

## Media Release

# EFG International comments on business performance and announces changes to its Executive Committee

Zurich, 29 April 2020

**In the context of its Annual General Meeting, which is held today without any public attendance, EFG International provides an update on its business performance and announces that Martin Freiermuth has been appointed Chief Operating Officer and a member of the Executive Committee, effective mid-August 2020.**

In light of the coronavirus (COVID-19) situation, EFG has implemented a number of precautionary measures in a decisive and timely manner to safeguard the well-being of its clients and employees, while ensuring an uninterrupted, high-quality private banking service. EFG swiftly implemented wide-ranging split-office and work-from-home arrangements and further enhanced its IT capabilities, facilitating frequent communication with clients and providing relevant and up-to-date market insights.

Notwithstanding the recent market turmoil, EFG maintained its operational resilience with a solid business performance in the first quarter of 2020. EFG registered positive inflows, with an annualised net new asset growth rate<sup>1</sup> of 2.5%, driven by a strong contribution from its UK, Continental Europe & Middle East and Latin America regions, offset by deleveraging trends in Asia Pacific (excluding the deleveraging, net new asset growth was within EFG's target range). The negative market and foreign exchange movements have led to a decline in Assets under Management in line with the industry. Assets under Management have rebounded slightly throughout April and currently stand at CHF 139.7 billion. In terms of business performance, EFG has experienced increased client activity, with net commission income at its highest level in the bank's recent history. The impact of the coronavirus pandemic on EFG's business in the first quarter was contained to limited valuation losses in its fixed income trading portfolio, with substantial recovery in valuations within the month of April. Due to the highly secured nature of EFG's credit portfolio, credit losses have been negligible. Overall, EFG maintains its strong capital ratios and ample liquidity buffers, which are well above regulatory requirements.

Going forward, EFG expects to see continued pressure on operating income as the effect from the low interest rate environment will materialise fully and further deleveraging might impact net new asset and Assets under Management levels. In light of this, EFG is implementing mitigating revenue management actions and remains committed to its previously announced cost reduction measures. EFG will expedite its international booking centre and footprint rationalisation as already announced and will take decisive actions to significantly optimise the operational set-up of its core offshore booking centres through centralisation of activities and automation of processes as well as the introduction of new digital solutions to further improve client experience.

Giorgio Pradelli, CEO of EFG International: "We are facing unprecedented times. Safeguarding the well-being of our colleagues and clients as well as maintaining the operational readiness of our bank have been and continue to be our primary concern. Approximately 85% of our employees now work from home and I am very pleased with how seamlessly our teams have adapted to the new circumstances, providing our clients with continued high-quality service."

“Despite the recent market turmoil, we had a solid business performance in the first quarter. We achieved record net commission levels and solid net new assets, albeit short of our target range. However, our Assets under Management have been adversely impacted by market movements. Going forward, as we expect to see further pressure on our revenues, we will accelerate our planned cost reduction measures, including our footprint rationalisation and optimisation of our operational set-up, in order to realise the efficiency gains sooner than originally planned.”

### **Martin Freiermuth appointed as new Chief Operating Officer**

EFG is today also announcing that Martin Freiermuth has been appointed as new Chief Operating Officer and member of the Executive Committee, to succeed Christian Flemming, who will step down to become the Chief Operating Officer of BTG Pactual.

Martin Freiermuth will join EFG International as Chief Operating Officer, effective mid-August 2020. As a member of the Executive Committee, reporting directly to CEO Giorgio Pradelli, Martin Freiermuth will be responsible for further improving EFG’s operational efficiency as well as driving the bank’s digitalisation efforts. Martin Freiermuth will join EFG from Banque Internationale à Luxembourg, where he worked since 2014 and served as Group Head Products & Markets and member of the Executive Committee since October 2018. From 2002 to 2013, Martin Freiermuth worked at Bank Vontobel AG in Zurich, where he held a number of senior management positions, including Head of Private Banking Services. Martin Freiermuth holds a PhD in economics from the University of St. Gallen as well as a European Master Diploma of the Community of European Management Schools (CEMS).

Christian Flemming will step down from his position as Chief Operating Officer and leave EFG to become the Chief Operating Officer of BTG Pactual as of mid-September 2020, following the hand-over period. Christian Flemming has been instrumental in EFG’s development over the past years, including the BSI integration process, which he helped to orchestrate as Chief Operating and Financial Officer of BSI. Furthermore, he played a vital role in executing EFG’s strategic plan and further developing the bank’s operational and real estate platform to increase efficiency and ensure high-quality services to CROs and clients – including during the current coronavirus situation, guaranteeing EFG’s operational resilience and uninterrupted service.

Giorgio Pradelli, CEO of EFG International: “I am pleased to announce the appointment of Martin Freiermuth as the new Chief Operating Officer. With his vast experience in the financial services industry, I am convinced that he will be a valuable addition to our Executive Committee and will help to further execute our 2022 strategic plan. I would also like to thank Christian Flemming for his outstanding commitment over the past years. He was instrumental in the successful completion of the BSI integration and played a key role in further developing EFG’s operating and IT platforms. On behalf of our leadership team, I wish him all the best for his future endeavours.”

EFG International will report its results for the first half of 2020 on 22 July.

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<sup>i</sup> **Alternative Performance Measures.** 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” and “net new asset growth rate”. 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 are provided in the section headed “Alternative Performance Measures” of the Annual Report 2019 available at [www.efginternational.com/Annual-report-2019](http://www.efginternational.com/Annual-report-2019).

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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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