Entrepreneurial thinking.
Private banking.

Half-Year Report

2024

About EFG

EFG International is a global private banking group offering private banking and asset management services, headquartered in Zurich (“EFG Group”, “EFG”, “we”). EFG International’s registered shares (EFGN) are listed on the SIX Swiss Exchange.

As a leading Swiss private bank, EFG has a presence in major financial centres and growth markets. It has strong roots in Switzerland, with Zurich, Geneva and Lugano serving as hubs for clients as well as the governance and operations of the bank.
EFG International serves clients in over 40 locations worldwide, with a network spanning Europe, Asia Pacific, the Americas and the Middle East.

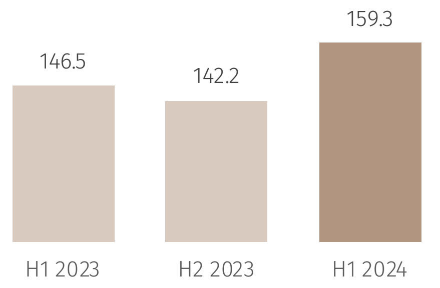
An entrepreneurial spirit shapes our bank, enabling us to provide comprehensive advice, develop hands-on solutions and to build trusted, long-lasting client relationships. We are a financial partner who offers security, financial stability and reliability.

As of 30 June 2024 EFG’s largest shareholders are EFG Bank European Financial Group SA (45.0%) and BTG Pactual (18.0%).

Key figures

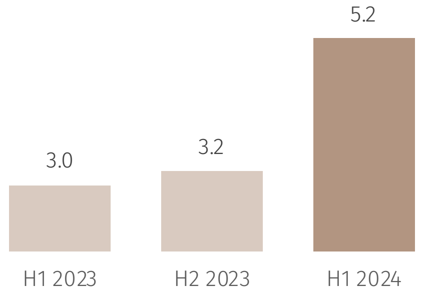
Assets under Management

in CHF billion



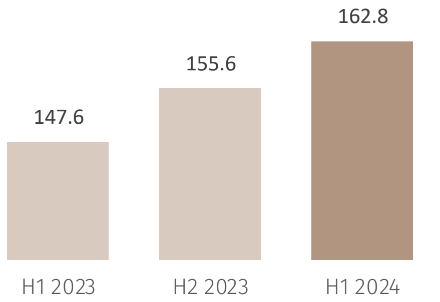
Net new assets

in CHF billion



IFRS net profit

in CHF million



	Half-year ended 30 June 2024 Unaudited	Half-year ended 31 December 2023 Audited	Half-year ended 30 June 2023 Unaudited
EFG International			
Operating income, in CHF million	743.8	705.9	724.8
Operating expense, in CHF million	549.4	530.2	527.7
IFRS net profit, in CHF million	162.8	155.6	147.6
Cost/income ratio, in %	72.6	74.4	72.1
Balance Sheet			
Total assets, in CHF billion	41.2	38.6	40.9
Shareholders' equity, in CHF billion	1.9	1.9	1.8
LCR, in %	250	230	203
Capital			
Regulatory capital, in CHF billion	2.0	1.8	1.9
CET1 Ratio, in %	17.5	17.0	17.3
Total Capital Ratio, in %	21.3	21.0	21.2
Assets under Management and Net new assets[1]			
Assets under Management, in CHF billion	159.3	142.2	146.5
Assets under Administration, in CHF billion	26.6	24.5	27.3
Net new assets, in CHF billion	5.2	3.2	3.0
Net new assets growth rate, annualised in %	7.3	4.4	4.2
Employees (full-time equivalents)			
Number of employees	3,118	3,025	2,882
Number of Client Relationship Officers	707	693	638
Share information			
Shares outstanding, in millions	312.3	312.3	311.9
Market capitalisation, in CHF million	3,998	3,259	2,767
Dividend per share, in CHF		0.55	
Earnings per share, in CHF (basic)	0.51	0.49	0.45
Rating			
Moody's		Long term: A3	
Fitch		Long term: A	

[1] Assets under Management and Net new assets are alternative performance measures. See definitions at end of this Half-Year Report.

Content

Chair and CEO message

Dear shareholders,

EFG International delivered a record net profit in the first half of 2024 with net profit of CHF 163 million, up 10% compared to the first half of 2023.

Our current operating environment continues to be shaped by significant uncertainties – due to macroeconomic factors, the current interest rate cycle but also due to the ongoing geopolitical tensions.

We saw net asset inflows of CHF 5.2 billion, corresponding to an annualised growth rate of 7.3%, compared to EFG's target range of 4–6%. Our consistent net asset inflows are not only a testament to the strength of our bank and the trust that clients place in us. They also show that our investments in our future growth are bearing fruit. Our new CRO colleagues already made a considerable contribution to the asset inflows across geographies in the first half of 2024.

Assets under Management grew by 12.0% to CHF 159.3 billion at end-June 2024, compared to 31 December 2023, reflecting strong net new assets, positive market performance and supportive foreign currency movements.

We delivered a resilient top-line result, where increased client activity and higher assets under management offset the decline in net interest income.

EFG's operating expenses were 4% higher compared to the prior year period, reflecting the costs from last year's strategic investments into our talent and client coverage. While these investments are now fully reflected in the cost base, the accelerated growth is expected to translate into additional profitability in the next 18-24 months. As a result of this, the cost/income ratio was 72.6% for the first half of 2024, compared to 72.1% in the first half of 2023.

"We have reached the midpoint in our 2023–2025 strategic cycle and are in a strong position to continue to consistently and successfully execute our strategy."

The revenue margin was by 97 basis points for the first half of 2024 compared to 100 basis points in the first half of 2023. This decrease reflects lower net interest income margin which was almost offset by higher commission income margin, as well as higher net other income margin.

Our CET1 ratio was 17.5% at end-June 2024, compared to 17.0% at the end of 2023. We have a highly liquid balance sheet, with a Liquidity Coverage Ratio of 250% and a loan/deposit ratio of 47% at end-June 2024. This solid capital and liquidity position is the result of our strategic efforts to ensure our financial and operational resilience.

For the second half of the year, we are fully focused on deploying our expanded capabilities and expertise.

Over the next months we will work to translate the accelerated growth that we are now seeing into higher revenues and further increased profits.

Creating operating leverage will be key in an environment which will likely continue to be shaped by considerable uncertainty. We believe that we are well-equipped to navigate the current global "unstable equilibrium" but need to remain vigilant and be able to react swiftly should the environment deteriorate.

We want to create value for our clients, investors, employees and other stakeholders. Our well-diversified business model, strong balance sheet, as well as our robust compliance and risk management frameworks are key enablers of our strategy and long-term success. We will continue to seize strategic opportunities to accelerate growth and strengthen our competitive market position.

At the same time, we will continue our efforts to build one of the leading brands in the Swiss international private banking industry.

We have reached the midpoint in our 2023–2025 strategic cycle and are one year ahead of the plan. We are in a strong position to continue to consistently and successfully execute our strategy of sustaining profitable growth and achieving scale. Given the consistently strong results we delivered and the investments we made, we are confident to meet or exceed our 2025 ambition.

We want to take this opportunity to express our gratitude to all our colleagues across the globe for contributing to the strong performance of EFG in the first half of 2024. We also wish to thank our clients and you, our shareholders, for your continued trust and support.

Yours sincerely

Alexander Classen
Chair of the Board

Giorgio Pradelli
Chief Executive Officer

Alexander Classen, Chair (left),
Giorgio Pradelli, CEO (right)

Chair and CEO message

This section contains certain financial measures of historical and future performance and financial position that are not defined or specified by IFRS, such as "net new assets" and "Assets under Management". These alternative performance measures (APM) should be regarded as complementary information to, and not as a substitute for the IFRS performance measures. For definitions of APM, please refer to the section headed "Alternative performance measures" of this Half-Year Report.

