



## UBS Swiss Equity Conference 2008

Lawrence D. Howell, CEO

Zurich, 17 January 2008

*Practitioners of the craft of private banking*

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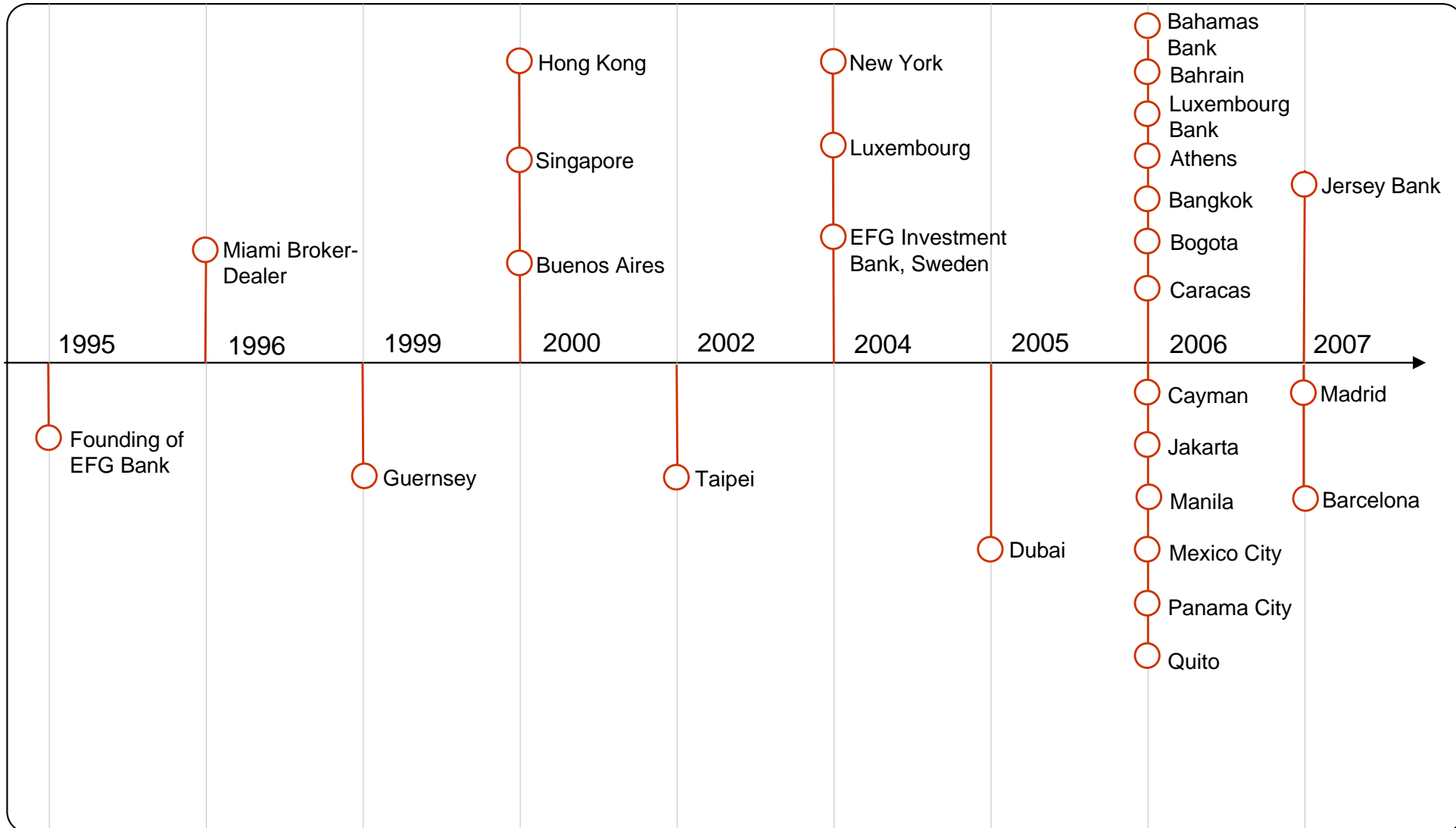
## A global private banking organisation

- 14 banks/booking centres
- Present in 50 locations in over 30 countries
- 2,000 employees
- 528 Client Relationship Officers (CROs)
- CHF 97.6 billion clients' assets under management
- CHF 446.6 million operating income (1H07)
- CHF 143.7 million net profit attributable (1H07)
- CHF 2.4 billion shareholders' equity (1H07)
- Publicly listed on SWX Swiss Exchange
- Current market capitalisation of CHF 5.9 billion

