition, net new asset developments reflected EFG's successful CRO hiring efforts. Overall, including market and foreign exchange impacts, Assets under Management[1] increased to CHF 150.7 billion as of 31 October 2019.

Revenue margins remained under substantial pressure in the third quarter, reflecting the continued low interest rate environment and lower-than-average client activity. EFG therefore continued to exercise strict cost discipline and to realise targeted cost synergies[1] from the BSI acquisition. It is on track to realise its cumulative pre-tax cost synergy target of CHF 240 million by end-2019 –

[1] Assets under Management, net new assets and cumulative cost synergies are non-IFRS financial measures, defined in the Appendix of this media release.

completing the final stage of its cost synergy realisation efforts in connection with the BSI integration.

In addition, EFG is continuing to enhance its operational efficiency by executing further cost management actions, streamlining processes and reducing general and administrative expenses. These efforts are designed to support the financing of strategic growth initiatives and to help EFG achieve its end-2022 cost/income ratio target of 72-75%. Several of these actions have already been initiated and are expected to benefit EFG's overall operational efficiency from 01 January 2020. In addition – as outlined in its 2022 strategic plan – EFG aims to optimise its international booking centre footprint, maintaining its existing presence in its eight main offshore centres with a more cost-efficient operational set-up.

For more information on EFG's share buyback programme, which was launched on 31 May 2019, please visit our website.

EFG will report its results for the full year 2019 on 26 February 2020.

Kurt Haueter appointed Head of newly combined Global Markets & Treasury division

EFG is today also announcing that it will combine its Global Markets and Treasury & ALM functions to form a single division under the leadership of Kurt Haueter, the new Head of Global Markets & Treasury, effective 01 January 2020 and subject to regulatory approval. Maurizio Moranzoni, Head of Global Markets, has decided to step down from his current role and to retire.

In his new role as Head of Global Markets & Treasury, Kurt Haueter will also become a member of EFG International's Global Business Committee and a member of the Executive Committee of EFG Bank AG. He will report to CFO Dimitris Politis and will be responsible for overseeing the newly combined Global Markets & Treasury division in order to drive forward business development initiatives and support EFG's private banking business globally.

Kurt Haueter has been with EFG since 2009 and has an in-depth knowledge of the bank and its businesses, as well as extensive industry expertise. He has held the role of Global Head of Treasury & ALM since November 2016. From 2011 to 2016, he was Head of Financial Markets and prior to that served as Head of Treasury at EFG Financial Products (Leonteq) and EFG Bank. Before joining EFG, he worked as Senior Treasury Officer at Swiss Re in Zurich and London from 2002 to 2009. Kurt Haueter holds an Executive Master in Corporate Finance from the Institute for Financial Services of the University of Applied Sciences of Central Switzerland, and a BSc in Business Administration from the Zurich University of Applied Sciences.

Maurizio Moranzoni, Head of Global Markets since October 2016, has decided to step down from his role and to retire on 31 December 2019, after a long and distinguished career. He joined BSI in 1982 and has held a number of senior management positions, including serving as Head of Global Markets & Treasury since 2003. As a member of EFG's Global Business Committee and the Executive Committee of EFG Bank AG, Maurizio Moranzoni not only helped to execute EFG's strategic plan but also played an important role during the BSI integration process.

Giorgio Pradelli, Chief Executive Officer of EFG International: "I am pleased to announce the appointment of Kurt Haueter as the new Head of Global Markets & Treasury. Kurt has been with EFG for several years and has a deep understanding of our business. I am convinced that he will be a valuable addition to our Global Business Committee and will help to further execute our 2022 strategic plan. I would also like to thank Maurizio Moranzoni for his important contribution to the successful completion of the BSI integration and his role in transforming EFG into one of the largest Swiss private banks. On behalf of our leadership team, I wish him all the best for his retirement."

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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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This release contains specific forward-looking statements that 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 that 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: (1) the ability to successfully realize the synergies expected from the integration of BSI SA ("BSI"), (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 its subsidiaries, including BSI group legacy risks. 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 concerning the future performance of EFG and its subsidiaries. EFG may not realise the full benefits of the integration of BSI, including the expected synergies, cost savings or growth opportunities within the anticipated time frame or at all.

Appendix

Reporting basis

EFG presents its financial results on an underlying basis. With the BSI integration and optimisation process completed, EFG has discontinued the concept of '*AuM attrition*', '*underlying net new assets*' and '*BSI integration costs*' with effect from the end of 2018. As of the beginning of 2019, EFG only reports net new assets as a total figure and underlying performance excludes only the impact of the life insurance portfolio, legal costs and provisions relating to previously disclosed legacy matters, and acquisition-related intangible amortisation

Assets under Management (AuM) – Total revenue-generating Assets under Management is the total market value of the assets and liabilities that the Group manages on behalf of clients. AuM include all assets and liabilities managed by or deposited with the Group on which the Group earns revenues. Assets under Custody, excluded from AuM, are assets deposited with the Group held solely for safekeeping/custody purposes, and for which the Group does not offer advice on how the assets should be invested. AuM includes lombard loans and mortgages but does not include the real estate that is security for the mortgage.

When AuM is subject to more than one level of asset management services, double counting arises within total AuM. Each such separate discretionary or advisory service provides additional benefits to the respective client and generates additional revenue for the Group. Double counts primarily include self-managed collective investment schemes and structured products issued by Group companies, which are also included in customer portfolios and already included in AUM.

The Group discloses Assets under Management on an annual basis in its Annual Report in accordance with the Guidelines of the Swiss Financial Market Supervisory Authority (FINMA) governing financial statement reporting. See note 66 of the 2018 Annual Report.

Net new assets (NNA) – Net new assets consists of new client acquisitions, client departures and inflows or outflows attributable to existing clients, including new or additional drawdowns of loans and mortgages. Net new assets can be in cash or securities transferred to the bank. Interest and dividend income from assets under management, market or currency movements as well as fees and commissions are not included in NNA. Effects resulting from any acquisition or disposal of Group companies are not included in NNA.

Cumulative cost synergies – Cost synergies capture the operating cost reduction arising from the BSI acquisition, over the 2016 to 2019 period. The measurement of cost synergies is based on an assessment of the current operating expense base adjusted for factors that have impacted the post-acquisition operating expense base (e.g. subsequent acquisitions, non-recurring costs and CRO recruitment), compared to the sum of the operating expense bases of the two Groups at the date of the acquisition. This is assessed annually and cumulative synergies represent the sum of the annual impacts.