Condensed consolidated interim financial statements

EFG International for the six months ended 30 June 2024 (unaudited)

Condensed consolidated interim income statement for the six months ended 30 June 2024

	Note	Half-year ended 30 June 2024 CHF millions	Half-year ended 31 December 2023 CHF millions	Half-year ended 30 June 2023 CHF millions
Interest and discount income		749.0	748.9	640.5
Interest expense		(566.5)	(486.3)	(391.1)
Net interest income	8	**182.5**	262.6	249.4
Banking fee and commission income		456.6	395.1	398.1
Banking fee and commission expense		(131.1)	(102.1)	(103.9)
Net banking fee and commission income	9	**325.5**	293.0	294.2
Dividend income		1.7	0.1	2.7
Income from foreign exchange activities	10	162.7	113.4	141.4
Fair value gains less losses on financial instruments measured at fair value	11	63.3	35.0	37.8
Gains less losses on disposal of investment securities		(0.3)	0.5	(0.8)
Other operating income		8.4	1.3	0.1
Net other income		**235.8**	150.3	181.2
Operating income		**743.8**	705.9	724.8
Operating expenses	12	(549.4)	(530.2)	(527.7)
Impairment of intangible assets		(1.3)	(2.8)	(20.8)
Provisions	16	1.2	(4.2)	(5.1)
Loss allowances expense		(0.4)	(4.8)	(1.9)
Profit before tax		**193.9**	163.9	169.3
Income tax expense	14	(31.1)	(8.3)	(21.7)
Net profit for the period		**162.8**	155.6	147.6
Net profit for the period attributable to:				
Net profit attributable to equity holders of the Group		162.8	155.6	147.6
Net profit attributable to non-controlling interests				
		162.8	155.6	147.6

	Note	Half-year ended 30 June 2024 CHF	Half-year ended 31 December 2023 CHF	Half-year ended 30 June 2023 CHF
Earnings per ordinary share				
Basic	21	0.51	0.49	0.45
Diluted	21	0.49	0.47	0.44

The notes on pages 15 to 40 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of comprehensive income for the six months ended 30 June 2024

	Half-year ended 30 June 2024 CHF millions	Half-year ended 31 December 2023 CHF millions	Half-year ended 30 June 2023 CHF millions
Net profit for the period	**162.8**	155.6	147.6
Other comprehensive income:			
Items that may be reclassified subsequently to the income statement:			
Adjustment on reclassification of investments			166.6
Tax effect of adjustment on reclassification of investments			(6.4)
Foreign exchange gains/(losses) on net investments in foreign operations, with no tax effect	5.6	(5.0)	2.0
Currency translation differences, with no tax effect	79.3	(95.0)	(16.8)
Net (losses)/gains on cash flow hedge, with no tax effect	(13.9)	7.7	4.2
Items that will not be reclassified to the income statement:			
Retirement benefit gains/(losses)	10.9	(24.8)	(3.9)
Tax effect on retirement benefit (gains)/losses	(2.0)	4.8	0.8
Other comprehensive income/(loss) for the period, net of tax	**79.9**	(112.3)	146.5
Total comprehensive income for the period	**242.7**	43.3	294.1
Total comprehensive income for the period attributable to:			
Equity holders of the Group	242.7	43.3	294.1
Non-controlling interests			
	242.7	43.3	294.1

The notes on pages 15 to 40 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet at 30 June 2024

	Note	30 June 2024 CHF millions	31 December 2023 CHF millions
Assets			
Cash and balances with central banks		6,601.6	4,726.9
Treasury bills and other eligible bills		2,238.2	2,340.6
Due from other banks		2,508.4	2,617.6
Derivative financial instruments		1,212.6	1,574.3
Financial assets at fair value through profit and loss		1,486.8	1,363.6
Investment securities		8,382.6	8,489.8
Loans and advances to customers		16,964.3	16,019.1
Property, plant and equipment		366.0	299.9
Intangible assets		197.8	203.5
Deferred income tax assets		54.0	73.9
Other assets		1,155.9	876.7
Total assets		**41,168.2**	38,585.9
Liabilities			
Due to other banks		881.0	943.0
Due to customers		31,835.9	30,056.5
Derivative financial instruments		1,052.9	1,570.3
Financial liabilities at fair value through profit and loss		198.4	173.9
Financial liabilities at amortised cost	15	4,181.0	2,807.8
Current income tax liabilities		6.9	13.0
Deferred income tax liabilities		16.5	16.4
Provisions	16	182.9	134.4
Other liabilities		556.2	653.5
Total liabilities		**38,911.7**	36,368.8
Equity			
Share capital	18	151.2	150.9
Share premium		1,924.6	1,932.9
Other reserves		64.5	(52.8)
Retained earnings		(234.8)	(164.9)
Total shareholders' equity		**1,905.5**	1,866.1
Additional equity components	19	351.0	351.0
Total equity		**2,256.5**	2,217.1
Total equity and liabilities		**41,168.2**	38,585.9

The notes on pages 15 to 40 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity for the six months ended 30 June 2024

	Attributable to owners of the Group							
CHF millions	Share capital	Share premium	Other reserves	Retained earnings	Total shareholders' equity	Additional equity components	Non-controlling interests	Total equity
Balance at 01 January 2023	**151.3**	**1,971.4**	**(94.9)**	**(314.3)**	**1,713.5**	**351.0**	**0.8**	**2,065.3**
Net profit for the period				147.6	147.6			147.6
Adjustment on reclassification of investments			166.6		166.6			166.6
Tax effect of adjustment on reclassification of investments			(6.4)		(6.4)			(6.4)
Foreign exchange gains on net investments in foreign operations, with no tax effect			2.0		2.0			2.0
Currency translation differences, with no tax effect			(16.8)		(16.8)			(16.8)
Net gains on cash flow hedges, with no tax effect			4.2		4.2			4.2
Retirement benefit losses			(3.9)		(3.9)			(3.9)
Tax effect on retirement benefit losses			0.8		0.8			0.8
Total comprehensive income for the period	**–**	**–**	**146.5**	**147.6**	**294.1**	**–**	**–**	**294.1**
Ordinary shares repurchased	(2.2)	(37.5)			(39.7)			(39.7)
Dividend paid on ordinary shares				(136.7)	(136.7)			(136.7)
Distribution to additional equity components				(20.4)	(20.4)			(20.4)
Equity-settled share-based plan expensed in the income statement			20.5		20.5			20.5
Employee equity incentive plans exercised	3.3	32.1	(33.3)	(2.1)	–			–
Balance at 30 June 2023	**152.4**	**1,966.0**	**38.8**	**(325.9)**	**1,831.3**	**351.0**	**0.8**	**2,183.1**

The notes on pages 15 to 40 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity for the six months ended 30 June 2024 continued

CHF millions	Share capital	Share premium	Other reserves	Retained earnings	Total shareholders' equity	Additional equity components	Non-controlling interests	Total equity
	Attributable to owners of the Group							
Balance at 01 July 2023	**152.4**	**1,966.0**	**38.8**	**(325.9)**	**1,831.3**	**351.0**	**0.8**	**2,183.1**
Net profit for the period				155.6	155.6			155.6
Foreign exchange losses on net investments in foreign operations, with no tax effect			(5.0)		(5.0)			(5.0)
Currency translation differences, with no tax effect			(95.1)		(95.1)		0.1	(95.0)
Net gains on cash flow hedges, with no tax effect			7.7		7.7			7.7
Retirement benefit losses			(24.8)		(24.8)			(24.8)
Tax effect on retirement benefit losses			4.8		4.8			4.8
Total comprehensive income for the period	**–**	**–**	**(112.4)**	**155.6**	**43.2**	**–**	**0.1**	**43.3**
Ordinary shares repurchased	(1.8)	(35.1)			(36.9)			(36.9)
Dividend paid on non-controlling interests							(0.9)	(0.9)
Equity-settled share-based plan expensed in the income statement			31.4		31.4			31.4
Employee equity incentive plans exercised	0.3	2.0	(10.6)	8.3	–			–
Other movements				(2.9)	(2.9)			(2.9)
Balance at 31 December 2023	**150.9**	**1,932.9**	**(52.8)**	**(164.9)**	**1,866.1**	**351.0**	**–**	**2,217.1**

The notes on pages 15 to 40 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity for the six months ended 30 June 2024 continued

	Attributable to owners of the Group							
CHF millions	**Share capital**	**Share premium**	**Other reserves**	**Retained earnings**	**Total shareholders' equity**	**Additional equity components**	**Non-controlling interests**	**Total equity**
Balance at 01 January 2024	**150.9**	**1,932.9**	**(52.8)**	**(164.9)**	**1,866.1**	**351.0**	**–**	**2,217.1**
Net profit for the period				162.8	162.8			162.8
Foreign exchange gains on net investments in foreign operations, with no tax effect			5.6		5.6			5.6
Currency translation differences, with no tax effect			79.3		79.3			79.3
Net losses on cash flow hedges, with no tax effect			(13.9)		(13.9)			(13.9)
Retirement benefit gains			10.9		10.9			10.9
Tax effect on retirement benefit gains			(2.0)		(2.0)			(2.0)
Total comprehensive income for the period	**–**	**–**	**79.9**	**162.8**	**242.7**	**–**	**–**	**242.7**
Ordinary shares repurchased	(2.6)	(57.9)			(60.5)			(60.5)
Dividend paid on ordinary shares				(165.3)	(165.3)			(165.3)
Distribution to additional equity components				(19.6)	(19.6)			(19.6)
Equity-settled share-based plan expensed in the income statement			42.1		42.1			42.1
Employee equity incentive plans exercised	2.9	49.6	(4.7)	(47.8)	–			–
Balance at 30 June 2024	**151.2**	**1,924.6**	**64.5**	**(234.8)**	**1,905.5**	**351.0**	**–**	**2,256.5**

