

Ad hoc announcement pursuant to Art. 53 LR

Record underlying net profit of CHF 248.7 million (+48%); dividend up 25% to CHF 0.45 per share

Zurich, 22 February 2023

- **Underlying^{1,2} net profit grew by 48% to CHF 248.7 million for 2022**
- **Proposed dividend of CHF 0.45 per share (+25%)**
- **Underlying return on tangible equity of 16.4% for 2022, compared to 10.6% in 2021**
- **Further increased operating leverage with underlying operating income up by 6.4% to CHF 1,261.3 million and stable underlying operating expenses at CHF 951.7 million**
- **Underlying cost/income ratio improved to 75.4% from 79.9% in 2021**
- **Net new assets¹ totalled CHF 4.2 billion, corresponding to an annual growth rate of 2.4%**
- **Assets under Management declined to CHF 143.1 billion at end-2022, reflecting the disposal of the Spanish private bank A&G and the market correction**
- **IFRS net profit of CHF 202.4 million (-1.7%): reflecting substantial de-risking through final settlement of longstanding legacy issue relating to a client relationship with a Taiwanese insurance company**
- **Strong capital positions, with a CET1 ratio of 16.6% and a Total Capital Ratio of 20.5% on 01 January 2023, reflecting reclassification of a portfolio of financial assets**
- **Successful completion of the 2019-2022 strategic plan**

Giorgio Pradelli, CEO of EFG International, commented: “Throughout 2022, we stayed close to our clients, focused on our strategic priorities and delivered strong operating results with record underlying net profit of CHF 249 million. At the same time, we have maintained our growth momentum during the year and now have recorded positive inflows for 15 consecutive quarters. We successfully completed our 2019-2022 strategic plan and took EFG’s profitability to the next level, while fundamentally transforming and de-risking the bank.”

Commenting on EFG’s strategic priorities and outlook, he said: “We have entered our new strategic cycle 2023-2025 from a position of strength and are executing our plan with confidence. In this new cycle, we aim to maintain our strong growth trajectory and to further increase profitability and efficiency. We will focus on accelerating digitalisation, content innovation and continuing to invest in our people to help drive our performance. Our ambition is to provide attractive returns for our shareholders by further transforming the bank to constantly meet our clients’ needs in a rapidly evolving environment.”

Overview of 2022 key results

	2021	2022
In CHF billions		
Revenue-generating Assets under Management ¹	172.0	143.1
Net new assets ¹	8.8	4.2
Net new assets growth (annualised %) ¹	5.5%	2.4%
Reported results (in CHF millions)		
Operating income	1,254.6	1,270.0
Operating expenses	967.9	975.0
Operating profit ¹	286.7	295.0
IFRS net profit attributable to equity holders of the Group	205.8	202.4
Underlying results² (in CHF millions)		
Operating income	1,185.1	1,261.3
Operating expenses	948.6	951.7
Operating profit ¹	236.5	309.6
Net profit	167.8	248.7
Underlying ratios		
Underlying revenue margin (in bps) ¹	71	81
Underlying cost/income ratio ¹	79.9%	75.4%
Underlying return on tangible equity ⁵	10.6%	16.4%
CROs	740	654
Number of full-time employees (FTE) ³	2,932	2,775

Maintained growth momentum with net new assets of CHF 4.2 billion

Net new assets totalled CHF 4.2 billion for 2022, corresponding to an annual growth rate of 2.4%. EFG has added net new assets in every quarter of 2022, with this positive trend of inflows now running for 15 consecutive quarters. The lower growth rate compared to the prior year (5.5%) reflects de-risking and deleveraging by clients across most regions in one of the most challenging market environments since the global financial crisis.

The Continental Europe & Middle East Region generated CHF 3.2 billion of net new assets, followed by the Switzerland & Italy Region with CHF 1.4 billion. The Asia Pacific and the Latin America regions each saw inflows of CHF 0.5 billion, while the UK Region and Investment Solutions recorded outflows of CHF 0.5 billion and CHF 0.9 billion, respectively.

Revenue-generating Assets under Management decreased to CHF 143.1 billion at end-2022 from CHF 172.0 billion at end-2021. This reduction includes the divestment of the stake in the Spanish private bank A&G totalling CHF 11.6 billion, market impacts of CHF 16.2 billion, and negative foreign exchange impacts of CHF 3.9 billion, partially offset by solid net new assets of CHF 4.2 billion.

Based on average revenue-generating Assets under Management of CHF 156.2 billion in 2022, the underlying revenue margin increased significantly, rising by 10 basis points to 81 basis points compared to 2021. In the second half of 2022, the underlying revenue margin was 91 basis points.

