



## **EFG Bank reports a further Year of Earnings Growth and Record Profitability**

**Announces Net Profit of CHF 43.1 Million for 2004**

**Prepares for Initial Public Offering**

*EFG Bank – Zurich, 25 April, 2005* – Since its inception a decade ago, EFG Bank has had an unbroken record of growth and rising profits – despite challenging market conditions. During the period 1999-2004, EFG Bank achieved a 61% compound annual growth rate in net profit and 37% growth p.a. in assets under management.

### **Strong Progress Maintained in 2004. Key Financial Highlights:**

- Operating income rose by 18% to CHF 243.0 million, up from CHF 206.3 million in 2003. Strong growth in net commission income (+22%) and net interest income (+27%).
- Operating expenses rose by just 3%, in a year that saw the completion of the integration of Banque Edouard Constant.
- Net profit rose by 30% to CHF 43.1 million, up from CHF 33.2 million in 2003. Profit before tax and extraordinary items rose by 85% to CHF 47.9 million, up from CHF 25.9 million in 2003.
- The cost-income ratio fell from 77% in 2003 to 68% in 2004, while still reflecting a significant investment in growing the business. The gross margin (based on average assets under management) remained in excess of 1%.
- Assets under management increased from CHF 20.1 billion to CHF 22.1 billion constrained by the weakness of the dollar (down 9% versus CHF). Dollar denominated assets under management represent more than 50% of total volumes.

### **Consistently Strong Performance Reflects Strengths in the EFG Bank Approach:**

- A clear and constant focus on private banking.
- Management continuity and experience. Senior team members have spent on average 20 - 25 years in private banking and have an established track record in building up businesses.
- An innovative business model. The special relationship between clients and Client Relationship Officers (CRO) holds the key to success in serving clients, and EFG Bank is organized to ensure this flourishes. CRO remuneration is based on a fixed market salary plus a fixed percentage of profit contribution.
- A strong track record of delivering organic growth, complemented by a series of successful acquisitions.

## Looking Ahead

EFG Bank is confident its strong progress will continue in the future, given first quarter 2005 unaudited net profit of CHF 22 million.

The business has strong momentum, with a growing appeal to clients and CROs. The intention is also that acquisitions will continue to feature, and a number of possibilities are being explored.

Preparatory steps are being taken for an Initial Public Offering at the SWX Swiss Exchange. The timing will depend on the market, but EFG Bank will be ready later this year.

## Key Figures

<i>All consolidated figures in CHF million</i>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Operating income	103.7	206.3	243.0
Operating expenses	78.6	159.4	164.9
Gross operating profit	25.1	46.8	78.1
Profit before taxes	19.1	41.7	50.8
Net profit	23.3	33.2	43.1
Total assets	1,948	3,275	4,531
Total shareholders' equity	145	208	738*
Due from customers	887	1500	1,770
Due to customers	1,405	2,529	3,231
Proforma total shareholders' equity	na	na	847**
Total BIS Capital	135	215	1,039**
Total BIS Capital Ratio (%)	25.9	28.3	62.6**
Total number of employees	295	551	596

*Note: year-ending December*

\* Increase in shareholders' equity also reflects the issuance of Euro 325 million EFG Fiduciary Certificates representing, inter alia, the interest in newly issued Bons de Participation of EFG Bank.

\*\* Proforma, including the CHF 108 million shareholders' equity increase priced on December 16, 2004 and paid in on January 17, 2005.

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## **About EFG Bank**

EFG Bank has a clear and constant focus on private banking. It is committed to giving clients the advice and level of service they expect and desire, courtesy of its unique business model. Based in Zurich, Switzerland, it is a member of the EFG Group (a 66.7% voting right shareholding). Management and Client Relationship Officers also have a significant stake in the business (a 33.3% voting right shareholding). EFG Bank has an extensive global network, with the ability to book assets across multiple regions. It has representations in Switzerland (Zurich, Geneva, Valais); in other European regions (Luxembourg, Guernsey, Gibraltar Scandinavia: Malmö, Göteborg, Helsinki, Stockholm); Asia (Taipei, Singapore, Hong Kong); Americas (New York, Miami, Buenos Aires). At end-2004, assets under management stood at CHF 22.1 billion, on behalf of 15,000 clients. [www.efgbank.com](http://www.efgbank.com)

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