The notes on pages 15 to 40 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim cash flow statement for the six months ended 30 June 2024

	Half-year ended 30 June 2024 CHF millions	Half-year ended 30 June 2023 CHF millions
Cash flows from operating activities	24.6	173.7
Changes in operating assets and liabilities	1,050.7	(1,568.3)
Net cash flows used in investing activities	167.5	(922.4)
Net cash flows from financing activities	106.7	(210.7)
Effect of exchange rate changes on cash and cash equivalents	308.9	(5.7)
Net change in cash and cash equivalents	**1,658.4**	(2,533.4)
Cash and cash equivalents at beginning of period	8,876.1	13,086.1
Net change in cash and cash equivalents	1,658.4	(2,533.4)
Cash and cash equivalents	**10,534.5**	10,552.7

Cash and cash equivalents

Cash and cash equivalents comprise the following balances with less than 90 days maturity:

	30 June 2024 CHF millions	30 June 2023 CHF millions
Cash and balances with central banks	6,601.6	7,049.0
Treasury bills and other eligible bills	1,786.2	1,586.4
Due from other banks – at sight	828.2	812.3
Due from other banks – at term	1,318.5	1,105.0
Cash and cash equivalents	**10,534.5**	10,552.7

The notes on pages 15 to 40 form an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. General information

EFG International AG and its subsidiaries (hereinafter collectively referred to as "EFG International Group" or "The Group") are a leading global private banking group, offering private banking, wealth management and asset management services. EFG International AG is a limited liability company and is incorporated and domiciled in Switzerland. The Group is listed on the SIX Swiss Exchange.

In accordance with IAS 34, the Group simplified the structure of the half-year report. This resulted in the change of several disclosures and the deletion of non-required information, including "Credit Risk", "Valuation of financial assets and liabilities", and "Employee equity incentive plans".

These unaudited consolidated interim financial statements were approved for issue by the Board of Directors on 23 July 2024.

2. Accounting policies and valuation principles

EFG International's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are presented in Swiss francs (CHF).

These condensed consolidated interim financial statements are unaudited and should be read in conjunction with the audited financial statements included in the Group's consolidated financial statements for the year ended 31 December 2023. The impact of seasonality on these condensed consolidated interim financial statements is not considered as material.

These condensed consolidated interim financial statements are presented in accordance with IAS 34 Interim Financial Reporting. In preparing the interim financial statements, the same accounting policies, methods of computation and presentation have been applied as in the consolidated financial statements for the year ended 31 December 2023.

The preparation of interim financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The process also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key estimates were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023, with the exception of a change of accounting estimates for staff bonus accruals (see note 13).

A summary of any standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group are included in note 2 of the consolidated financial statements for the year ended 31 December 2023.

Where necessary, comparative information has been adjusted to conform to changes in presentation in the current year.

These condensed consolidated interim financial statements are available in English only.

3. Change in accounting policies

No new accounting standards and interpretations have been published for the reporting period that impact the Group in the current or future reporting periods and on foreseeable future transactions.

4. Financial risk assessment and management

EFG International offers private banking and asset management services as well as financial products with a focus on high-net-worth individuals. In pursuing its business objectives, it is exposed to risks, which may have an impact on its financial, business, social or other objectives.

A strong risk management framework is fundamental in the sustainable management of its business. EFG International is committed to actively managing and mitigating risks specific to its private banking and institutional clients, being particularly alert to compliance and operational risks, including financial crime risks, fraud risks and conduct risks.

Notes to the condensed consolidated interim financial statements

EFG International monitors legacy risks in connection with its life insurance investment portfolio and litigation cases relating to discontinued businesses.

EFG International is committed to maintaining a strong risk management framework in the day-to-day business activities and decision-making processes across the organisation.

A summary of the Group's approach to risk management, risk governance, and risk appetite are included in the note 5 of the 2023 Annual Report. There have been no significant changes in the Group's financial risk management objectives and policies in the six months ended 30 June 2024.

5. Credit risk

The Group's primary credit exposures relate to loans collateralised by securities portfolios and by mortgages, and to highly rated financial institutions, sovereigns and corporates.

Loans and advances to customers comprise the following:

		30 June 2024 CHF millions	31 December 2023 CHF millions
(i) Mortgage loans	Gross	5,420.3	5,373.4
	Loss allowances	(11.2)	(9.0)
(ii) Lombard loans	Gross	11,386.3	10,494.1
	Loss allowances	(4.3)	(5.4)
(iii) Other loans	Gross	178.3	169.7
	Loss allowances	(5.1)	(3.7)
Total loans and advances to customers		**16,964.3**	16,019.1

The tables below summarise the gross carrying value and expected credit losses by stage of those financial assets that were measured at amortised cost.

Gross carrying value	**Stage 1 CHF millions**	**Stage 2 CHF millions**	**Stage 3 CHF millions**	**Total CHF millions**
At 30 June 2024				
Mortgage loans	4,652.7	398.3	369.3	5,420.3
Lombard loans	11,347.0	8.7	30.6	11,386.3
Other loans	166.3	6.0	6.0	178.3
Total	**16,166.0**	**413.0**	**405.9**	**16,984.9**

Gross carrying value	**Stage 1 CHF millions**	**Stage 2 CHF millions**	**Stage 3 CHF millions**	**Total CHF millions**
At 31 December 2023				
Mortgage loans	4,653.6	411.8	308.0	5,373.4
Lombard loans	10,388.8	20.6	84.7	10,494.1
Other loans	165.0	0.8	3.9	169.7
Total	**15,207.4**	**433.2**	**396.6**	**16,037.2**

Loss Allowances	**Stage 1** **CHF millions**	**Stage 2** **CHF millions**	**Stage 3** **CHF millions**	**Total** **CHF millions**
At 30 June 2024				
Mortgage loans	1.1	0.8	9.3	11.2
Lombard loans	0.2	0.8	3.3	4.3
Other loans	1.7	0.1	3.3	5.1
Total	**3.0**	**1.7**	**15.9**	**20.6**

Loss Allowances	**Stage 1** **CHF millions**	**Stage 2** **CHF millions**	**Stage 3** **CHF millions**	**Total** **CHF millions**
At 31 December 2023				
Mortgage loans	1.0	0.7	7.3	9.0
Lombard loans	0.2	0.6	4.6	5.4
Other loans	1.5		2.2	3.7
Total	**2.7**	**1.3**	**14.1**	**18.1**

6. Valuation of financial assets and liabilities

6.1 Financial assets and liabilities measured at fair value

(a) Fair value hierarchy
IFRS 13 requires classification of financial instruments at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between levels in the current period.

	30 June 2024			
	Level 1 CHF millions	Level 2 CHF millions	Level 3 CHF millions	Total CHF millions
Derivative financial instruments (assets):				
Currency derivatives		631.1		631.1
Interest rate derivatives		130.0		130.0
Equity derivatives		408.6		408.6
Other derivatives		15.9		15.9
Life insurance related			27.0	27.0
Total derivatives assets	**–**	**1,185.6**	**27.0**	**1,212.6**
Financial assets at fair value through profit and loss:				
Debt	427.4	461.0		888.4
Equity		0.2	105.3	105.5
Life insurance related			470.3	470.3
Investment funds		22.6		22.6
Total financial assets at fair value through profit and loss	**427.4**	**483.8**	**575.6**	**1,486.8**
Total assets measured at fair value through profit and loss	**427.4**	**1,669.4**	**602.6**	**2,699.4**
Financial assets at fair value through other comprehensive income:				
Debt	18.5			18.5
Total financial assets at fair value through other comprehensive income	**18.5**	**–**	**–**	**18.5**
Total assets measured at fair value	**445.9**	**1,669.4**	**602.6**	**2,717.9**

	30 June 2024			
	Level 1 CHF millions	Level 2 CHF millions	Level 3 CHF millions	Total CHF millions
Derivative financial instruments (liabilities):				
Currency derivatives		554.9		554.9
Interest rate derivatives		37.1		37.1
Equity derivatives		437.1		437.1
Other derivatives		23.8		23.8
Total derivatives liabilities	**–**	**1,052.9**	**–**	**1,052.9**
Financial liabilities designated at fair value:				
Equity	74.7	13.8		88.5
Debt		0.3		0.3
Life insurance related			109.6	109.6
Total financial liabilities designated at fair value	**74.7**	**14.1**	**109.6**	**198.4**
Total liabilities measured at fair value	**74.7**	**1,067.0**	**109.6**	**1,251.3**
Assets less liabilities measured at fair value	**371.2**	**602.4**	**493.0**	**1,466.6**

