

## **Ad hoc announcement pursuant to Art. 53 LR**

# 4M24: Net profit exceeds CHF 110 million; annualised NNA growth rate of 7.6%, corresponding to CHF 3.6 billion NNA

Zurich, 28 May 2024

- Net profit exceeded CHF 110<sup>1</sup> million in the first four months of 2024 (FY 2023: CHF 303.2 million). Return on tangible equity<sup>2</sup> exceeded 20% for the reporting period
- Net new assets totalled CHF 3.6 billion, corresponding to an annualised growth rate of 7.6%, above EFG's target range of 4-6%; this reflects a strong contribution from new Client Relationship Officers (CROs) hired in 2023
- Assets under Management totalled CHF 157.5 billion at end-April 2024 and rose by 11% compared to CHF 142.2 billion at end-2023, driven by strong net new assets, positive foreign exchange impacts as well as favourable market performance
- Cost/income ratio improved to 72.5% in the first four months of 2024, compared to 73.3% for the full year 2023
- Revenue margin was 96 basis points in the first four months of 2024, compared to 99 basis points for the full year 2023; decrease reflecting lower net interest income margin
- Return to more normalised hiring momentum during the reporting period with a total of 26 new CROs
- Strengthened capital position, with a CET1 Ratio of 17.4% and a Total Capital Ratio of 21.2%. Liquidity Coverage Ratio of 221% at end-April 2024

### **Giorgio Pradelli, CEO of EFG International:**

We have achieved a promising start to the year with strong financial performance and increased client momentum, resulting in a significant acceleration of net asset inflows. Our annualised net new asset growth rate of 7.6% is above our target range and was driven in large part by the CROs we hired in 2023. This demonstrates that the strategic investments we made last year are already bearing fruit and positioning us for future growth. We have also delivered robust top-line results due to our increased assets under management, as well as higher levels of client activity. At the same time, we maintain a disciplined approach to costs and pursue targeted efficiency measures, while we are continuing to invest in our future growth and in further building the EFG brand. Our strategy has been effective and we will continue to work towards our 2025 ambition of sustaining profitable growth and achieving scale.

### **Accelerated growth momentum with net new assets of CHF 3.6 billion**

Net new assets totalled CHF 3.6 billion for the first four months of 2024, corresponding to an annualised net new asset growth rate of 7.6%, which is above EFG's target range of 4-6%. CROs who joined EFG in 2023 contributed significantly to total net new assets. All of EFG's business regions recorded net inflows during the reporting period, with particularly strong contributions from the Asia Pacific and Latin America regions.

Revenue-generating Assets under Management grew by 11% to CHF 157.5 billion at end-April 2024, compared to CHF 142.2 billion at end-2023. This significant increase was driven by net new assets, positive foreign exchange impacts as well as favourable market performance.

### **Strong operating performance and improved cost/income ratio**

In the first four months of 2024, EFG recorded a net profit of more than CHF 110 million and the return on tangible equity exceeded 20%. This compares to a net profit of CHF 303.2 million and a return on tangible equity of 18.2% for the full year 2023.

Operating income was marginally higher in the first four months of 2024 compared to a four-month average for 2023<sup>3</sup>, demonstrating the resilience of EFG's top line. Revenue performance was driven by higher net banking and commission income as well as higher net other income, reflecting increased revenue-generating Assets under Management as well as stronger client activity. In contrast, the shift from non-interest bearing to remunerated deposit accounts throughout 2023 and the increasingly competitive market environment for deposits led to lower net interest income compared to the same period of the previous year.

The revenue margin in the reporting period was 96 basis points (FY 2023: 99 basis points), including a positive contribution from the life insurance portfolio of around 3 basis points. The decrease in the net interest income margin was partly offset by the higher net banking and commission income margin as well as higher net other income margin.

Operating expenses were largely flat compared to a four-month average for 2023<sup>3</sup>, demonstrating EFG's continued cost discipline. While EFG made significant investments in its talent base and client coverage last year, it is also benefitting from the ongoing efficiency measures and is maintaining a disciplined approach to costs. As previously announced, the efficiency measures it is implementing are expected to deliver annual cost savings of CHF 60 million by 2025 compared to the 2021 cost base.

The cost/income ratio improved to 72.5% in the first four months of 2024, compared to 73.3% for the full year 2023.

### **Normalised hiring momentum with 26 new CROs**

In the first four months of 2024, EFG hired or made offers to hire 26 new CROs across all regions. This compares with EFG's ambition to hire an average of 50-70 CROs per year and reflects its attractiveness as an employer.

By end-April 2024, EFG's total number of CROs worldwide was 718, compared to 693 CROs at end-2023.

### **Strengthened capital position**

In the first four months of 2024, EFG further strengthened its capital position. As of end-April 2024, EFG's Common Equity Tier 1 (CET1) Ratio was 17.4%, compared to 17.0% at end-2023. EFG's Total Capital Ratio was 21.2%, compared to 21.0% at end-2023.

The Liquidity Coverage Ratio was 221% at end-April 2024 compared to 230% at end-2023.

## Financial calendar

24 July 2024: Half-year results 2024

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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. EFG International AG, Bleicherweg 8, 8001 Zurich, Switzerland  
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<sup>1</sup> All financial figures in this media release are unaudited.

<sup>2</sup> **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 Full-year Report 2023 available at [www.efginternational.com/annual-report-2023](http://www.efginternational.com/annual-report-2023).

<sup>3</sup> Basis of comparison: Monthly average for 2023 multiplied by four.

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