**Demonstrating a successful track record of organic and external growth with continued strong momentum for the future**

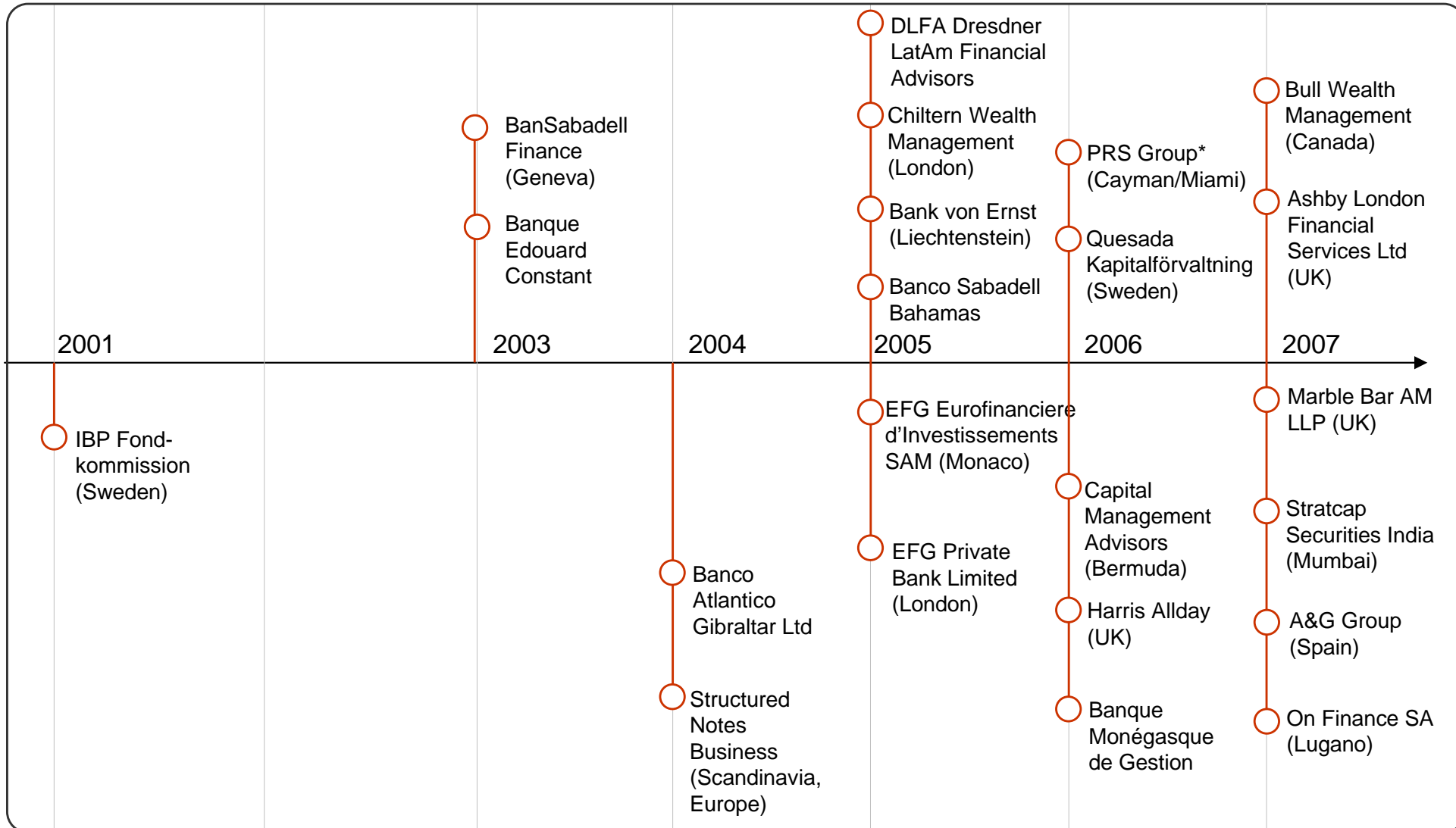
# Organic growth initiatives

Continue developing existing businesses, as well as launching new operations in attractive markets



# A track record as an acquirer

Continued success in buying, and integrating, culturally compatible businesses




\* Announced on January 8, 2007

# Our international footprint

An expanding global network - plus complete CRO flexibility



 *Proximity to our clients – a key ingredient of any relationship*

- Booking centre
  - Other offices
- Birmingham region includes:
- Bridgnorth
  - Banbury
  - Wolverhampton
  - Worcester
- Switzerland includes:
- Geneva
  - Zurich
  - Martigny
  - Sion
  - Cans-Montana
  - Verbier
  - Lugano\*