Movement in Level 3 instruments

	Assets in Level 3		
	Derivative financial instruments CHF millions	Financial assets measured at fair value through profit and loss CHF millions	Total assets in Level 3 CHF millions
At 01 January 2024	24.2	636.2	660.4
Total gains or losses in the income statement – Net gains/(losses) from changes in fair value	(0.3)	(36.5)	(36.8)
Purchases/premiums paid	1.1	48.7	49.8
Disposals/premiums received		(105.2)	(105.2)
Exchange differences	2.0	32.4	34.4
At 30 June 2024	**27.0**	**575.6**	**602.6**
Change in unrealised gains or losses for the period included in the income statement for assets held at the end of the reporting period	(0.3)	(36.5)	(36.8)

	Liabilities in Level 3	
	Financial liabilities designated at fair value CHF millions	Total liabilities in Level 3 CHF millions
At 01 January 2024	131.0	131.0
Total gains or losses in the income statement – Net gains from change in fair value	(9.2)	(9.2)
Purchases/premiums paid	5.5	5.5
Disposals/premiums received	(25.2)	(25.2)
Exchange differences	7.5	7.5
At 30 June 2024	**109.6**	**109.6**
Change in unrealised gains or losses for the period included in the income statement for liabilities held at the end of the reporting period	(9.2)	(9.2)

(b) Fair value methodology used for Level 3 instruments – valuation technique

Valuation techniques

If the market for a financial instrument is not active, the Group establishes fair value by using one of the following valuation techniques:

- Recent arm's-length market transactions between knowledgeable, willing parties (if available)
- Reference to the current fair value of another instrument (that is substantially the same)
- Discounted cash flow analysis
- Option pricing model
- Net asset value

Financial statement line item	Products	Valuation techniques	30 June 2024 CHF millions	31 December 2023 CHF millions
Financial assets at fair value through profit and loss	Equities	Net asset value	11.5	8.6
Financial assets at fair value through profit and loss	Equities	Price earnings multiples, and others	93.8	89.7
Derivatives	Synthetic life insurance policies	Discounted cash flow analysis and life expectancies (non market-observable inputs)	27.0	24.3
Financial assets at fair value through profit and loss	Physical life insurance policies	Discounted cash flow analysis and life expectancies (non market-observable inputs)	470.3	537.8
Financial liabilities designated at fair value	Synthetic life insurance policies	Discounted cash flow analysis and life expectancies (non market-observable inputs)	(109.6)	(131.0)
Total			**493.0**	529.4

The Group values certain financial instruments at fair value, using models which rely on inputs to the models that are not based on observable market data (unobservable inputs). These financial instruments are classified as Level 3. Below is a summary of the valuation techniques and unobservable inputs to the valuations of these Level 3 financial instruments that significantly affect the value, and describe the interrelationship between observable inputs and how they affect the valuation.

(i) Life insurance policies

The Group uses a discounted cash flow valuation technique for the valuation of physical and synthetic life settlement policies and related financial instruments. The approach makes use of market-observable and non-market-observable inputs. See note 32 of the 2023 Annual Report for further details.

(ii) Equities

Equities comprise primarily the holding in SIX Group for CHF 71.1 million (2023: CHF 67.8 million).

In 2023, the valuation of SIX Group is based on a market approach, maximising observable inputs from SIX Group and comparable listed data for European Exchanges. The valuation approach uses a combination of price earning multiples, EBITDA multiples and dividend yields.

The fair value of SIX Group at 30 June 2024 has increased relative to the value at 31 December 2023, and as a result, the Group recorded a gain of CHF 3.3 million (2023: loss of CHF (6.3) million).

The sensitivity to the valuation of SIX Group is primarily linked to the changes in the projected future earnings of SIX Group, and the gain/loss taken through profit and loss for a 10% higher and 10% lower SIX Group profit would be CHF 5.8 million gain or CHF (5.7) million loss on this position classified as fair value through profit and loss.

(c) Life insurance related assets fair value

The Group holds the following life insurance related financial assets and liabilities:

Classification		30 June 2024 Number of insureds	30 June 2024 Average age Years	30 June 2024 Average life expectancy Years	30 June 2024 Net death benefits CHF millions	30 June 2024 Fair value CHF millions
Financial assets at fair value through profit and loss	Physical policies	133	93.7	3.6	824.2	470.3
Derivative financial instruments	Synthetic policies	50	92.9	4.2	50.6	27.0
Financial liabilities designated at fair value	Synthetic policies	(39)	(91.1)	(4.2)	(175.4)	(109.6)
Total		**144**			**699.4**	**387.7**

These life insurance policies are issued by US life insurance companies. The Group pays a periodic premium to the life insurance company to keep the policy in good standing and, upon the insured individual (US-based) having deceased, the life insurance company pays a lump sum death benefit to the Group. Should the Group not pay the necessary periodic premium, the insurance policy would lapse, and this would imply a full write-down of the life insurance policy.

For details on key risks, valuation assumptions and sensitivities, see note 32 of 2023 Annual Report.

6.2 Financial assets and liabilities measured at amortised cost

The following table summarises the carrying values and fair values of those financial assets and liabilities that were measured at amortised cost as of 30 June 2024:

	Note	Carrying value CHF millions	Fair value CHF millions	Difference CHF millions
At 30 June 2024				
Financial assets				
Due from other banks	(i)	2,508.4	2,500.0	(8.4)
Loans and advances to customers	(ii)	16,964.3	17,017.8	53.5
Investment securities - held to collect	(iii)	8,364.1	8,235.6	(128.5)
		27,836.8	**27,753.4**	**(83.4)**
Financial liabilities				
Due to other banks	(iv)	881.0	858.1	(22.9)
Due to customers	(iv)	31,835.9	31,911.7	75.8
Financial liabilities at amortised cost	(v)	4,181.0	4,221.4	40.4
		36,897.9	**36,991.2**	**93.3**
Net assets and liabilities not measured at fair value		**(9,061.1)**	**(9,237.8)**	**(176.7)**

(i) Due from other banks
Due from other banks includes interbank placements and items in the course of collection. The fair value of floating rate placements, overnight deposits and term deposits with a maturity of less than 90 days is assumed to be their carrying amount, as the effect of discounting is not significant. The fair values are within Level 2 of the fair value hierarchy.

(ii) Loans and advances to customers
Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received up to the next interest reset date. Expected cash flows are discounted at current market rates to determine fair value. Determined fair values are within Level 2 of the fair value hierarchy.

(iii) Investment securities
Investment securities held to collect are reflected on an amortised cost basis. The fair value of the investment securities is based on the quoted market price of the instrument. The fair values are within Level 1 of the fair value hierarchy.

(iv) Due to other banks and customers
The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. Expected cash flows are discounted at current market rates to determine fair value. Determined fair values are within Level 2 of the fair value hierarchy.

(v) Financial liabilities at amortised cost
The value of structured products sold to clients is reflected on an accrual basis for the debt host (and on a fair value for the embedded derivative). The fair value of the debt host is based on the discounted amount of estimated future cash flows expected to be paid up to the date of maturity of the instrument. Expected cash flows are discounted at current market rates to determine fair value. The fair values are within Level 2 of the fair value hierarchy.
The value of senior unsecured bonds is reflected on an accrual basis. The fair value is based on the quoted value of these listed instruments. The fair values are within Level 1 of the fair value hierarchy.

7. Assets under Management and Assets under Administration

	30 June 2024 CHF millions	31 December 2023 CHF millions	30 June 2023 CHF millions
Character of client assets			
Equities	52,549	44,885	45,171
Deposits	32,470	30,036	32,673
Bonds	35,940	32,228	32,222
Loans	17,403	16,382	16,995
Structured notes	5,035	4,285	4,745
Hedge funds/Fund of hedge funds	3,252	2,837	3,070
Fiduciary deposits	3,122	2,920	2,625
Other	9,493	8,671	8,981
Total Revenue-Generating Assets under Management	**159,264**	142,244	146,482
Total Assets under Administration	**26,615**	24,451	27,329
Total Assets under Management and Administration	**185,879**	166,695	173,811

Assets under Administration are trust assets administered by the Group. The Group has CHF 6,660 million (2023: CHF 7,366 million) of Assets under Custody not included in the above.

The Group calculates Total Assets under Management (AUM) as the total market value of the assets and liabilities that the Group manages on behalf of clients. AUM include all assets and liabilities managed by or deposited with the Group on which the Group earns revenue. Assets under Custody excluded from AUM are assets deposited with the Group held solely for safekeeping/custody purposes, and for which the Group does not offer advice on how the assets should be invested. AUM includes lombard loans and mortgages, though does not include the real estate that is security for the mortgage.

When AUM is subject to more than one level of asset management services, double counting arises within the total AUM. Each such separate discretionary or advisory service provides additional benefits to the respective client and generates additional revenue to the Group. Double counts primarily include the self-managed collective investment schemes and structured products issued by Group companies which are also included in customer portfolios and already included in AUM.

