

EFG International announces strategic acquisition

Zurich, 3 December 2007 – EFG International acquires Marble Bar Asset Management LLP.

EFG International has agreed to acquire Marble Bar Asset Management LLP (MBAM), a leading UK-based alternative asset manager. EFG International's sister company, Eurobank EFG, is participating by way of a minority stake of 9.99%. Completion is expected in early 2008, subject to regulatory approvals.

The transaction involves an initial consideration of \$517 million in cash. Of this, the amount due to MBAM partners and staff of circa \$400m, net of tax, is to be invested in MBAM's funds with a staggered lock-up for a period of six years. Expected future payments are in the range \$300 million - \$800 million (from the amount due to MBAM partners and staff, 30% is to be invested in EFG International shares), subject to performance over a six year period. There is also conditional provision for long-term equity incentivisation for key partners, involving an equity stake of up to 20%. The terms of the transaction are in keeping with EFG International's publicly stated acquisition criteria, in this case a price-earnings ratio of less than 10.

Established in 2002, MBAM has two founding partners - Hilton Nathanson, CIO and Gilad Hayeem, CEO - who are part of a seven-person senior management team and have an investment track record dating back to 1998. EFG International has known of, and invested in, MBAM since the latter's inception. The founding partners, senior management team and other key personnel will remain in place. Overall, MBAM has 70 employees, the majority of whom are based in London.

MBAM is an investment manager specialising in long/short equity strategies, serving institutional clients as well as ultra-high-net-worth individuals. Clients' Assets under Management are circa \$4.4 billion (CHF 4.9 billion). Its approach is distinctive, combining sophisticated analysis using a proprietary stock screening tool with a discretionary trading overlay based on the experience of MBAM's senior fund managers and its fundamental analysis team. Its investment strategy is to achieve relatively low volatility and low correlation to equity markets, through low-leverage funds, a high level of diversification, and with a targeted performance in the range 12-15% net of fees. MBAM funds have consistently performed among the industry leaders on a risk-adjusted basis.

MBAM manages four fund families, and all are characterised by consistently positive performance in keeping with its approach and objectives. Since the establishment of

the first fund nearly ten years ago, annual compound returns for each of the fund categories have, since inception, been in the range 13-19%.

As mentioned, Eurobank EFG will take a minority stake of 9.99% in MBAM. The strategic drivers underlying this investment include extending the range of alternative investment products to select clients, and the potential for future synergies between EFG International and Eurobank EFG in the area of investment management.

For EFG International, the rationale underpinning the acquisition of MBAM is a multi-dimensional one:

- MBAM is an attractive business in its own right. It has proven itself over a number of years, and has been consistently profitable. Its anticipated net profit for 2008 is at least \$80 million - \$100 million. EFG International firmly believes that MBAM is a sustainable business with growth potential. Furthermore, in the area of alternative investments, EFG International is able to draw on both its successful experience with C.M. Advisors (an asset management business specialising in funds of hedge funds portfolios), which it acquired in 2006, and for which profits have to date more than doubled compared to initial expectations, as well as its other hedge fund activities.
- There is a growing appetite among clients of EFG International for value-adding, internally generated solutions in fast-moving and complex areas such as structured products, hedge funds and derivatives. The acquisition of MBAM is a response to this, as was the acquisition of C.M. Advisors, and the announcement in October 2007 of EFG Financial Products, a new business venture relating to structured investment products. However, the lion's share of investment solutions will continue to be sourced externally, and there will be no compulsion to favour internal solutions. Every Client Relationship Officer (CRO) remains subject to just one compulsion: to devise solutions for clients using the finest means at their disposal.
- In general, EFG International is seeing increased recognition and business generation among the wealthiest client segments, and a number of recent acquisitions (PRS Group; Quesada; and Bull Wealth Management) have had successful high-end niches. For its part, MBAM will bring a number of ultra-high-net-worth individuals as clients (circa 30% of its AUM relates to high-net-worth individuals / family offices), and its offering and capabilities will help EFG International to broaden further its appeal among this segment.
- MBAM will complement existing hedge fund capabilities within EFG International, including C.M. Advisors; the ability to advise on hedge fund selection; and advisory and discretionary portfolio management based on hedge funds as a specialist asset class or as part of a rounded portfolio. With the addition of MBAM, total client assets relating to hedge funds will be in the region of CHF 15 billion, around 18% of total revenue-generating clients' Assets under Management.
- The investment universe is changing rapidly, with a proliferation of specialist approaches which can be highly technical, nuanced and overlapping in nature. EFG International, in its approach to private banking, believes it is essential to be able to harness this complexity, especially in the area of alternative investments; to simplify it for the benefit of clients; and to select the most appropriate solution, drawing upon the wider investment universe and an augmented range of internal

products. It believes that it is increasingly important to be in the vanguard of applied investment thinking, placing an ever greater premium on intellectual capital and technical innovation. This is another important driver underpinning the acquisition of MBAM.