## Facts & Figures

- Alternative investment manager specialising in long/short equity strategies
- AUMs of approx. US\$ 4.4 billion
- Strategy of low volatility and low correlation to equity markets with high level of diversification. Low leverage. Targeted performance of 12-15% net of fees
- Manages four funds families which, since establishment of the first fund nearly ten years ago, have seen annual compound returns since inception in the range of 13-19%
- Clients comprise institutional clients and HNWI
- 2 founding partners, 7 person senior management team, 70 employees in total, including 3 CROs

## Strategic rationale

- **An attractive business in its own right**
  - expected net profit in 2008 of at least US\$ 80 million - US\$ 100 million
- **Meeting client needs**
  - Growing appetite among clients for value-adding, internally generated solutions
- **Complements existing capabilities**
  - Will broaden capabilities in relation to hedge funds; total clients' AUM in hedge funds approx. CHF 15 billion
- **Another important step reinforcing our wealth management approach**
  - CROs and technical specialists provide EFG International with improved competitive position in a joint approach to wealth management

## Facts & Figures

- Private wealth manager providing advisory services to HNWI and portfolio management & third party fund sales to selected institutional clients
- A&G has 21 CROs and 61 employees
- Revenue generating AUM of CHF 4.2 billion
- Head office in Madrid, regional offices in Barcelona and Valladolid
- EFG International has agreed to acquire a controlling interest of 72% from its management team
- Transaction expected to close during 1Q08

## Strategic rationale

- It will provide EFG International with a strong local platform to enter the onshore Spanish wealth management market
- A&G is a well established, profitable independent boutique with an excellent reputation and strong growth track record
- A&G benefits from established leadership and a loyal client base
- In Spain EFG International intends to add to the number of CROs progressively over the next few years (more than ten per year)



## Facts & Figures

- Mumbai-based, offers financial services to private and institutional client base in India
- Profitable business with 4 CROs and 24 employees in total
- Has clients' assets of CHF 700 million
- EFG International has agreed to acquire controlling interest of 75% in Stratcap Securities India (SSI)
- Transaction expected to close during 1Q08

## Strategic rationale

- Provides entry to the Indian wealth management market and complements existing coverage of the Non-Resident Indian community
- SSI has an established client base, scope to extend capabilities to broaden and deepen client relationships
- SSI has seats on the National and Bombay Stock exchanges
- SSI provides a foundation for future growth in India

## Facts & Figures

- Financial services boutique, specialising in structured products and financial advisory services
- Focus on independent investment managers and family offices
- Established in 2000 by its two founders
- 2 CROs, 5 employees
- Handles CHF 750 million in clients' AUM
- Transaction expected to close during 1Q08

## Strategic rationale

- Will provide platform in Lugano for further growth of EFG International's wealth management presence in the area
- Acquisition of an established, profitable business with strong growth track record
- Founders highly experienced professionals with strong connections and extensive knowledge of local market

## New business initiative

- Focus on structured investment products
- Issues instruments in own name & listed products
- Open to market, not just to existing clients
- Opened for business on December 17, 2007
- Minority stake held by employees
- [www.efgfp.com](http://www.efgfp.com)

