

Remuneration Code

2018 Pillar 3 disclosure

This disclosure reflects the requirements of the Capital Requirements Directive Regulation (CRR), Article 450 which came into effect on 1 January 2014.

Remuneration policy for EFG Private Bank Limited (EFGIUK) and its subsidiaries (“the Group”) is overseen by the EFGIUK Remuneration Committee, a subcommittee of the Board of Directors comprised of independent non-executive directors. Our remuneration policy promotes sound and effective risk management and risk-taking consistent with the Group’s business strategy, risk appetite and regulatory requirements. All remuneration is subject to review and approval by the Remuneration Committee that met three times in 2018.

Fixed remuneration comprises salary and benefits including pension, health as well as housing allowances in certain cases. Remuneration is set by reference to industry data / practices, taking account of the skill and experience necessary to fulfil the required role.

All variable remuneration is discretionary and awarded on either a performance-related or formulaic basis. Performance-related discretionary remuneration is based upon non-financial performance criteria such as achievement of specific agreed objectives. Formulaic discretionary remuneration is linked to financial performance of the business. Financial performance is measured by reference to individual, team or entity level profit/loss statements. Financial performance assessment includes allocation of losses, operational errors and risk-based deductions for costs of capital and liquidity and for certain types of client, as well as measures taken to encourage behaviour consistent with our business objectives and the UK Remuneration Code. Variable compensation over a threshold level is subject to a three year deferral period to align individual reward with the longer term interests of shareholders.

During 2014 regulatory technical standards came into force providing qualitative and quantitative criteria to aid identification of employees who have a material impact on the risk profile of the Group. 61 individuals were classed as Material Risk Takers (“MRTs”) staff as at 31 December 2018 following application of these standards.

Total MRTs aggregate remuneration includes fixed and variable compensation including any sign on or severance compensation incurred. Aggregate compensation amounted to £22.3m and arose from providing private banking/wealth management services. Of this £22.3m, £5.7m was paid to senior management, and £16.5m was paid to other MRTs.