

## Media Release

# EFG achieves continued strong profitability in the first quarter and reports AuM of CHF 170.0 billion

Zurich, 29 April 2021

**In connection with EFG International's Annual General Meeting, which is being held today without shareholders being physically present, EFG is providing an update on its business performance in the first quarter of 2021.**

In the first three months of the year, EFG's Assets under Management<sup>1</sup> grew by CHF 11.2 billion to reach an all-time high of CHF 170.0 billion at end-March 2021, up from CHF 158.8 billion at end-2020. This increase was driven by solid net new asset inflows, positive foreign exchange effects and favourable markets.

EFG recorded net new asset inflows of CHF 1.6 billion in the first quarter of 2021, corresponding to an annualised net new asset growth rate of 4%, at the lower end of its 4-6% target range. The Switzerland & Italy Region was the main driver of growth, with the UK and the Continental Europe & Middle East regions also generating solid inflows. EFG's Asset Management business also continued to attract strong inflows from both private and institutional clients.

Supported by strong levels of client activity, underlying operating income increased in the first quarter of 2021 compared to both the first and fourth quarters of 2020. As expected, revenue margins were slightly weaker than in the second half of 2020, while the cost/income ratio remained stable compared to the second half of 2020. Overall, this solid performance resulted in continued strong profitability for the first quarter of 2021.

EFG further improved its already strong capital ratios in the first quarter of 2021. At end-March 2021, the CET1 capital ratio was 16.2% and the total capital ratio was 21.6%, supported by the previously announced placement of USD 400 million of Additional Tier 1 Notes in January 2021.

In the first few months of the year, EFG continued to rationalise its footprint and optimise the operational set-up of its eight core offshore booking centres. As part of these efforts, EFG announced on 19 April 2021 that it has agreed to sell its minority stake in the Spanish private bank Asesores y Gestores Financieros S.A. (A&G). This transaction, which is expected to close in the first quarter of 2022, will reduce EFG's Assets under Management by approximately CHF 13 billion, have a slightly positive impact on the bank's revenue and cost metrics, and add a further 90 basis points to EFG's CET1 ratio.

Giorgio Pradelli, CEO of EFG International: "EFG's good growth momentum and continued strong profitability in the first quarter are evidence that the revenue management and cost reduction measures we introduced are taking effect and creating operating leverage. As a result, we remain on track with the execution of our 2022 strategic plan. At the same time, we are becoming increasingly successful in leveraging our high-quality investment products and services. Given the acceleration of net new asset inflows in April and the sustained high levels of client activity that we have seen, I am confident that we can continue on this positive trajectory going forward."

Peter Fanconi, Chair of EFG's Board of Directors: "Dr. Spiro J. Latsis, who founded EFG Group in the 1980s, will not stand for re-election to the Board of Directors at today's Annual General Meeting. On behalf of the Board of Directors, the management and all EFG employees, I would like to express my sincere thanks to Dr. Latsis for his many years of unique leadership, support and unwavering commitment to EFG. As a result of his vision and determination, EFG has grown from a start-up to a leading global private banking group and one of the top ten Swiss private banks. We would also like to sincerely thank Dr. Niccolò H. Burki, our current Vice-Chair of the Board of Directors, who is not standing for re-election, for his many years of distinguished service. At the same time, we look forward to working with Dr. John S. Latsis as the principal representative of the Latsis family. A member of the Board of Directors since 2018, he will continue to shape the bank's strategy and ensure the sustained commitment of EFG's major shareholder."

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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.

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