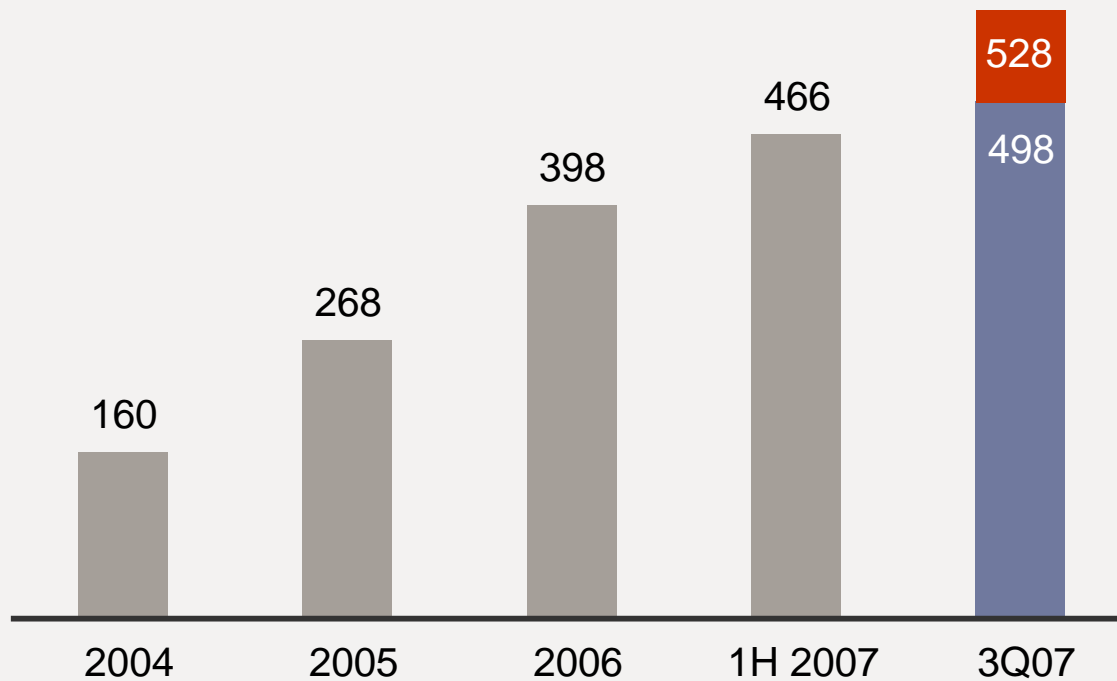
## Strategic rationale

- Client demand for internally generated solutions
- Source of innovative products
- Opportunity to add significant value to clients
- Source of long-term liabilities

## EFG FP approach

- Use of leading edge technology platform
- High quality professionals
- Products for Swiss private and institutional clients
- In general positions fully hedged (excl. small size)

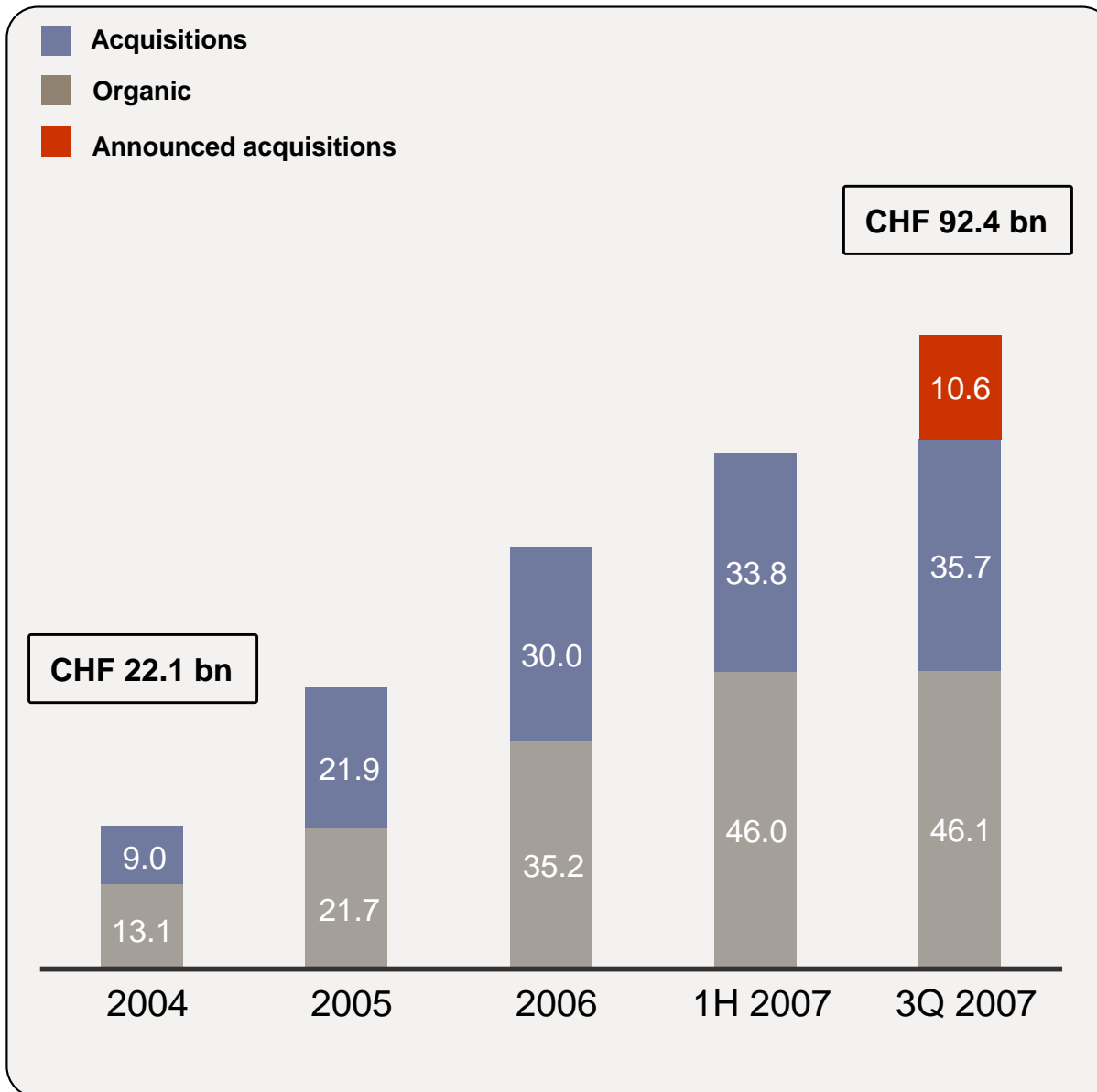
■ **Announced acquisitions**



*Note: Includes announced acquisitions of Marble Bar Asset Management, Stratcap Securities India, A&G Group and On Finance SA*

