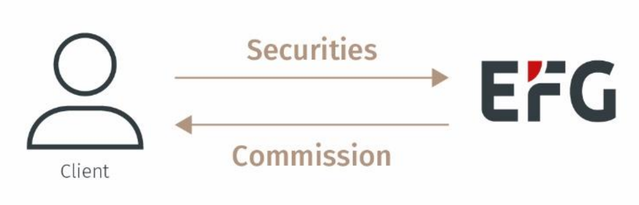
# Securities Lending
## Information on the financial services

**Definition of Securities Lending**
Securities Lending allows clients to increase the profitability of their portfolios by lending securities (equities, bonds or exchange traded funds (ETFs)) held in their portfolios to EFG Bank European Financial Group SA (the Bank or EFG) in return for commission.

By signing the Securities Lending Agreement, the Client[1] authorises the Bank to borrow any of the securities held in his portfolio at the Bank's sole discretion. By virtue of such loan, the Bank receives full ownership of the borrowed securities until the end of the loan, when they are returned to the Client. The Client may exclude specific securities from the lending pool. Borrowed securities continue to be booked to the Client's account and may be sold or transferred by the Client at any time, subject to the terms of the Securities Lending Agreement.




The duration of the loan is generally unlimited. However, the Client may recall the securities at any time. Further, the Bank may terminate the loan and return the securities at its discretion.

**Main features**
- All securities held in the Client's portfolio (equities, bonds or ETFs) may be borrowed by the Bank but the Client has the option of excluding specific securities from the lending pool.
- No minimum amount of securities held in the portfolio is required.
- The Bank is assigned full ownership of the securities borrowed during the term of the loan and thus benefits from all rights related to those securities. However, the Bank shall pay any income (eg. dividends/coupons) generated from borrowed securities to the Client.
- Clients receive commission in return for securities lending.
- Securities lent by the Client continue to be booked to the Client's account and may be sold or transferred by the Client at any time without notice.

**Main benefits**
- This financial service is offered to Clients free of charge.
- Securities Lending allows for improvements in portfolio performance, while maintaining full flexibility of investments.
- The securities continue to be booked to the Client's account.

**Risks**

Counterparty risk
Securities Lending entails the transfer of ownership of such securities to the Bank. With the exception of cases where Clients are collateralised for their exposure, they may thus be exposed to the risk of bankruptcy, insolvency, debt collection or other similar proceedings against the Bank or of pledges or blocks on the Bank's assets. The transfer of securities held with third parties may take longer than the usual delivery times.

Market risk
Clients remain the beneficial owner of the securities lent to the Bank and, as such, remain exposed to the market risks associated with any security, whether or not it is lent to the Bank. Market risk results from the fact that financial markets are volatile and hard to predict. The value of securities and of the overall portfolio depends on non-predictable variables such price fluctuations. Interest rates, exchange rates and the economic situation are further uncontrollable variables that depend on macroeconomic indicators. In addition, the Client needs to be aware that past performances is no guarantee of future returns.

[1] The masculine form shall include the feminine and the singular shall include the plural and vice versa.

### Liquidity risk

Since the Client remains the beneficial owner of the securities lent, he is subject to liquidity risk, irrespective of whether or not the securities are lent. Liquidity risk is the risk that EFG may not be able to sell the securities held in the portfolio on the Client's behalf without having to reduce their price to a significant degree within a reasonable period of time. This risk exists in particular with unlisted and small-cap companies, investments in emerging markets, investments with sales restrictions, some structured products and alternative investments