

To all pensioners

Lugano, 20 May 2021

## 2020 Annual Financial Statements

Dear Sir / Madam,

The board of “Fondazione di Previdenza EFG SA” (“Fondazione”) and the board of “Fondo Complementare di Previdenza EFG SA” (“Fondo”) (“Fondazioni”) approved the 2020 annual financial statements during the meetings of April 30<sup>th</sup>, 2021.

2020 was a good year for the financial markets, generating a net performance in the management of the assets of Fondazione of 3.26% and of Fondo of 3.14%.

As a direct consequence of the positive financial results, the **Coverage Ratio** is at the end of 2020 in positive territory, reaching 105.5% for the Fondazione and 106.2% for the Fondo, despite the creation of a reserve for a future reduction of the technical interest rate for pensioners from 1.75% to 1.50% in the Fondazione and 0.75% in the Fondo and the creation of a reserve for the annual remuneration of the retirement assets of active insureds in 2021 of 2% (with additional interest for the lower salary brackets in the Fondazione).

The annual accounts of the Fondazione and the Fondo closed the year with a fluctuation reserve of CHF 47.1 mln for the Fondazione (target set CHF 120.4 mln) and CHF 8.9 mln for the Fondo (target set CHF 28.3 mln). A pension fund that can count on the full constitution of the fluctuation reserve has a greater risk capacity and financial strength to face the future with confidence.

Summary of “Key Figures”	Fondazione	Fondo
Coverage Ratio	105.5%	106.2%
Technical Interest Rate	1.75%	1.75%
Net investment performance	+3.26%	+3.14%
Fluctuation reserve (target 31.12.2020 = CHF 120.4 mln for Fondazione and CHF 28.3 mln for Fondo)	CHF 47.1 mln	CHF 8.9 mln
Net Pension assets	CHF 901.3 mln	CHF 153.9 mln
Pension liabilities and actuarial provisions	CHF 854.2 mln	CHF 145.0 mln

During 2020, with the effective contribution of the Employer EFG and the approval of the Supervisory Authority, the “Steering Committee Pension Funds EFG”, in collaboration with the Board of Fondazione and that of Fondo, has finalized a restructuring of the Fondazioni EFG in the interest of all active insureds and pensioners by creating within the Fondazione an Internal Pensioners Fund (“CPR”) starting from 1.1.2021.

The Steering Committee and the Foundation Boards are continuing to work to evaluate the harmonization of pension benefits of EFG employees as a whole and align with market trends and needs.

Due to the extraordinary situation and the measures imposed to stem the spread of the Covid-19 Virus, the Assembly of Delegates was held online on May 19<sup>th</sup>, 2021.

With effect from 01.01.2021, the pension regulations of the Fondazione and the Fondo were updated with the entry into force of the adjustment of the limit amounts in the occupational pension plan, the introduction of Article 47a BVG concerning the maintenance of the pension plan (only in the Fondazione) and the amendment of Articles 30d and 30e BVG. In addition, a new Chapter XI regulating the functioning of the Internal Pensioners Fund (“CPR”) has been introduced.

The 2020 annual financial statements in Italian and English, as well as the updated version of the pension regulations, are available to all pensioners at the following link: <https://doc.efgbank.com/fondazioneprev.html>, following the policy of transparent, timely and capillary communication that the Fondazioni have built over the years.

Best Regards



Yves Bersier  
*Chairman of the Board*  
Fondazioni EFG SA



Michele Casartelli  
*Foundation Manager*  
Fondazioni EFG SA

C.p.c.:

- Autorità di Vigilanza sulle Fondazioni e LPP della Svizzera orientale (Authority on Foundations and LPP of Eastern Switzerland), Piazza Stazione 4a, 6602 Muralto
- Ernst & Young SA, Corso Elvezia 9, 6901 Lugano
- Willis Towers Watson, Talstrasse 62, 8021 Zürich
- PPCmetrics AG, 8021 Zürich