## Continued strong CRO growth

- EFG International continues to be an attractive destination for CROs
- The four acquisitions announced in December 2007 will add 30 CROs
- EFG International can confirm that it comfortably exceeded its CRO recruitment target for 2007, taking account of acquisitions and ongoing strong recruitment

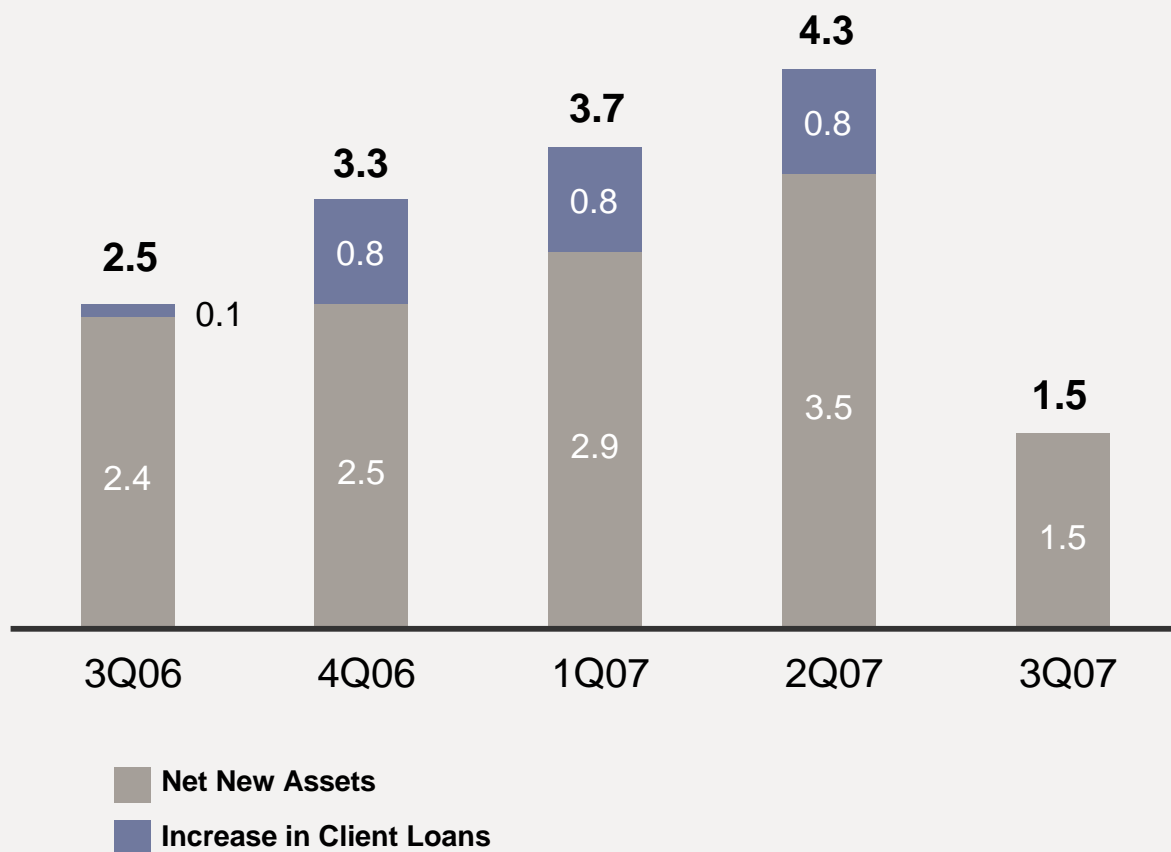


Balanced organic and external growth of AUM

- Total revenue-generating AUM stood at CHF 81.8 billion at the end of third quarter 2007
- The four acquisitions announced in December 2007 will add CHF 10.6 billion in AUM

*Note: Revenue-generating AUM only; 3Q07 includes announced and now completed acquisitions of Bull Wealth Management and Ashby London; includes announced acquisitions of Marble Bar Asset Management, Stratcap Securities India, A&G Group and On Finance SA*

