

Ad hoc announcement pursuant to Art. 53 LR

Record profit of CHF 162.8 million (+10%) in 1H24; NNA of CHF 5.2 billion (7.3% growth rate)

EFG International accelerates growth momentum and delivers resilient top line in first half of 2024.

Zurich, 24 July 2024

- Net profit grew by 10% year on year to a record CHF 162.8 million in 1H24¹
- Return on tangible equity² of 19.2% in 1H24, compared to 17.8% in 1H23, exceeding EFG's target range of 15-18%
- Net new assets totalled CHF 5.2 billion, corresponding to an annualised growth rate of 7.3%, compared to EFG's target range of 4-6%
- Assets under Management increased by 12% to CHF 159.3 billion at end-June 2024, compared to CHF 142.2 billion at end-2023, reflecting strong net new assets, positive market performance and supportive foreign currency movements
- Cost/income ratio of 72.6%³ in 1H24, compared to 74.4% in 2H23 and 73.3% for FY23
- Revenue margin of 97 basis points in 1H24, compared to 98 basis points in 2H23 and 100 basis points in 1H23, reflecting lower net interest income margin and higher commission income margin, as well as higher net other income margin
- 42 new Client Relationship Officers (CROs) joined EFG in 1H24
- Strong capital and liquidity position, with a CET1 Ratio of 17.5%, a Total Capital Ratio of 21.3% and a Liquidity Coverage Ratio of 250% at end-June 2024

Giorgio Pradelli, CEO of EFG International:

We delivered a record profit in the first half of 2024 and accelerated our growth momentum. Our consistent net asset inflows are a testament to the strength of our bank and the trust that clients place in us and our expertise; they also show that the investments we have made in 2023 are bearing fruit, as the new CROs hired last year have contributed significantly to our net new assets. Our top-line result was resilient, as higher Assets under Management and increased client activity offset the decline in net interest income.

For the second half of the year, we are fully focused on deploying our expanded capabilities and expertise. Over the next few months, we will leverage our extended platform to translate the strong net new asset inflows that we are now seeing into higher revenues and into a further increase of our profits. We have now reached the midpoint in our 2023-2025 strategic cycle and are one year ahead of our plan. EFG is in a strong position to continue to consistently and successfully execute its strategy and to create value for our clients and all other stakeholders.

Overview of key figures for first-half 2024 (unaudited)

	IH 2024	2H 2023	1H 2023
Net new assets and Assets under Management			
Assets under Management, in CHF billion	159.3	142.2	146.5
Assets under Administration, in CHF billion	26.6	24.5	27.3
Net new assets, in CHF billion	5.2	3.2	3.0
Annualised net new assets growth rate, in %	7.3	4.4	4.2
Revenue margin, in bps	97	98	100
Income statement			
Operating income, in CHF million	743.8	705.9	724.8
Operating expenses, in CHF million	549.4	530.2	527.7
Operating profit, in CHF million	194.4	175.7	197.1
Net profit, in CHF million	162.8	155.6	147.6
Cost/income ratio, in %	72.6	74.4	72.1
Earnings per share, in CHF	0.51	0.49	0.45
Return on tangible equity, in %	19.2	18.7	17.8
Balance sheet and capital			
Total assets, in CHF billion	41.2	38.6	40.9
Regulatory equity, in CHF billion	2.0	1.8	1.9
Total capital ratio, in %	21.3	21.0	21.2
CET1 capital ratio, in %	17.5	17.0	17.3
Employees			
Number of full-time employees (FTE)	3,118	3,025	2,882
Client Relationship Officers	707	693	638

Accelerated net new asset growth momentum driven by strong contribution from new CROs

Net new assets totalled CHF 5.2 billion at end-June 2024, corresponding to an annualised net new asset growth rate of 7.3%, which is above EFG's target range of 4-6%. All of EFG's business regions recorded net inflows, and the new CROs who joined EFG since 2022 made a significant contribution of CHF 4.5 billion to net new assets.

The Asia Pacific Region recorded net new assets of CHF 2.4 billion in the first half of 2024 with strong performance in all locations and in Australia in particular. The Latin America Region generated CHF 1.5 billion of net new assets, followed by the Switzerland & Italy Region with CHF 1.0 billion. The Continental Europe & Middle East Region recorded CHF 0.5 billion and the UK Region reported CHF 0.2 billion of inflows. EFG's funds business experienced outflows of CHF 0.4 billion.

Revenue-generating Assets under Management totalled CHF 159.3 billion at end-June 2024, compared to CHF 142.2 billion at end-2023. The substantial increase of 12% was driven by strong net new assets of CHF 5.2 billion, supportive foreign currency movements of CHF 7.8 billion and positive market performance of CHF 4.1 billion.