On an annual basis, the Group discloses in its Annual Report Assets under Management according to the Guidelines of the Swiss Financial Market Supervisory Authority (FINMA) governing financial statement reporting.

8. Net interest income

	Half-year ended 30 June 2024 CHF millions	Half-year ended 31 December 2023 CHF millions	Half-year ended 30 June 2023 CHF millions
Banks and customers	605.4	606.4	516.5
Investment securities	109.2	106.6	85.7
Treasury bills and other eligible bills	34.4	35.9	38.3
Total interest and discount income	**749.0**	748.9	640.5
Banks and customers	(494.6)	(435.7)	(336.0)
Financial liabilities at amortised cost	(69.6)	(48.4)	(53.3)
Lease liabilities	(2.3)	(2.2)	(1.8)
Total interest expense	**(566.5)**	(486.3)	(391.1)
Net interest income	**182.5**	262.6	249.4

9. Net banking fee and commission income

	Half-year ended 30 June 2024 CHF millions	Half-year ended 31 December 2023 CHF millions	Half-year ended 30 June 2023 CHF millions
Advisory and management fees	207.4	198.3	198.4
Brokerage fees	169.7	126.6	126.6
Commission and fee income on other services	79.5	70.2	73.1
Banking fee and commission income	**456.6**	395.1	398.1
Commission and fee expenses on other services	(131.1)	(102.1)	(103.9)
Banking fee and commission expense	**(131.1)**	(102.1)	(103.9)
Net banking fee and commission income	**325.5**	293.0	294.2

10. Income from foreign exchange activities

	Half-year ended 30 June 2024 CHF millions	Half-year ended 31 December 2023 CHF millions	Half-year ended 30 June 2023 CHF millions
Clients revenue from currency and metals transactions	69.2	42.4	63.7
Currency, precious metals operations	94.2	62.9	80.0
Other	(0.7)	8.1	(2.3)
Income from foreign exchange activities	**162.7**	113.4	141.4

11. Fair value gains less losses on financial instruments measured at fair value

	Half-year ended 30 June 2024 CHF millions	Half-year ended 31 December 2023 CHF millions	Half-year ended 30 June 2023 CHF millions
Financial instruments measured at fair value			
Equity securities	7.2	2.1	(0.7)
Life insurance securities	44.8	35.6	34.7
Other	11.3	(2.7)	3.8
Fair value gains less losses on financial instruments measured at fair value	**63.3**	35.0	37.8

12. Operating expenses

	Note	Half-year ended 30 June 2024 CHF millions	Half-year ended 31 December 2023 CHF millions	Half-year ended 30 June 2023 CHF millions
Staff costs	13	(393.9)	(383.2)	(381.6)
Professional services		(16.3)	(16.4)	(22.7)
Advertising and marketing		(7.8)	(6.9)	(6.1)
Administrative expenses		(43.4)	(46.2)	(40.4)
Depreciation of property, plant and equipment		(6.9)	(5.8)	(5.7)
Depreciation of property, plant and equipment previously classified as held for sale (see below)		(5.0)		
Depreciation of right-of-use assets		(18.1)	(17.5)	(16.4)
Amortisation of intangible assets:				
Computer software and licences		(11.8)	(10.7)	(12.9)
Other intangible assets		(4.8)	(4.7)	(4.9)
Legal and litigation expenses		(17.5)	(13.1)	(13.5)
Other		(23.9)	(25.7)	(23.5)
Operating expenses		**(549.4)**	(530.2)	(527.7)

On 9 June 2024, a local referendum voted against the purchase of a building by the Canton of Ticino from EFG. As a result, the carrying value of the building was reclassified from Other assets held for sale to Property, plant and equipment. The carrying value was reduced as if the building had never been recognised as held for sale, incurring an additional depreciation charge of CHF 5.0 million presented under Depreciation of property, plant and equipment previously classified as held for sale.

13. Staff costs

	Half-year ended 30 June 2024 CHF millions	Half-year ended 31 December 2023 CHF millions	Half-year ended 30 June 2023 CHF millions
Wages, salaries and staff bonuses	(291.1)	(285.9)	(305.0)
Social security costs	(31.1)	(31.9)	(28.0)
Pension costs			
Retirement benefits	(9.8)	(9.3)	(12.0)
Other net pension costs	(11.1)	(8.5)	(7.7)
Employee equity incentive plans	(42.1)	(31.4)	(20.5)
Other	(8.7)	(16.2)	(8.4)
Staff costs	**(393.9)**	(383.2)	(381.6)

As at 30 June 2024, the number of full-time equivalent employees (FTEs) of the Group was 3,118 (3,025 and 2,882 for December 2023 and June 2023, respectively). The average for the period was 3,072 (2,927 and 2,855 for December 2023 and June 2023, respectively).

In the half-year ended 30 June 2024, the Group made a change of accounting estimate for staff bonus accruals, introducing a new input in its estimate for annual cash bonuses payable. This estimate considers that the bonus can be forfeited until payment date, which are typically in March of the following year. The Group introduced an estimated forfeiture rate, which is based on historical data, and calculates the accrual considering the service period until payment date.

As a result, the Group accrues for the estimated expense from the beginning of the service period, being either 01 January or the joining date of the employee, to the payment date. The estimated impact is a deferral of bonus expenses to 30 June 2024 of approximately CHF 15.6 million.

In 2023, the Group made significant investments to expand, and recruited 141 Client Relationship Officers, and numerous other senior hires. These recruitments involved guaranteeing cash and restricted stock unit bonuses. The cash bonuses are to be paid in 2025 and later, and are subject to clawback arrangements by the Group in the event the employee leaves before certain dates. As a result, these bonuses are accrued for in the income statement over the period from the start date of the employee to the later of the payment date or end of clawback period. In the half-year ended 30 June 2024, the Group accrued for CHF 10.7 million for such bonuses (CHF 9.2 million in the half-year ended 31 December 2023).

Notes to the condensed consolidated interim financial statements

14. Income tax expense

	Half-year ended 30 June 2024 CHF millions	Half-year ended 31 December 2023 CHF millions	Half-year ended 30 June 2023 CHF millions
Current tax expense	(11.0)	(11.3)	(13.8)
Deferred income tax	(20.1)	3.0	(7.9)
Income tax expense	**(31.1)**	(8.3)	(21.7)

The Group is subject to the global minimum top-up tax under OECD Pillar Two legislation as annual consolidated revenues exceeds EUR 750 million. This tax reform aims to ensure that large multinational groups pay taxes at least at a minimum rate of 15% on income arising in each jurisdiction in which they operate by applying a system of top-up taxes. There are three mechanisms under Pillar Two rules that countries can adopt: the Income Inclusion Rule (IIR), the Undertaxed Payment Rule (UPR) and a Qualified Domestic Minimum Domestic Top-up Tax (QDMTT).

In Switzerland, where the ultimate parent entity is located, the Federal Council will phase in the implementation of Pillar Two. Specifically, from 01 January 2024, Switzerland levies a QDMTT on Swiss profits of Swiss corporations and Swiss permanent establishments of international groups. The international top-up tax on profits of foreign subsidiaries and permanent establishments of Swiss headquartered groups (IIR, UPR) should be introduced at a later stage (potentially from 01 January 2025).

As of 30 June 2024 in the other EFGI Group locations, Pillar Two rules are in various states of being enacted, however no financial impact is expected on the 2024 tax liabilities. In future years when all rules are implemented and phased in, an impact is expected on the Groups expected tax rate due to additional taxes on profits in Cayman and Bahamas, amongst other locations. In summary, based on the current assessment, the application of the Pillar Two legislation is expected to have no impact on the 2024 tax charge, however when fully enacted over the next two to three years is expected to increase the group's effective tax rate by 1 to 2 percentage points.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

15. Financial liabilities at amortised cost

	30 June 2024 CHF millions	31 December 2023 CHF millions
Senior unsecured bonds issued	369.1	
Structured products issued	3,811.9	2,807.8
Total financial liabilities at amortised cost	**4,181.0**	2,807.8

In June 2024, the Group issued the following senior unsecured bonds:

	Fixed rate annually payable coupon %	Maturity	30 June 2024 CHF millions	31 December 2023 CHF millions
Senior unsecured bonds – issuers				
EFG Bank AG – CHF 230,000,000	1.995% p.a.	28 June.2027	229.5	
EFG Bank AG – CHF 140,000,000	2.1575% p.a.	28 June 2030	139.6	
Total senior unsecured bonds			**369.1**	–

16. Provisions

	Provision for litigation risks CHF millions	**Other provisions CHF millions**	**Total CHF millions**
At 01 January 2024	**108.3**	**26.1**	**134.4**
Increase in provisions recognised in the income statement	0.2	0.5	0.7
Increase in provisions charged to other assets	43.8		43.8
Release of provisions recognised in the income statement	(1.1)	(0.8)	(1.9)
Provisions used during the period	(2.9)	(2.1)	(5.0)
Reclassification and other movements	1.1		1.1
Exchange differences	8.9	0.9	9.8
At 30 June 2024	**158.3**	**24.6**	**182.9**
Expected payment within 1 year	47.1	12.5	59.6
Expected payment between 1 year and 3 years	111.1	10.4	121.5
Expected payment thereafter	0.1	1.7	1.8
At 30 June 2024	**158.3**	**24.6**	**182.9**

Notes to the condensed consolidated interim financial statements

Provision for litigation risks
The provision for litigation risks increased by CHF 50.0 million, primarily due to the new provision described in (ii) below.