(in CHF billion)

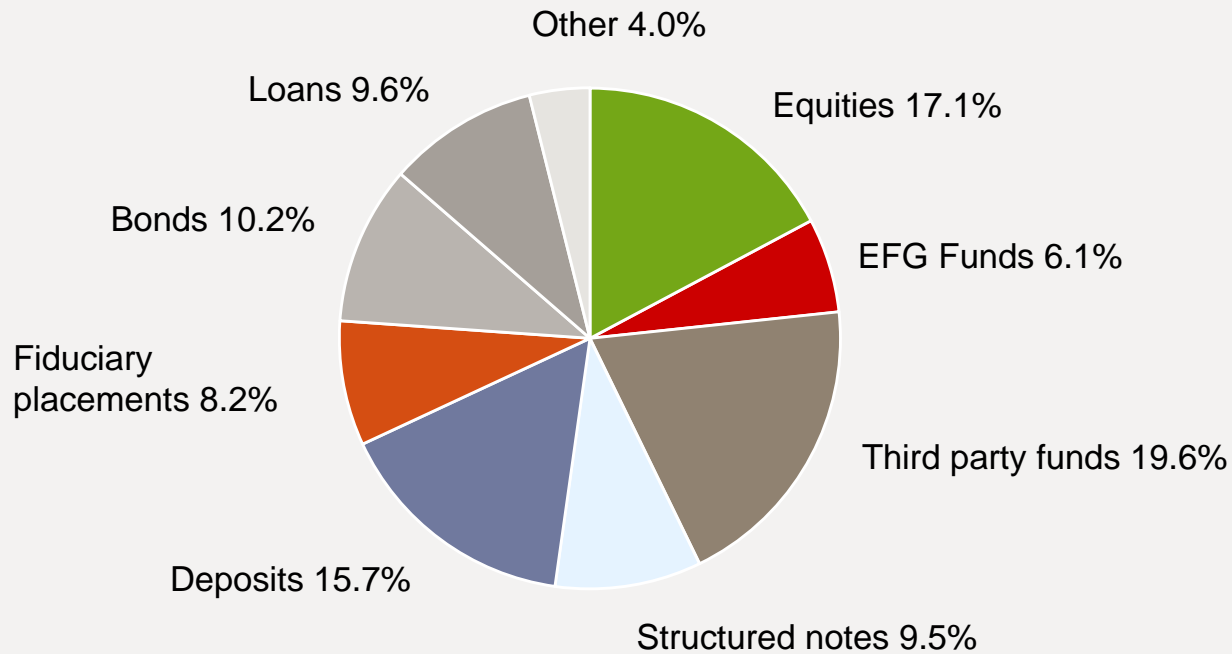


## Superior organic AUM growth

- Superior organic AUM growth demonstrated by strong net new assets generation
- Total increase for the year to date in net new assets and client loans is CHF 9.5 billion, up 22% versus last year
- Net new assets improved during the final three months of the year compared to the third quarter