Resilient top line and record profitability

In the first half of 2024, EFG's operating income rose by 3% year on year to CHF 743.8 million, as significantly higher net banking fee and commission income and higher net other income more than offset lower net interest income. Compared to the second half of 2023, EFG's operating income rose by 5%.

Based on average revenue-generating Assets under Management of CHF 152.7 billion in the first half of 2024, the revenue margin decreased by 3 basis points to 97 basis points compared to the first half

of 2023 and declined by 1 basis point compared to the second half of 2023. The life insurance portfolio contributed 4 basis points to operating income in the first half of 2024.

The slight reduction in the revenue margin compared to the second half of 2023 was primarily driven by a decrease in the net interest margin, which was almost fully compensated by the higher net banking fee and commission income margin, as well as the higher net other income margin due to increased client activity and a larger contribution from the life insurance portfolio.

Net banking fee and commission income increased by 11% year on year to CHF 325.5 million, driven by higher average revenue-generating Assets under Management, increased mandate penetration and increased client activity compared to the first half of 2023. The net banking fee and commission margin rose by 2 basis points to 43 basis points in the first half of 2024 compared to the prior-year period, coming back to levels last seen in the first half of 2022.

Net other income rose by 30% to CHF 235.8 million in the first half of 2024 from CHF 181.2 million in the first half 2023. This significant increase reflects the larger volume of foreign exchange transactions by clients, higher interest rate swap income and a positive contribution from EFG's life insurance portfolio. The other income margin increased by 6 basis points to 31 basis points in the first half of 2024 compared to the prior-year period.

In contrast, EFG's net interest income decreased to CHF 182.5 million (net interest margin: 24 basis points) in the first half of 2024, compared to CHF 249.4 million (34 basis points) in the first half of 2023. Including income from interest rate swaps, total interest-related income decreased by 16% or CHF 48 million (8 basis points) compared to the first half of 2023, reflecting the increased cost of deposits due to the shift from non-interest bearing to remunerated deposit accounts and the competitive market environment for deposits.

EFG's operating expenses rose by 4% year on year to CHF 549.4 million in the first half of 2024. This increase was driven by higher personnel expenses on the back of last year's strategic investments in further strengthening EFG's talent base and client coverage to support future growth as well as higher other operating expenses. Operating expenses in the first half of 2024 include a one-off charge of CHF 5.0 million related to prior years, following the reclassification of a tangible asset that is no longer held for sale.

The cost/income ratio was 72.6%³ in the first half of 2024, compared to 72.1% in the first half of 2023, driven by the above-mentioned strategic investments in growth, which are now fully reflected in EFG's cost base. Compared to the cost/income ratio of 74.4% in the second half of 2023, the cost/income ratio improved by 1.8 percentage points.

Operating profit was stable with CHF 194.4 million in the first half of 2024 compared to CHF 197.1 million in the first half of 2023, while it rose 11% compared to CHF 175.7 million in the second half of 2023.

Impairment of intangible assets totalled CHF 1.3 million in the reporting period, compared to CHF 20.8 million in the first half of 2023, mainly reflecting write-downs related to legacy IT solutions. After the reversal of other provisions (CHF 1.2 million), impairment charge for credit losses (CHF 0.4 million) and income tax expense (CHF 31.1 million), EFG generated a record net profit of CHF 162.8 million for the first half of 2024, up by 10% compared to the first half of 2023.

Return on tangible equity was 19.2%, exceeding EFG's target range of 15-18%. This compared to a return on tangible equity of 17.8% in the first half of 2023.

Normalised hiring momentum

In the first half of 2024, 42 new CROs joined EFG and the bank has already agreed or made offers to hire an additional 19 CROs who have not yet joined the bank. This compares with EFG's ambition to hire an average of 50-70 CROs per year.

By end-June 2024, EFG's total number of CROs worldwide increased to 707, compared to 693 CROs at end-2023. Excluding Shaw and Partners the number of CROs was stable at 471 (470 at end-2023).

Strengthened capital position and highly liquid balance sheet

In the first half of 2024, EFG's resilient and capital-light business model generated 270 basis points of gross capital, further improving its already strong capital position. At end-June 2024, EFG's Common Equity Tier 1 (CET1) Ratio was 17.5%, compared to 17.0% at end-2023. This increase was mainly driven by EFG's strong capital generation, partially offset by dividend accruals and share buybacks. EFG's Total Capital Ratio was 21.3%, compared to 21.0% at end-2023.