EFG's unique business model continued to attract senior Client Relationship Officers (CROs) with sizable portfolios. In 2022, EFG hired 58 new CROs, bringing the total number of CROs to 654 (excluding EFG's Australian subsidiary Shaw and Partners: 436 CROs).

Strong underlying operating results with underlying net profit up 48% to CHF 248.7 million⁴

In 2022, EFG's underlying operating income increased by 6.4% to CHF 1,261.3 million, as significantly higher net interest income and net other income more than offset lower net banking fee and commission income.

Underlying net interest income increased by 58.0% compared to 2021 to CHF 406.9 million, primarily driven by interest rate increases across major currencies.

Underlying net banking fee and commission income decreased by 16.8% year on year to CHF 629.5 million, reflecting subdued client activity and lower revenue-generating Assets under Management due to the market correction and divestments. Part of the decrease in commission income was also attributable to the sale of A&G in mid-2022; on a like-for-like basis, underlying net banking fee and commission income decreased by 12.6%.

Underlying net other income rose by 31.4% to CHF 224.9 million, mainly driven by increased foreign exchange trading by clients.

As a result of disciplined cost management, underlying operating expenses of CHF 951.7 million were practically stable compared to CHF 948.6 million in 2021, and the underlying cost/income ratio improved significantly to 75.4% from 79.9% in the previous year.

In 2022, EFG continued to generate significant operating leverage, as underlying operating income grew by 6.4% while underlying operating expenses remained stable. As a result, underlying operating profit for 2022 increased by 30.9% to CHF 309.6 million compared to 2021.

After recognising provisions of CHF 15.0 million, an impairment charge for credit losses of CHF 2.9 million and income tax expenses of CHF 41.7 million, and after the deduction of non-controlling interests of CHF 1.3 million, EFG posted underlying net profit of CHF 248.7 million for 2022, up by 48.2% compared to 2021.

The underlying return on tangible equity increased to 16.4% in 2022 from 10.6% in 2021.

EFG resolves longstanding legacy issue and will cease to report underlying results

EFG International has reached a final settlement of longstanding multi-jurisdictional legal proceedings relating to a client relationship with a Taiwanese insurance company. The settlement removes a legacy litigation risk for EFG and ends all proceedings against EFG relating to this matter. For more information, please refer to note 49 (i) in the [Annual Report 2022](#).

Under the terms of the settlement, EFG will make payments totalling USD 150 million to the receiver of the insurance company and into an escrow account. Furthermore, and as part of the agreement, EFG currently expects to recover in excess of USD 30 million in the coming years from assets already set aside in cash and lodged with the Lodgement Office of the Taiwan Taipei District Court. As a result, EFG has increased the provision it holds in respect of this matter from USD 88.7 million (as of end-June 2022) to USD 120 million. The negative impact of the settlement of around CHF 24 million (after tax) is fully reflected in EFG's IFRS net profit for the second half of 2022.

Following the successful resolution of this issue, coupled with the continuous de-risking of the life insurance portfolio, EFG will simplify its financial reporting and will cease to report underlying results with effect from 01 January 2023.

Resilient IFRS net profit of CHF 202.4 million

EFG's IFRS net profit for 2022 decreased by 1.7% year on year to CHF 202.4 million, reflecting the significantly lower contribution from EFG's legacy life insurance portfolio compared to 2021 (which

included a significant positive impact from the settlement with the US insurer Transamerica), as well as the increased legal costs and provisions mainly relating to the announced settlement of longstanding multi-jurisdictional legal proceedings relating to a client relationship with a Taiwanese insurance company.

IFRS net profit for 2022 includes the following non-underlying items:

- Gain from EFG's legacy life insurance portfolio of CHF 1.8 million (2021: CHF 51.6 million)
- Legal costs and provisions relating to legacy matters of CHF 40.6 million (2021: CHF 6.1 million)
- Intangible amortisation charge CHF 7.5 million (2021: CHF 7.5 million)

Significantly strengthened capital position

	2021	2022	01 January 2023
Capital position⁶			
Total capital ratio	21.5%	18.6%	20.5%
CET1 capital ratio	15.8%	14.7%	16.6%

In 2022, EFG maintained its robust capital position on the back of strong underlying gross organic capital generation of 320 basis points. At end-2022, EFG's Common Equity Ratio (CET1) was 14.7%, compared to 15.8% at end-2021. This decrease was primarily due to the negative revaluation of EFG's fixed income investment portfolio recognised through other comprehensive income. EFG's Total Capital Ratio was 18.6%, compared to 21.5% at end-2021, following the redemption of the remaining outstanding Tier 2 Notes in April 2022. These capital ratios reflect EFG's transition to reporting IFRS-based capital metrics effective 01 January 2022. Risk-weighted assets decreased to CHF 9.0 billion from CHF 9.6 billion in 2021. The Liquidity Coverage Ratio was 205% and the Loan/Deposit Ratio was 44% at end-2022.