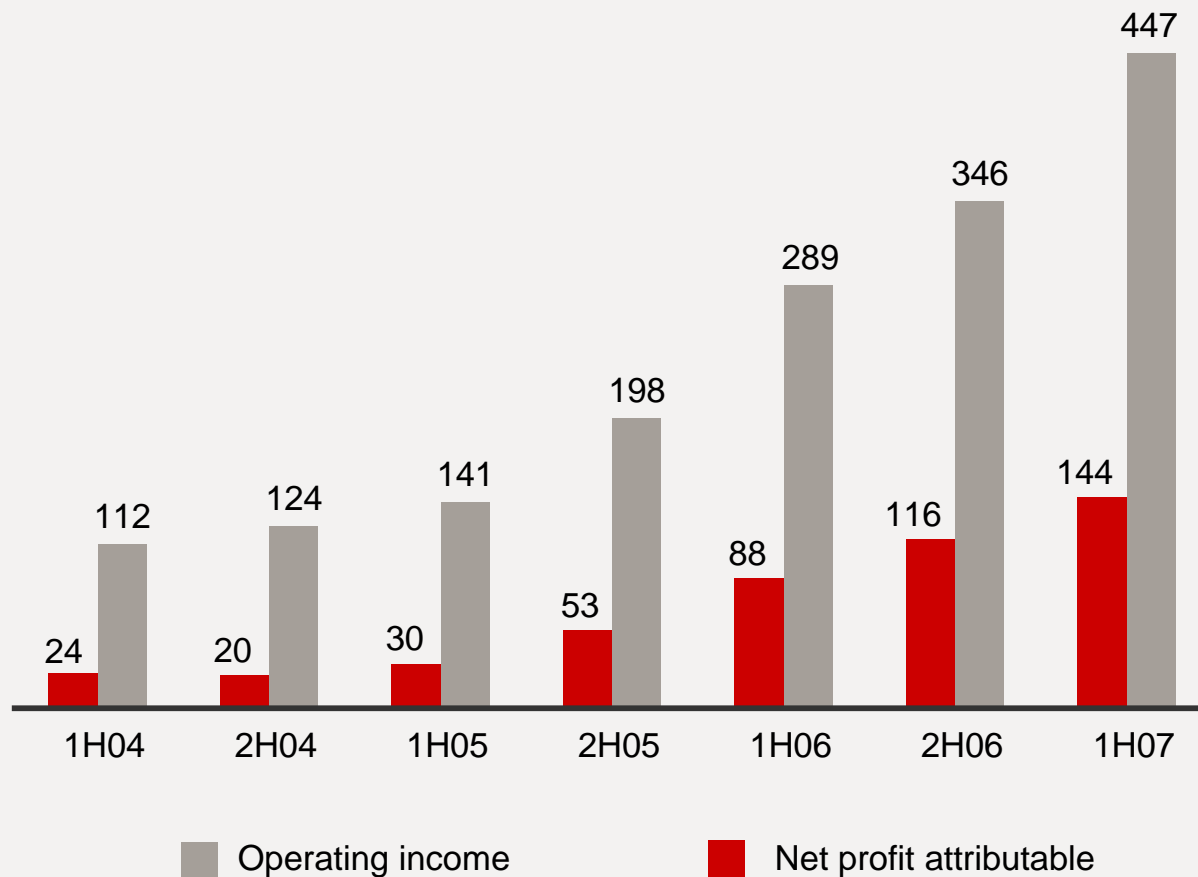
# Breakdown of AUM

(as of end of 1H 2007)



## Continued relatively low exposure to equities

- Breakdown inline with previous periods
- No nostro exposure to sub-prime loans, CLOs and CDOs
- Negligible client AUM's in sub-prime loan, CLO and CDO markets

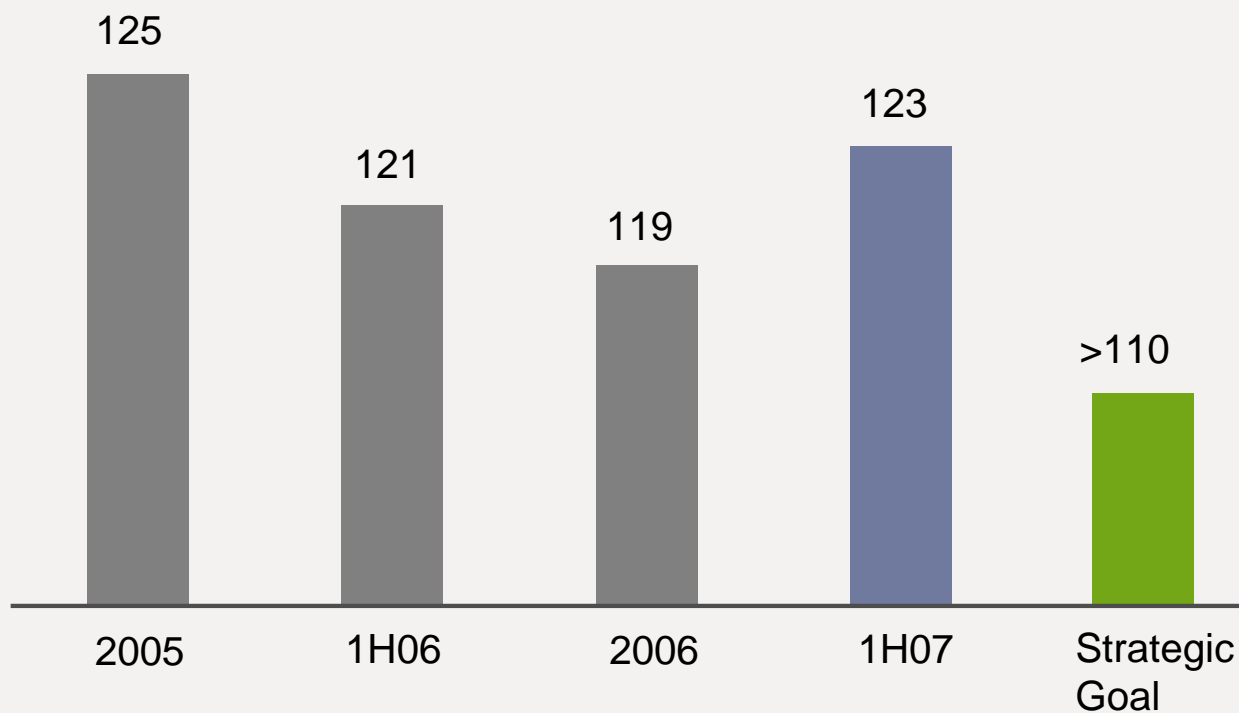


## Strong financial track record

- Operating income quadrupled over last three years
- Net profit attributable to ordinary shareholders in 1H07 six times higher than in 1H04