The Liquidity Coverage Ratio was 250% compared to 230% at end-2023 and the Loan/Deposit Ratio was 47% at end-June 2024 compared to 49% at end-2023.

Share buyback

The Board of Directors of EFG International has decided to repurchase up to 6 million EFG shares by 31 July 2025 to fund variable deferred share-based employee compensation. A further 3 million EFG shares may be repurchased if the threshold of 6 million shares has been reached. The purchase will be executed through open market purchases made in a market-sensitive manner by a third party.

Outlook

The current operating environment continues to be shaped by significant macroeconomic uncertainties and heightened geopolitical tensions. In the first half of 2024, EFG successfully navigated this complex, yet currently supportive environment.

The strategic investments made in 2023 have accelerated EFG's growth, resulting in higher assets under management. While these investments in the future of the business are already reflected in EFG's cost base, the full return in terms of revenues and profitability is only expected to be realised in the next 18 to 24 months. In the coming months, EFG will focus on maintaining its growth momentum to build scale.

Over the remainder of this strategic cycle, EFG expects that business growth will continue to support revenue resilience while the revenue margin normalises from a high starting point of 97 basis points. The monetary policy easing cycle has started in many economies and this will create headwinds. Conversely, a normalising yield curve and the easing of competition for deposits are supportive factors for the net interest margin going forward. More importantly, improving commission margins due to higher mandate penetration and a larger share of higher-value products and services will strengthen recurring commission income.

EFG will continue to take a very disciplined approach to cost management and will focus on further enhancing operational efficiency through process optimisation, automation and digitalisation. EFG is on track to deliver the previously announced annual cost savings of CHF 60 million in the period from 2023 to 2025 compared to its 2021 cost base.

EFG is now halfway through its 2023-2025 strategic cycle and is one year ahead of its plan. EFG is operating from a position of strength and has repeatedly demonstrated its ability to deliver consistent financial performance and to navigate challenging conditions with its well-diversified business model. Therefore, EFG is increasingly confident to meet or exceed its 2025 ambition.

Half-Year Report 2024 and additional material

This media release, the Half-Year 2024 Results Presentation as well as the Half-Year 2024 Report are available at: [efginternational.com](https://www.efginternational.com). They can be accessed directly and downloaded as a PDF via the below links:

[Half-Year Report 2024](#)

[Half-Year 2024 Financial Results Presentation](#)

Financial calendar and note on financial targets

20 November 2024: 10 months 2024 trading update

19 February 2025: Full-year results 2024

EFG International had previously announced certain financial targets for the 2023-2025 strategic cycle based on alternative performance metrics on an “underlying” profit basis. As announced on [22 February 2023](#), EFG has since ceased reporting on an “underlying” profit basis and all financial target metrics now are valid for IFRS reported metrics (please refer to "Alternative performance measures" in the Half-Year Report 2024, which is available at www.efginternational.com/half-year-report-2024 for more details).

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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 over 40 locations worldwide. Its registered shares (EFGN) are listed on the SIX Swiss Exchange.

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1 All figures unaudited

2. **Alternative performance measures and reconciliations:** This media release and other communications to investors contain 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", "operating profit", "cost/income ratio", "Liquidity Coverage Ratio", "Loan/deposit Ratio". 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 and other communications to investors, together with reconciliations to the most directly reconcilable IFRS line items, are provided in the section headed "Alternative performance measures" in the Half-Year Report 2024 available at www.efginternational.com/half-year-report-2024.

3 Excludes CHF 5.0 million of depreciation expenses related to tangible assets previously classified as held for sale related to prior years. See alternative performance measures.

Presentation of half-year 2024 results

Wednesday, 24 July 2024, at 09.30 CEST

Webcast presentation

EFG's half-year 2024 results will be presented by Giorgio Pradelli, Chief Executive Officer, and Dimitris Politis, Chief Financial Officer & Deputy Chief Executive Officer.

You can join the webcast presentation using the below details or dial into the telephone conference.

Webcast

A live webcast of the results presentation will be available [online](#).

Dial-in details

Switzerland / Europe: + 41 58 310 50 00

UK: + 44 207 107 06 13

Reference: EFG International half-year 2024 results

Please dial in to the telephone conference 15 minutes before the start of the presentation and ask for 'EFG International half-year 2024 results'.