Following the reclassification of a portfolio of financial assets from "financial assets measured at fair value through other comprehensive income" to "other financial assets measured at amortised cost", which was announced on [22 December 2022](#), EFG's CET1 ratio on 01 January 2023 was 16.6% and its Total Capital Ratio was 20.5%.

Proposed 25% increase in dividend to CHF 0.45 per share and announcement of share buyback

Providing attractive returns for its shareholders is a strategic priority for EFG and the bank is committed to a progressive dividend policy which is supported by its capital-light business model and strong organic capital generation.

For the year 2022, the payment of an ordinary dividend of CHF 0.45 per share (exempt from Swiss withholding tax) will be proposed to the Annual General Meeting of 21 April 2023. This corresponds to an increase of 25% compared to the previous year.

At the same time, and in light of its strong capital position, and to reduce the dilution of existing shareholders, EFG has decided to repurchase up to 3.0 million EFG shares by end-April 2023 to fund variable deferred share-based employee compensation. The repurchase will be effected through open market purchases executed in a market-sensitive manner by a third party over a pre-defined period of time. In 2022, EFG repurchased a total of 7.7 million registered shares for an amount of CHF 61.1 million.

Successful completion of 2019-2022 strategic plan

In 2022, EFG successfully completed its 2019-2022 strategic plan. EFG achieved an annual net new asset growth rate of 4.7% for the period 2019-2022, within its target range of 4-6%. The underlying

revenue margin was 91 basis points for the second half of 2022 and the underlying cost/income ratio for full-year 2022 was 75.4%, compared to a revenue margin target of 85 basis points and an underlying cost/income ratio target range of 72-75%. The underlying return on tangible equity in 2022 was 16.4%, compared to a target of >15%.

Since 2018, EFG has almost tripled its IFRS net profit, while fundamentally transforming the bank and substantially de-risking its legacy positions. In aggregate, EFG recorded CHF 26.6 billion of net new assets in the period 2019-2022, paid out a total of CHF 373 million in dividends to its shareholders and bought back shares in the amount of CHF 96 million.

EFG has entered its new strategic cycle 2023-2025 from a position of strength and will focus on sustaining profitable growth and achieving scale. To reach this ambition, EFG will accelerate digitalisation to improve the client and user experience, as well as enhancing operational efficiency, and drive its performance through content innovation to constantly meet evolving client needs.

Alongside EFG's unique client approach, the key factor that sets the bank apart is its people. As a financial services provider, EFG's employees are its most important asset and their skills and expertise are a vital part of how EFG creates value for clients and shareholders. EFG will therefore continue to invest in attracting and retaining the best talents and foster a culture in which they can thrive.

As announced at Investor Day in October 2022, EFG's financial targets for the 2023-2025 strategic cycle are:

- Average annual net new asset growth rate of 4-6% for the period 2023-2025
- Revenue margin of 85 basis points
- Cost/income ratio of 69%
- Return on tangible equity of 15-18%

As part of EFG's 2023-2025 strategic plan, a new long-term incentive plan (LTIP) for senior management will be proposed to the Annual General Meeting on 21 April 2023 to further align management's interests with those of the shareholders, linking senior management's remuneration to the successful realisation of EFG's financial targets.

Leadership changes in Investment Solutions

Effective 01 February 2023, Harald Reczek stepped down from his position as Head of Investment Solutions and member of the Executive Committee of EFG International to pursue new opportunities outside of EFG.

On an ad interim basis and reporting to the CEO Giorgio Pradelli, Moz Afzal and Oliver Heinzelmann will assume this position as Co-Heads in addition to their current responsibilities as Chief Investment Officer & CEO EFGAM and Head of Strategy & Business Development EFGAM, respectively. The new Head of Investment Solutions will be announced in due course.

Changes to the Asia Pacific Advisory Board and appointment of new EFG Hong Kong CEO

Effective 01 March 2023, Boris Collardi, a member of the Board of Directors of EFG International, will become the Chair of the Asia Pacific Advisory Board. In this role, he will drive the development of the strategy for this key region for EFG. He will succeed Amy Yip, who has held this role since 2019. Amy Yip will remain a member of both the Asia Pacific Advisory Board and the Board of Directors of EFG International.