(i) A provision of CHF 105.1 million (2023: CHF 95.5 million) relates to the terms of a settlement agreement resolving all outstanding litigation between the Group and the rehabilitator of a Taiwanese insurance company. The settlement resolved a dispute concerning a secured loan facility granted in 2007 to an affiliate of the Taiwanese insurance company, which was placed into receivership in 2014. Under the terms of the settlement, EFG paid USD 150 million into an escrow account of which USD 10 million has been utilised in 2023. As part of the agreement, EFG currently expects to recover in excess of USD 30 million over the next years.
(ii) A provision of CHF 43.8 million related to a former group of clients who alleged investment mismanagement in the 2010 to 2016 period and claimed damages of approximately USD 52 million plus interest since various dates during the period. In June 2023, the Geneva Court of First Instance found in favour of the claimants and admitted the claims in full. The Group appealed the judgement and, in the second quarter of 2024, the Geneva Court of Appeal issued its decision, awarding to the claimants approximately USD 24 million (plus interest). Both parties have appealed the appellate decision. The Group is entitled to indemnification against this provision and any additional losses that may arise from this matter from the seller of the former BSI Group, hence, this provision was booked against other assets.
(iii) Other provisions of CHF 9.4 million (2023: CHF 21.6 million) remain for various litigation cases.

Other provisions
Other provisions decreased by CHF 1.5 million, primarily due to the utilisation of the provision for restructuring costs described in (ii) below for CHF 1.9 million.
(i) The Group has a provision of CHF 6.3 million (2023: CHF 5.8 million) for success fees payable if the Group succeeds in recovering excess life insurance premiums from insurers who increased premiums. The overall position is likely to be resolved between one and three years.
(ii) The Group has a provision of CHF 2.3 million (2023: CHF 4.8 million) for restructuring costs primarily relating to businesses being closed, which are likely to be utilised within a year.
(iii) The Group has a provision of CHF 0.4 million (2023: CHF 0.4 million) for credit default risks. This relates to the expected credit losses under IFRS 9. The Group calculates expected credit losses on off-balance sheet positions primarily related to guarantees. These losses are not expected to arise in the next 12 months. The profit and loss impact is reflected in the loss allowances expense, while for all other provision movements, the profit and loss impact is reflected in the provision expense line of the profit.
(iv) Other provisions of CHF 15.6 million (2023: CHF 15.1 million) remain for various other potential cash outflows.

17. Contingent liabilities

EFG International Group is involved in various legal and arbitration proceedings in the normal course of its business operations. The Group establishes provisions (see note 16) for current and threatened pending legal proceedings if management is of the opinion that the Group is more likely than not to face payments or losses and if the amount of such payments or losses can be reliably estimated.

The Group discloses contingent liabilities that the management considers to be material, or to be significant due to potential financial, reputational and other effects.

The Group has differentiated the contingent liabilities into four categories as follows:
a) Group does not expect a material cash outflow
b) Group cannot reliably measure the obligation
c) Group cannot reliably measure the obligation, however, any obligation arising would be offset by indemnification received
d) Group does not expect a material cash outflow, and any obligation arising would be offset by indemnification received.

(a) Group does not expect a material cash outflow
The Group is engaged in certain litigation proceedings mentioned below and is vigorously defending the cases. The Group believes it has strong defences to the claims. The Group does not expect the ultimate resolution of any of the below-mentioned proceedings to which the Group is party to have a significantly adverse effect on its financial position.
(i) Certain investors and the liquidator of a fund filed claims against the Group in the Bahamian courts in 2014. The claims allege damages and interest, which is estimated at approximately USD 17 million, arising out of the fund's performance and alleged misleading statements and fund mismanagement. The Group believes it has strong defences to the allegations and maintains its vigorous defence.
(ii) The Group has been named as a defendant in a lawsuit

filed in Illinois, USA, by a former BSI client. The former client's allegations arise out of wrongdoing by an external asset manager who had a relationship with the former client. The external asset manager was sentenced by the Swiss criminal courts. The former client's civil lawsuit against the Group alleges that a BSI client relationship officer aided and abetted the alleged unauthorised transactions in the 2004 to 2007 time period. The lawsuit alleges damages of approximately USD 11 million, exclusive of prejudgment interest claimed. In early 2024, the court issued an order dismissing the case, finding that it did not have personal jurisdiction over the Group, but granted leave to replead. The plaintiff subsequently filed an amended complaint. The Group believes it has strong defences to the claims and will vigorously defend the lawsuit.

(b) Group cannot reliably measure the obligation

The following contingent liabilities that management is aware of could have a material effect on the Group. However, based on presently available information and assessments, the Group is not able to reliably measure the possible obligation.

(i) The Group is engaged in litigation proceedings initiated in 2012 by a client claiming that he has been misled insofar as he thought that his investments were capital-protected, that the agreed investment strategy has not been followed, and that unauthorised transactions were performed. The damages claimed are approximately EUR 49 million (including a claim for the reimbursement of retrocessions), exclusive of prejudgment interest claimed since 2008. Although the Group is vigorously defending the case and believes it has strong defences to the claims, there is no reliable estimate of what losses might be sustained on the claims.

(ii) In 2019, the Group was named as a defendant in a claim brought against over 30 defendants in the Commercial Court in London by the Public Institution for Social Security (PIFSS) of Kuwait. The allegations centre on the former Director General of PIFSS, who is alleged to have been paid secret commissions, and to have been an account holder at EFG beginning in 2008. The claim against the Group in the amount of USD 368.1 million, exclusive of prejudgment interest claimed, centres on allegations that, between 1995 and 2012, the former Director General of PIFSS procured into EFG accounts the payment to another defendant of approximately USD 332.1 million of secret commissions, as well as USD 44.6 million in other payments representing proceeds of other schemes alleged in the claim. An eight-month trial is scheduled to begin in March 2025. The Court has ordered the parties to schedule a mediation before the end of 2024. Although the Group is vigorously defending the case and believes it has strong defences to the claims, there is no reliable estimate of what losses might be sustained on the claims.

(iii) The Trustee of Bernard L. Madoff Investment Securities LLC (BLMIS) has filed a complaint asserting that payments totalling approximately USD 377 million, exclusive of prejudgment interest claimed, allegedly received by the Group on behalf of clients should be returned to BLMIS. This action includes the transfers claimed by the Fairfield liquidators (see next paragraph), as the BLMIS Trustee is purporting to seek to recover all transfers received by the Group from the Fairfield funds during the relevant period. The court has not yet scheduled trial dates. Although the Group is vigorously defending the case and believes it has strong defences to the claims, there is no reliable estimate of what losses might be sustained on the claims.

(iv) The Group has been named as a defendant in lawsuits filed by the liquidators of Fairfield Sentry Ltd. and Fairfield Sigma Ltd. asserting that redemption payments received by the Group on behalf of clients from the Fairfield funds should be returned. The amount claimed is uncertain, but the Group believes the amount claimed is approximately USD 222 million, exclusive of prejudgment interest claimed, and is subsumed by the amount sought by the BLMIS Trustee (see previous paragraph), as the BLMIS Trustee is purporting to seek to recover all transfers received by the Group from the Fairfield funds during the relevant period. The court has not yet scheduled trial dates. Although the Group is vigorously defending the case and believes it has strong defences to the claims, there is no reliable estimate of what losses might be sustained on the claims.

(c) Group cannot reliably measure the obligation, however any obligation arising would be offset by indemnification received

The following contingent liabilities (that arose through the acquisition of BSI), that management is aware of, could have a material effect on the Group. However, based on presently available information and assessments, the Group is not able to reliably measure the possible obligation. The Group is entitled to indemnification against losses that may arise from these matters listed below from the seller of the former BSI Group.