Presentation slides and media release:

The Half-Year 2024 Results Presentation and Media Release will be available from 07.00 CEST on Wednesday, 24 July 2024, at: www.efginternational.com/Investors/financial-results.html

Financials

Key figures as at 30 June 2024 (unaudited)

in CHF millions	30 June 2024	31 December 2023	30 June 2023	Changes vs	
				31 December 2023	30 June 2023
Revenue-Generating assets under Management (AUM)	159,264	142,244	146,482	12.0%	8.7%
Assets under Administration (AUA)	26,615	24,451	27,329	8.9%	-2.6%
Number of Client Relationship Officers	707	693	638	14	69
Number of Employees (FTEs)	3,118	3,025	2,882	93	236

Consolidated Income Statement for the year ended 30 June 2024 (unaudited)

	Half-year ended		Half-year ended		Half-year ended	
	30 June 2024	31 December 2023	30 June 2023	Changes vs 2H 2023	Changes vs 1H 2023	
Interest and discount income	749.0	748.9	640.5	0.1	108.5	
Interest expense	(566.5)	(486.3)	(391.1)	(80.2)	(175.4)	
Net interest income	182.5	262.6	249.4	(80.1)	(66.9)	
Banking fee and commission income	456.6	395.1	398.1	61.5	58.5	
Banking fee and commission expense	(131.1)	(102.1)	(103.9)	(29.0)	(27.2)	
Net banking fee and commission income	325.5	293.0	294.2	32.5	31.3	
Dividend income	1.7	0.1	2.7	1.6	(1.0)	
Income from foreign exchange activities	162.7	113.4	141.4	49.3	21.3	
Fair value gains less losses on financial instruments measured at fair value	63.3	35.0	37.8	28.3	25.5	
Gains less losses on disposal of investment securities	(0.3)	0.5	(0.8)	(0.8)	0.5	
Other operating income/(expense)	8.4	1.3	0.1	7.1	8.3	
Net other income	235.8	150.3	181.2	85.5	54.6	
Operating income	743.8	705.9	724.8	37.9	19.0	
Operating expenses	(549.4)	(530.2)	(527.7)	(19.2)	(21.7)	
Impairment of intangible assets	(1.3)	(2.8)	(20.8)	1.5	19.5	
Provisions	1.2	(4.2)	(5.1)	5.4	6.3	
Loss allowances expense	(0.4)	(4.8)	(1.9)	4.4	1.5	
Profit before tax	193.9	163.9	169.3	30.0	24.6	
Income tax expense	(31.1)	(8.3)	(21.7)	(22.8)	(9.4)	
Net profit for the period	162.8	155.6	147.6	7.2	15.2	
Net profit for the period attributable to:						
Net profit attributable to equity holders of the Group	162.8	155.6	147.6	7.2	15.2	
Net profit attributable to non-controlling interests						
	162.8	155.6	147.6	7.2	15.2	

Consolidated Balance Sheet as at 30 June 2024 (unaudited)

	30 June 2024 CHF millions	31 December 2023 CHF millions	Variation %
Assets			
Cash and balances with central banks	6,601.6	4,726.9	40%
Treasury bills and other eligible bills	2,238.2	2,340.6	-4%
Due from other banks	2,508.4	2,617.6	-4%
Derivative financial instruments	1,212.6	1,574.3	-23%
Financial assets at fair value through profit and loss	1,486.8	1,363.6	9%
Investment securities	8,382.6	8,489.8	-1%
Loans and advances to customers	16,964.3	16,019.1	6%
Property, plant and equipment	366.0	299.9	22%
Intangible assets	197.8	203.5	-3%
Deferred income tax assets	54.0	73.9	-27%
Other assets	1,155.9	876.7	32%
Total assets	41,168.2	38,585.9	7%
Liabilities			
Due to other banks	881.0	943.0	-7%
Due to customers	31,835.9	30,056.5	6%
Derivative financial instruments	1,052.9	1,570.3	-33%
Financial liabilities at fair value through profit and loss	198.4	173.9	14%
Financial liabilities at amortised cost	4,181.0	2,807.8	49%
Current income tax liabilities	6.9	13.0	-47%
Deferred income tax liabilities	16.5	16.4	1%
Provisions	182.9	134.4	36%
Other liabilities	556.2	653.5	-15%
Total liabilities	38,911.7	36,368.8	7%
Equity			
Share capital	151.2	150.9	0%
Share premium	1,924.6	1,932.9	-0%
Other reserves	64.5	(52.8)	-222%
Retained earnings	(234.8)	(164.9)	42%
Total shareholders' equity	1,905.5	1,866.1	2%
Additional equity components	351.0	351.0	
Non-controlling interests	-	-	
Total equity	2,256.5	2,217.1	2%
Total equity and liabilities	41,168.2	38,585.9	7%

Important Disclaimer

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