In addition, EFG is pleased to announce that David Louie will join the bank in April 2023 and will be appointed as the new CEO of its Hong Kong Branch, subject to regulatory approval. He will succeed Kees Stoute, who will take on the role of Private Banking COO Asia Pacific Region and will continue to be based in Hong Kong.

David Louie will head this strategically important market for the bank and continue to drive EFG's strong growth momentum in the region. David Louie will also become a member of the Asia Business Committee chaired by Albert Chiu, Executive Chairman Asia Pacific.

David Louie is a highly experienced wealth management professional with over 38 years in the industry. Before joining EFG, he served as Market Group Head China at Credit Suisse for 11 years. He was also a member of the APAC Management Committee and an Executive Officer for Credit Suisse AG's Hong Kong Branch. Prior to that, David Louie was a client advisor at Safra Sarasin. He also held senior roles in Clariden Leu Asset Management (Hong Kong) Limited and Deutsche Bank AG Hong Kong.

Annual Report 2022 and additional material

This media release, the full-year 2022 results presentation, the Annual Report for 2022 and the Sustainability Publication are available at efginternational.com and can be accessed directly and downloaded as a PDF via the following links:

[Full-year 2022 financial results presentation](#)

[2022 Annual Report](#)

[2022 Sustainability Publication](#)

Financial calendar

21 April 2023: Annual General Meeting

26 July 2023: Half-year results 2023

Contact

Investor Relations

+41 44 212 73 77

investorrelations@efginternational.com

Media Relations

+41 44 226 12 72

mediarelations@efginternational.com

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

www.efginternational.com

Presentation of full-year 2022 results

Wednesday, 22 February 2023, 09.30 CET

Webcast presentation

EFG's full-year 2022 results will be presented by Giorgio Pradelli, Chief Executive Officer, and Dimitris Politis, Chief Financial Officer and Deputy CEO.

You can watch the webcast or follow the presentation via telephone conference using the below link or dial-in numbers.

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 full-year 2022 results

Please dial in to the telephone conference before the start of the presentation and ask for 'EFG International full-year 2022 results'.

Presentation slides and media release:

The presentation slides and media release will be available from 07.00 CET on Wednesday, 22 February 2023, at: efginternational.com/investors/financial-results.html

The Annual Report 2022 is available for download as a PDF from 07.00 CET on Wednesday, 22 February 2023, under the following link: efginternational.com/annual-report-2022

Playback

A replay of the results webcast will be available [online](#) approximately three hours after the event.

- 1 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", "underlying net profit", "underlying cost/income ratio", "cost/income ratio", "underlying revenue margin", "revenue margin", "Liquidity Coverage Ratio" and "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" of the 2022 Annual Report available at efginternational.com/investors/financial-results.html.
- 2 Underlying results, such as "underlying net profit" or "underlying operating expenses", are not defined or specified by IFRS and should be regarded as complementary information to, and not as a substitute for the IFRS performance measures. For a definition of these non-IFRS performance measures, together with reconciliations to the most directly reconcilable IFRS line items, please refer to the section headed "Alternative Performance Measures" of the 2022 Annual Report available at efginternational.com/investors/financial-results.html.
- 3 Excluding FTE's on notice period or in social plan; Including Shaw and Partners.
- 4 The following section refers to underlying results only. Underlying results are not defined or specified by IFRS and should be regarded as complementary information to, and not as a substitute for the IFRS performance measures. For a definition of these non-IFRS performance measures, together with reconciliations to the most directly reconcilable IFRS line items, please refer to the section headed "Alternative Performance Measures" of the 2022 Annual Report available at efginternational.com/investors/financial-results.html.
- 5 Underlying – Excluding impact of acquisition-related intangible amortisation, legacy legal costs and provisions and impact of life insurance portfolio.
- 6 IFRS Basel III.

Financials

Key figures as at 31 December 2022

in CHF millions	31 December 2022	31 December 2021	Changes vs 31 December 2021
Client assets under management (AUM)	143,135	171,959	-16.8%
Assets under administration (AUA)	29,654	32,536	-8.9%
Number of Client Relationship Officers	654	740	(86)
Number of Employees (FTE's) *	2,775	2,932	(104)

*Excluding FTE's on notice period or in social plan (as of year-end)