(i) The criminal investigations against BSI into money laundering allegations involving 1Malaysia Development Berhad (1MDB), a sovereign wealth fund owned by the government of Malaysia, have been terminated by summary penalty order issued by the Swiss Federal Prosecutor in early 2024. The summary penalty order includes a fine against BSI SA in the amount of CHF 4.5 million which will be fully borne by the seller of the former BSI Group. The Federal Prosecutor determined that it does not have authority to adjudicate the civil claims brought by SRC International (Malaysia) Ltd. (a former indirect, wholly owned subsidiary of 1MDB) in the amount of USD 864.5 million, and 1MDB and five affiliated companies in the amount of USD 5.24 billion. The private claimants have objected to the summary penalty order, these proceedings are currently ongoing. In the second quarter of 2024, 1MDB and one of its subsidiaries filed a civil claim against BSI Bank Limited (in liquidation) in Singapore court in the amount of USD 394.5 million, exclusive of interest. The Group is vigorously defending and believes it has strong defences to these claims.

(ii) The US Attorney's Office for the Eastern District of New York initiated criminal investigations into bribery and money laundering allegations involving officials of Fédération Internationale de Football Association (FIFA) and its member associations and related parties. Certain FIFA-related accounts were opened and maintained by the Group and they are currently under review. The US Department of Justice has issued requests for assistance to the Swiss authorities in obtaining information for some of the FIFA-related accounts. The US authorities are also investigating whether the Group complied with their anti-money laundering obligations in connection with the FIFA-related accounts. The Group is cooperating with the US authorities in the ongoing investigations.

(iii) The Group (through the acquisition of BSI) is the defendant in two civil proceedings in Italy commenced in 2015, arising from its role as a Trustee of certain trusts associated with the family who owned an Italian shipping company which was declared bankrupt in 2012, allegedly causing aggregate losses to approximately 13,000 bondholders through the issuance of approximately EUR 1 billion of bonds that did not comply with applicable laws. In 2014, members of the families involved were convicted for embezzlement and fraud in Italy. In the civil proceedings pursued by the liquidator of the bankrupt issuer, the seizure of trust assets is sought, as well as damages based on allegations of trust mismanagement. The Group is vigorously defending and believes it has strong defences to the claims.

(d) Group does not expect a material cash outflow, however any obligation arising would be offset by indemnification received

The following contingent liability is not expected to have a significant adverse effect on the Group's financial position and the Group is entitled to indemnification against losses that may arise from this matter from the seller of the former BSI Group.

(i) ln August 2019, the Chilean tax authority made a tax liability determination arising out of BSI's September 2015 sale of shares in a Chilean subsidiary to a third party. ln its tax return filed in 2016, BSI requested a tax refund on the grounds that the sale of the shares had generated a tax loss. The Chilean tax authority, however, disputed the appropriate fair market value of the disposed shares, as well as the appropriate tax rate applicable to the transaction. The total outstanding tax liability as determined by the Chilean tax authority amounts to CHF 24.0 million. In April 2020, the Group commenced legal proceedings challenging the tax authority's assessment, and believes it has strong defences to the tax assessment.

18. Share capital

At 30 June 2024, the share capital amounts to CHF 151,218,144 and is composed of:
- issued nominal ordinary share capital of EFG International AG which amounts to CHF 156,142,978, comprising of 312,285,956 registered shares,
- less 9,849,668 treasury shares with a nominal value of CHF 0.50 each.

In the period, share capital increased by a net 673,470 shares arising from:
- 5,746,174 treasury shares granted to employees following the exercise of equity incentive plans,
- less 5,072,704 ordinary shares repurchased.

19. Additional equity components

	Weighted average distribution rate %	Due dates	30 June 2024 CHF millions	31 December 2023 CHF millions
Additional equity components – issuers				
EFG International AG – USD 400,000,000	5.5% p.a.	First optional call date of 25 January 2028	351.0	351.0
Total additional equity components			**351.0**	351.0

In January 2021, the Group placed USD 400.0 million of perpetual unsecured, deeply subordinated notes, qualifying as Additional Tier 1 capital, with a 5.5% per annum fixed distribution amount until the first optional call date of 25 January 2028 and thereafter the aggregate of the five-year USD CMT Rate plus 4.659% per annum with a reset every five years.

The Group made a distribution of CHF 19.6 million in March 2024 (2023: CHF 20.4 million) in relation to these perpetual Additional Tier 1 Notes.

For further details on the terms of the instrument see note 55 of the 2023 Annual Report

20. Dividends

	Half-year ended 30 June 2024 CHF millions	Half-year ended 31 December 2023 CHF millions	Half-year ended 30 June 2023 CHF millions
Dividends on ordinary shares			
CHF 0.45 per share related to 2022 paid on 27 April 2023			136.7
CHF 0.55 per share related to 2023 paid on 28 March 2024	165.3		
Total dividends on ordinary shares	**165.3**	–	136.7
Distribution on additional equity components			
For the period 25 March 2022 to 24 March 2023 at 5.50%			20.4
For the period 25 March 2023 to 24 March 2024 at 5.50%	19.6		
Total distribution on additional equity components	**19.6**	**–**	**20.4**

21. Basic and diluted earnings per ordinary share

	Half-year ended 30 June 2024 CHF millions	Half-year ended 31 December 2023 CHF millions	Half-year ended 30 June 2023 CHF millions
Net profit for the period attributable to equity holders of the Group	162.8	155.6	147.6
Estimated distribution on additional equity components	(9.9)	(8.2)	(10.2)
Net profit for the period attributable to ordinary shareholders	**152.9**	147.4	137.4
Weighted average number of ordinary shares (000s of shares)	299,646	303,138	303,153
Basic earnings per ordinary share (CHF)	**0.51**	0.49	0.45
Diluted-weighted average number of ordinary shares (000s of shares)	310,697	311,668	315,176
Diluted earnings per ordinary share (CHF)	**0.49**	**0.47**	**0.44**

Basic earnings per ordinary share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares owned by the Group amounting to 10,923,644 (8,083,336 and 7,154,188 for December 2023 and June 2023, respectively).

For the purpose of the calculation of earnings per ordinary share, net profit for the period attributable to ordinary shareholders has been adjusted by an estimated accrued coupon of 5.5% p.a. on the additional equity components.

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding for the dilutive impact of 11.0 million ordinary shares projected to be issued related to the employee equity incentive plan (2023: 8.5 million shares). The restricted stock units and long-term incentive plan units as part of the employee equity incentive plan have the effect to increase the diluted-weighted average number of ordinary shares of the Group in periods when the Group has profits attributable to ordinary shareholders.

22. Segmental reporting

The Group's segmental reporting is based on how the Executive Committee reviews the performance of the Group's operations.

The primary split is between the Private Banking and Wealth Management business, the Investment & Wealth Solutions business, Global Markets & Treasury, and an aggregation of other activity. The Private Banking and Wealth Management business is managed on a regional basis and is split into:
- Switzerland & Italy
- Continental Europe & Middle East
- Americas
- United Kingdom
- Asia Pacific

The expense allocation between segments follows a basis using a combination of directly attributable costs, and allocated costs using appropriate allocation keys (Assets under Management, FTEs, Client Relationship Officers, revenues or other drivers as applicable).

In the six months ended 30 June 2024, the Group changed the basis of allocating segment revenue between the Global Markets & Treasury segment and the United Kingdom Private Banking and Wealth Management segment. This resulted in an additional approximate CHF 17.5 million of segment revenue being allocated to the United Kingdom Private Banking and Wealth Management segment from the Global Markets & Treasury segment.

	Private Banking and Wealth Management			
CHF millions	Switzerland & Italy	Continental Europe & Middle East	Americas	United Kingdom
Half-year ended 30 June 2024				
Segment revenue	236.7	133.0	64.3	104.0
Segment expenses	(127.9)	(82.8)	(52.0)	(67.6)
Tangible assets and software depreciation	(7.6)	(4.4)	(2.1)	(3.3)
Total operating margin	**101.2**	**45.8**	**10.2**	**33.1**
Cost to acquire intangible assets and impairment of intangible assets		(0.1)		
Provisions		0.2		
Loss allowances (expense)/release	(0.3)	0.2	(0.1)	(1.1)
Segment profit/(loss) before tax	**100.9**	**46.1**	**10.1**	**32.0**
Income tax (expense)/gain	(16.9)	(7.8)	(1.7)	(5.5)
Profit for the period	**84.0**	**38.3**	**8.4**	**26.5**
Assets under Management	42,456	28,398	20,564	22,890
Employees (FTEs)	338	236	170	206

