

Ad hoc announcement pursuant to Art. 53 LR

EFG reports record profit in excess of CHF 90 million for the first three months of 2023

Zurich, 21 April 2023

EFG International is holding its Annual General Meeting 2023 in Zurich today. In connection with this event, EFG is providing an update on the performance of the business for the first three months of 2023.¹ During this period, EFG achieved record net profit in excess of CHF 90 million. This compares to CHF 202.4 million for full year 2022. Assets under Management² increased to CHF 145 billion year-to-date, reflecting a subdued contribution from net new assets and positive market performance. The accelerated hiring of around 50 new Client Relationship Officers (CROs), together with a strong pipeline of net new assets, will help drive future organic growth.

Giorgio Pradelli, CEO of EFG International: “Our record operating performance in the first three months of 2023 reflects the continued successful execution of our strategy that focuses on sustaining profitable growth and achieving scale. We are building on our strong operating results and consistent delivery in previous years and are again demonstrating the value of our resilient, globally diversified business model. While macroeconomic uncertainty and turmoil in the global banking industry led to volatile markets and a slow start to the year in terms of asset inflows, we have seen a recent acceleration and have a strong pipeline of net new assets. We have also seen strong momentum in hiring and we expect this to further accelerate our growth in the coming months. EFG’s financial resilience – with our strong capital base and liquid balance sheet – provides us with all the necessary resources to seize any potential strategic opportunities that arise.”

Record level of profitability with revenue margin of over 95 basis points and cost/income ratio at approximately 70%

EFG achieved reported net profit in excess of CHF 90 million for the first three months of 2023. This compares to net profit of CHF 202.4 million for the full year 2022. This increase in profitability in the first three months of 2023 reflects the generation of further significant operating leverage on the back of exceptionally positive developments in all areas influencing profitability, as outlined below.

Operating income in the first three months increased substantially year on year, as net interest income almost doubled due to rising interest rates globally, and net other income rose significantly compared to the prior-year period, partly reflecting increased FX trading by clients on the back of volatile markets, as well as a positive contribution from the life insurance portfolio. Net banking and commission income was impacted by lower revenue-generating Assets under Management compared to the first three months of 2022, while the net commission revenue margin increased to 42 basis points, in line with levels seen prior to 2022.

Overall, the revenue margin rose to over 95 basis points for the first three months of 2023, compared to 81 basis points for the full-year 2022.

Operating expenses increased moderately year on year, rising at a significantly lower rate than operating income. This resulted in a substantially improved cost/income ratio of approximately 70%, a significant improvement compared to the full-year 2022.

Higher Assets under Management and strong pipeline of net new assets

EFG's revenue-generating Assets under Management grew year-to-date to approximately CHF 145 billion from CHF 143.1 billion at end-2022. The increase in Assets under Management reflects a subdued contribution from net new assets and positive market performance.

On a year-to-date basis, the annualised net new asset growth rate was 0.3%, while excluding the deleveraging effect, the annualised net new asset growth rate was 2.6%.

Asset inflows in early 2023 were subdued due to the current macroeconomic environment, with heightened uncertainty in the global banking sector and volatile financial markets. Market uncertainty led to deleveraging by some clients – predominantly in Switzerland and to a lesser extent in Latin America and Asia. Asset inflows accelerated in March and April and given the currently strong net new asset and CRO hiring pipeline, net new assets are expected to improve gradually in the coming months and return to a more normalised level.

Strong hiring momentum with around 50 new CROs, to support further growth

EFG's unique business model continues to attract senior CROs and teams with sizable portfolios. In the first three months of this year, EFG already hired or made offers to hire around 50 new CROs in various locations and has built a strong pipeline for the hiring of additional CROs. This strong hiring momentum is expected to further help to accelerate EFG's growth going forward.

Further progress in de-risking life insurance portfolio

EFG made further progress in de-risking its life insurance portfolio. In March 2023, EFG reached a settlement with the Life Insurance Company John Hancock on disputed premium increases for life insurance policies. In financial terms, this legal case is the smallest of the three cases which were still outstanding at the end-2022.

Strong capital adequacy and liquidity positions

EFG's capital and liquidity position remains strong and at similar or higher levels to end-2022. The CET1 capital ratio for the year to date is 17%, thus well above the regulatory minimum requirement. This is a testament to EFG's financial resilience and will allow EFG to keep investing in its continued transformation and to seize any potential strategic opportunities that arise, while continuing its attractive distributions to shareholders.

Share buyback

In view of EFG's strong capital position, and to reduce the dilution of existing shareholders, EFG has decided to repurchase up to 3 million EFG shares by end-July 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.

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

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.

¹ The figures provided in this media release are all 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", "underlying net 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" of the 2022 Annual Report available at efginternational.com/ch/investors/financial-results.html