Consolidated Income Statement for the year ended 31 December 2022

	31 December 2022	31 December 2021	Changes vs 2021
Interest and discount income	678.5	389.4	289.1
Interest expense	(283.0)	(130.1)	(152.9)
Net interest income	395.5	259.3	136.2
Banking fee and commission income	860.4	1,086.9	(226.5)
Banking fee and commission expense	(230.9)	(330.4)	99.5
Net banking fee and commission income	629.5	756.5	(127.0)
Dividend income	2.2	1.8	0.4
Net trading income and foreign exchange gains less losses	224.7	133.2	91.5
Fair value gains less losses on financial instruments measured at fair value	28.5	80.2	(51.7)
Gains less losses on disposal of investment securities	(10.1)	(6.3)	(3.8)
Other operating (expenses)/income	(0.3)	29.9	(30.2)
Net other income	245.0	238.8	6.2
Operating income	1,270.0	1,254.6	15.4
Operating expenses	(975.0)	(967.9)	(7.1)
Provisions	(55.0)	(114.0)	59.0
Loss allowances (expense)/release	(2.9)	72.7	(75.6)
Profit before tax	237.1	245.4	(8.3)
Income tax expense	(33.4)	(31.5)	(1.9)
Net profit for the year	203.7	213.9	(10.2)
Net profit for the year attributable to:			
Net profit attributable to equity holders of the Group	202.4	205.8	(3.4)
Net profit attributable to non-controlling interests	1.3	8.1	(6.8)
	203.7	213.9	(10.2)

Consolidated Balance Sheet as at 31 December 2022

	31 December 2022 CHF millions	31 December 2021 CHF millions	Variation %
Assets			
Cash and balances with central banks	9,487.6	9,801.5	-3%
Treasury bills and other eligible bills	3,055.4	1,452.8	110%
Due from other banks	2,095.9	2,562.3	-18%
Derivative financial instruments	1,796.2	973.6	84%
Financial assets at fair value through profit and loss	1,457.5	1,807.3	-19%
Investment securities	7,669.7	5,877.8	30%
Loans and advances to customers	16,748.1	18,225.6	-8%
Property, plant and equipment	311.7	334.6	-7%
Intangible assets	239.1	229.3	4%
Deferred income tax assets	80.1	61.9	29%
Other assets	596.8	816.3	-27%
Total assets	43,538.1	42,143.0	3%
Liabilities			
Due to other banks	922.8	556.0	66%
Due to customers	34,035.4	32,516.8	5%
Derivative financial instruments	1,642.9	1,075.8	53%
Financial liabilities at fair value through profit and loss	402.0	487.6	-18%
Financial liabilities at amortised cost	3,684.7	4,222.1	-13%
Current income tax liabilities	19.7	19.0	4%
Deferred income tax liabilities	17.4	19.9	-13%
Provisions	171.0	130.4	31%
Other liabilities	576.9	641.2	-10%
Subordinated loans	-	182.7	-100%
Total liabilities	41,472.8	39,851.5	4%
Equity			
Share capital	151.3	152.2	-1%
Share premium	1,971.4	2,014.7	-2%
Other reserves	(94.9)	138.2	-169%
Retained earnings	(314.3)	(407.2)	-23%
Total shareholders' equity	1,713.5	1,897.9	-10%
Additional equity components	351.0	351.0	0%
Non-controlling interests	0.8	42.6	-98%
Total equity	2,065.3	2,291.5	-10%
Total equity and liabilities	43,538.1	42,143.0	3%

Important Disclaimer

This document has been prepared by EFG International AG (“EFG”) solely for use by you for general information only and does not contain and is not to be taken as containing any securities advice, recommendation, offer or invitation to subscribe for, purchase or redeem any securities regarding EFG.

This media release includes forward-looking statements that reflect EFG’s intentions, beliefs or current expectations and projections about EFG’s future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industries in which it operates. Forward-looking statements involve all matters that are not historical facts. EFG has tried to identify those forward-looking statements by using the words ‘may’, ‘will’, ‘would’, ‘should’, ‘expect’, ‘intend’, ‘estimate’, ‘anticipate’, ‘project’, ‘believe’, ‘seek’, ‘plan’, ‘predict’, ‘continue’ and similar expressions. Such statements are made on the basis of assumptions and expectations which, although EFG believes them to be reasonable at this time, may prove to be erroneous.

These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause EFG’s actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include, but are not limited to: changing business or other market conditions, legislative, fiscal and regulatory developments, general economic conditions in Switzerland, the European Union and elsewhere, and EFG’s ability to respond to trends in the financial services industry. Additional factors could cause actual results, performance or achievements to differ materially. In view of these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements. EFG and its subsidiaries, and their directors, officers, employees and advisors expressly disclaim any obligation or undertaking to release any update of or revisions to any forward-looking statements in this media release and any change in EFG’s expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.