

EFG International enters Spanish market with an acquisition

Zurich, 21 December 2007 – EFG International to buy A&G Group

EFG International has agreed to buy a controlling interest of 72% in A&G Group (A&G) from its management team. The 28% not being acquired by EFG International will continue to be owned by senior management and key employees. Subject to regulatory approval, the transaction is expected to complete during the first quarter of 2008. Terms are not being disclosed.

This follows the decision by Banque Cantonale Vaudoise to sell its 50% stake in A&G to the other shareholders. Subject to regulatory approvals and compliance with the terms of its agreement, this divestiture, in the form of a management buy-out, is also expected to complete during the first quarter of 2008.

A&G is a private wealth manager that provides advisory services to high-net-worth individuals, with solutions encompassing estate planning, investments, brokerage, insurance and pensions. It also caters to select institutional clients in the areas of portfolio management and third party fund sales. A&G has 61 employees, including 21 Client Relationship Officers (CROs). Total clients' revenue generating Assets under Management are circa EUR 2.5 billion (CHF 4.2 billion), of which the majority relates to high-net-worth individuals.

The acquisition offers benefits at a number of levels:

- A&G is a well established (it was founded in 1987) independent boutique, which enjoys an excellent reputation. It is profitable, and in recent years has been characterised by strong growth. For the period 2003-07, compound annual growth in private clients' Assets under Management has been of the order of 33%, and higher in relation to total revenues (46%). Furthermore, it retains strong forward momentum, with expected annual growth in private clients' Assets under Management of over 30% in 2007.
- A&G benefits from established and experienced leadership. Alberto Rodriguez-Fraile is the founder of the business and its CEO, and he will continue in this capacity. The other members of the senior team each have more than twenty years' industry experience, with upwards of seven years with A&G. The senior team will remain in place and will continue to be shareholders, providing invaluable continuity in terms of business direction and client service.

- A&G benefits from a loyal client base, with a significant ultra-high-net-worth component. They will continue to be looked after by their CROs, and stand to benefit from gaining access to a wider range of products and services.
- A&G has its head office in Madrid, as well as a regional presence encompassing marketing offices in Barcelona and Valladolid.
- Courtesy of the above factors, and the level of clients' Assets under Management, A&G provides EFG International with a strong local platform on which to build, with the shared aspiration of becoming a major player in the Spanish wealth management market.
- EFG International has been in the process of establishing a presence in both Madrid and Barcelona, for which several CROs have been hired to date. These activities will be integrated with A&G to form an even stronger unified business.
- Looking to the future, Spain represents an attractive opportunity for EFG International to deploy its distinctive entrepreneurial business model. It has ambitious plans to expand over the medium and long term, with the emphasis on high-net-worth individuals, and intends to add to the number of CROs progressively over the next few years (upwards of ten per year).

Lonnie Howell, CEO, EFG International:

- "Spain is an exciting and fast developing private banking market, and one that I feel is well suited to our approach. The transaction benefits us at many levels. It is a profitable business with growth momentum; provides a strong platform for us to build on; has loyal clients courtesy of a client-centric business approach with objective advice to the fore; has a strong top end niche; and brings committed local leadership of the highest quality. We have ambitious plans for Spain, and the addition of A&G will accelerate our local development in ways that are highly significant, both qualitatively and quantitatively."

Rudy van den Steen, CFO and Head of M&A, EFG International:

- "Pricing was in keeping with our customary criteria. The acquisition is structured in a way designed to reflect the shared long term vision of EFG International and A&G's management team, whose members will remain shareholders, with a 28% stake."

Alberto Rodriguez-Fraile, founder and CEO of A&G Group:

- "A&G has undergone an exciting journey since we founded it in 1987. Its strong growth in recent years has been rewarding, and I am particularly proud of the team and strong client relationships that we have built up. Clients can rest assured that our commitment to the highest levels of service will remain; indeed, through EFG International, we look forward to extending our capacity to make a difference to clients in practical ways. We share the same entrepreneurial philosophy as EFG International, and I am confident that together we can establish ourselves as a force in the Spanish market."

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About EFG International

EFG International is a global private banking group offering private banking and asset management services, headquartered in Zurich. EFG International's group of private banking businesses currently operate in 50 locations in over 30 countries, with circa 2,000 employees. EFG International's registered shares (EFGN) are listed on the SWX Swiss Exchange. EFG International is a member of the EFG Group headquartered in Geneva, Switzerland, which is the third-largest banking group in Switzerland by Tier-1 Capital.

EFG International

Practitioners of the craft of private banking