- The acquisition of MBAM is also a reflection of the fact that the wider investment universe is not only changing rapidly, it is served by a small and finite pool of exceptional talent. EFG International believes that it is imperative to upgrade constantly the skills required to master developments in the investment universe, and its entrepreneurial model is also conducive to high quality technical specialists. As is the case with MBAM, the brightest investment minds are often to be found putting theory into practice within their own businesses.

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

- “This transaction is a good example of our acquisition philosophy, combining a compelling strategic rationale, pricing discipline and a commitment to shareholder value creation. It has also been structured in a way that aligns the interests of EFG International and the MBAM team, in line with EFG’s entrepreneurial business model and with a focus on maximising value in the long term. This involves significant performance-based earn-out payments over a period of years, followed by the provision for an ongoing equity interest.”

Lonnie Howell, CEO of EFG International:

- “Sheer talent is central to investment management. We are convinced that Marble Bar Asset Management has this, as evidenced by its track record over a number of years, irrespective of market conditions. We feel strongly that they can continue to build on their achievements, and there are tangible areas where we can provide assistance. The addition of Marble Bar is also helpful to us from a number of different perspectives. It brings invaluable intellectual capital and proprietary investment techniques. It also helps us to meet the demand (evident particularly among ultra-high-net-worth individuals) for innovative thinking and value-adding solutions in complex product areas. Central to our role as a private bank is to make sense of an ever changing investment environment for the benefit of our Client Relationship Officers and their clients.”

Hilton Nathanson, Chief Investment Officer and Managing Partner of Marble Bar Asset Management:

- “Marble Bar and EFG International share a very strong entrepreneurial culture. The transaction aligns Marble Bar closely with its investors and preserves Marble Bar’s philosophy, culture and freedom to invest. This strategic transaction was entered into and agreed on the basis that the principles which we have developed over the last ten years will be protected and enhanced by the structure of the transaction.”

Gilad Hayeem, Chief Executive Officer and Managing Partner of Marble Bar Asset Management:

- “As a result of the transaction, we are aligned more clearly than ever with our investors to the performance of our funds. Going forward, everyone who currently works at Marble Bar will have a share of their proceeds from the transaction invested in our funds for at least six years. Over the past ten years, Marble Bar

has become an established and robust platform and we have been fortunate to do that with a very supportive investor base. The partnership with EFG International positions us ideally for the next phase in our development.”

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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 46 locations in 30 countries, with around 1,800 employees. EFG International's registered shares (EFGN) are listed on the SWX Swiss Exchange.

EFG International
Practitioners of the craft of private banking

About Eurobank EFG

Eurobank EFG Group is an international banking organisation with total assets of over EUR 63.3 billion. It employs over 21,000 people, with a network of 15,000 branches and points of sale, as well as alternative distribution channels. In Southeastern and Central Europe, Eurobank EFG Group ranks among the top banks in countries where it has an established presence, namely Greece, Bulgaria, Romania, and Serbia. Since 2006, Eurobank EFG Group has also entered the markets of Poland, Turkey, Ukraine and Cyprus. Eurobank EFG registered shares (EUROB GA) are listed on the Athens stock exchange.

EFG International and Eurobank EFG are members of the EFG Group. Headquartered in Geneva, this is the third-largest banking group in Switzerland by Tier-1 Capital.

Investor Relations Telephone Conference Call - Today at 10.00 am CET (9.00 am UK time)

Lonnie Howell, CEO of EFG International, Rudy van den Steen, CFO of EFG International, and Gilad Hayeem, CEO of Marble Bar Asset Management, will present and discuss further information on the transaction during a telephone conference today at 10.00 am CET (9.00 am UK time).

You will be able to join us for the conference call using the following dial-in numbers:

Switzerland: +41 91 610 56 00

UK: +44 207 107 0611

Please call 10 minutes before the start of the presentation and ask for "EFG International Conference Call".

The presentation slides will be available from 7.30 am CET (6.30 am UK time) on www.efginternational.com (Investor Relations / Latest presentations)

Playback of telephone conference

A digital playback of the telephone conference will be available one hour after the conference call for 48 hours under the following numbers:

Switzerland: +41 91 612 4330.

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Please enter conference ID 108 followed by the # sign.