	Private Banking and Wealth Management			
CHF millions	Switzerland & Italy	Continental Europe & Middle East	Americas	United Kingdom
Half-year ended 31 December 2023				
Segment revenue	214.7	129.3	64.6	91.0
Segment expenses	(132.5)	(86.0)	(57.6)	(67.1)
Tangible assets and software depreciation	(4.9)	(3.2)	(1.5)	(2.1)
Total operating margin	**77.3**	**40.1**	**5.5**	**21.8**
Cost to acquire intangible assets and impairment of intangible assets				
Provisions		(0.5)		
Loss allowances (expense)/release	(1.4)	(5.2)		(0.6)
Segment profit/(loss) before tax	**75.9**	**34.4**	**5.5**	**21.2**
Income tax (expense)/gain	(4.6)	(2.3)	(0.3)	(1.5)
Profit for the period	**71.3**	**32.1**	**5.2**	**19.7**
Assets under Management	38,761	25,856	17,457	19,877
Employees (FTEs)	335	217	164	205

		Investment & Wealth Solutions	**Global Markets & Treasury**	**Corporate**	**Eliminations**	**Total**
Asia Pacific	Total					
96.1	634.1	62.2	12.7	34.8		743.8
(74.2)	(404.5)	(63.2)	(25.6)	(27.6)		(520.9)
(3.9)	(21.3)	(2.0)	(0.4)			(23.7)
18.0	**208.3**	**(3.0)**	**(13.3)**	**7.2**	**–**	**199.2**
(0.1)	(0.2)			(5.9)		(6.1)
0.2	0.4			0.8		1.2
	(1.3)		0.1	0.8		(0.4)
18.1	**207.2**	**(3.0)**	**(13.2)**	**2.9**	**–**	**193.9**
(3.0)	(34.9)	0.5	2.3	1.0		(31.1)
15.1	**172.3**	**(2.5)**	**(10.9)**	**3.9**	**–**	**162.8**
35,841	150,149	55,375			(46,260)	159,264
337	1,287	318	91	1,422		3,118

		Investment & Wealth Solutions	Global Markets & Treasury	Corporate	Eliminations	Total
Asia Pacific	Total					
80.5	580.1	60.7	42.9	22.2		705.9
(72.2)	(415.4)	(62.5)	(29.9)	(1.3)		(509.1)
(2.5)	(14.2)	(1.4)	(1.0)	0.1		(16.5)
5.8	**150.5**	**(3.2)**	**12.0**	**21.0**	**–**	**180.3**
	–			(7.5)		(7.5)
(0.3)	(0.8)			(3.3)		(4.1)
0.1	(7.1)		(0.4)	2.7		(4.8)
5.6	**142.6**	**(3.2)**	**11.6**	**12.9**	**–**	**163.9**
(0.3)	(9.0)	0.4	(0.7)	1.0		(8.3)
5.3	**133.6**	**(2.8)**	**10.9**	**13.9**	**–**	**155.6**
30,942	132,893	48,241			(38,890)	142,244
337	1,258	296	94	1,377		3,025

Notes to the condensed consolidated interim financial statements

	Private Banking and Wealth Management			
CHF millions	Switzerland & Italy	Continental Europe & Middle East	Americas	United Kingdom
Half-year ended 30 June 2023				
Segment revenue	237.2	127.4	68.5	87.2
Segment expenses	(127.4)	(81.0)	(54.8)	(64.7)
Tangible assets and software depreciation	(6.0)	(3.4)	(1.7)	(2.2)
Total operating margin	**103.8**	**43.0**	**12.0**	**20.3**
Cost to acquire intangible assets and impairment of intangible assets				
Provisions		0.1		
Loss allowances (expense)/release	(0.3)	(1.8)	0.1	(0.2)
Segment profit/(loss) before tax	**103.5**	**41.3**	**12.1**	**20.1**
Income tax (expense)/gain	(11.4)	(4.5)	(1.3)	(2.2)
Profit for the period	**92.1**	**36.8**	**10.8**	**17.9**
Assets under Management	41,333	26,660	16,954	21,200
Employees (FTEs)	320	214	157	187

		Investment & Wealth Solutions	Global Markets & Treasury	Corporate	Eliminations	Total
Asia Pacific	Total					
85.0	605.3	61.7	40.8	17.0		724.8
(73.2)	(401.1)	(54.6)	(24.0)	(24.5)		(504.2)
(2.6)	(15.9)	(1.6)	(1.1)			(18.6)
9.2	**188.3**	**5.5**	**15.7**	**(7.5)**	**–**	**202.0**
	–			(25.7)		(25.7)
	0.1			(5.2)		(5.1)
(0.3)	(2.5)		(0.3)	0.9		(1.9)
8.9	**185.9**	**5.5**	**15.4**	**(37.5)**	**–**	**169.3**
(1.0)	(20.4)	(0.6)	(1.7)	1.0		(21.7)
7.9	**165.5**	**4.9**	**13.7**	**(36.5)**	**–**	**147.6**
29,829	135,976	47,982			(37,476)	146,482
298	1,176	288	91	1,327		2,882

23. Related party transactions

A number of banking transactions are entered into with related parties. These include loans, deposits, derivative transactions and provision of services. Total asset with related parties amounted to CHF 55.0 million at the end of June 2024 (December 2023: CHF 38.2 million).

The total revenue received from related parties amounted to CHF 4.9 million in the period (CHF 0.7 million and CHF 4.4 million for the half-year ended December 2023 and June 2023, respectively) and expenses of CHF 3.5 million in the period (CHF 1.4 million and CHF 2.9 million for the half-year ended December 2023 and June 2023, respectively).

No provisions have been recognised in respect of loans given to related parties (2023: nil).

24. Significant events

None.

25. Post balance sheet events

None.

Alternative performance measures

Alternative performance measures

Assets under Management
Assets under Management is the total market value of the assets and liabilities that EFG manages on behalf of clients. Assets under Management includes all assets and liabilities managed by or deposited with EFG on which it earns revenues. Assets under Custody, excluded from Assets under Management, are assets deposited with EFG held solely for safekeeping/custody purposes, and for which EFG does not offer advice on how the assets should be invested. Assets under Management includes lombard loans and mortgages, but does not include the real estate that is security for the mortgage.

When Assets under Management is subject to more than one level of asset management service, double counting arises within total Assets under Management. Each such separate discretionary or advisory service provides additional benefits to the respective client and generates additional revenue for EFG. Double counts primarily include self-managed collective investment schemes and structured products issued by EFG, which are also included in customer portfolios and already included in Assets under Management.

Revenue-generating Assets under Management
See Assets under Management definition above.

Managed assets
Managed assets are total revenue-generating Assets under Management excluding lombard loans and mortgages.

EFG discloses Managed assets on an annual basis in its Annual Report in accordance with the Guidelines of the Swiss Financial Market Supervisory Authority (FINMA) governing financial statement reporting. See note 65 of the 2023 Annual Report.

Average Assets under Management
Average Assets under Management is the monthly average of total Assets under Management.

Net new assets
Net new assets consists of new client acquisitions, client departures and inflows or outflows attributable to existing clients, including new or additional drawdowns of loans and mortgages. Net new assets can be in cash or securities transferred to the bank. Interest and dividend income from Assets under Management, market or currency movements as well as fees and commissions are not included in net new assets. Effects resulting from any acquisition or disposal of EFG's companies are not included in net new assets.

Net new asset growth rate
Net new asset growth rate is calculated by dividing the net new assets of the period by the total Assets under Management at the beginning of the period.

Revenue margin
Revenue margin comprises IFRS operating income divided by the average Assets under Management.

Pre-tax operating profit
Pre-tax operating profit is operating income less operating expenses as disclosed for IFRS purposes.

Cost/income ratio
Cost/income ratio is operating expenses less acquisition-related intangible asset amortisation and depreciation on tangible assets previously classified as held for sale related to prior years, divided by operating income.

Return on tangible equity
Return on tangible equity is IFRS net profit divided by average tangible equity. Average tangible equity is the monthly average of total equity, less the monthly average of non-controlling interests, less the monthly average of Intangible assets. All these are as defined under IFRS and on the basis as presented in the IFRS balance sheet.

Return on shareholders' equity
Return on shareholders' equity is IFRS net profit divided by average shareholders' equity. Average shareholders' equity is the monthly average of total equity, less the monthly average of non-controlling interests. All these are as defined under IFRS and on the basis as presented in the IFRS balance sheet.

Liquidity Coverage Ratio
Liquidity Coverage Ratio is defined by the FINMA as part of the Basel III framework. EFG is required to hold enough high-quality liquid assets such as short-term government debt that can be sold to fund EFG during a 30-day stress scenario designed by regulators. Banks are required to hold high-quality liquid assets equivalent to at least 100% of projected net cash outflows during the stress scenario.

Loan/deposit ratio
The loan/to deposit ratio is the ratio of loans and advances to customers divided by the total of the sum of Due to customers and Financial liabilities at amortised cost on the basis as presented in the IFRS balance sheet.

Forward-looking statements

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 or purchase or redeem any securities regarding EFG.

This report by EFG International AG ("EFG") 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.

Alternative performance measures: This document contains 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", "revenue margin", "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 document, are provided in the section headed "Alternative performance measures" of this document.

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