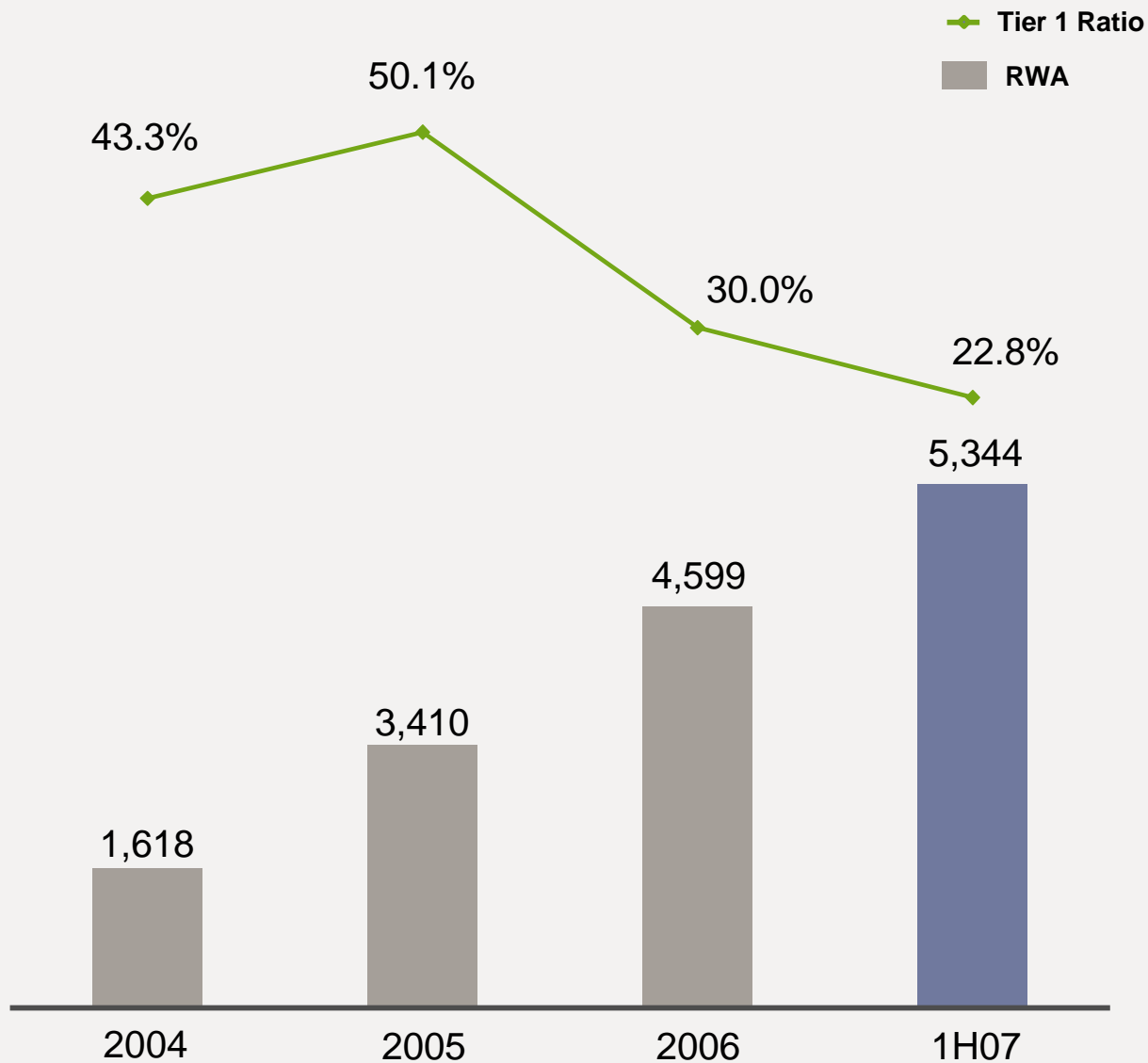


(in bps)



## Return on AUM well above strategic goal

- Margin remained strong, in line with previous range due to continued returns from Alternative Investment Products (Hedge Funds, Structured Products, Insurance Products)
- A margin close to 1.20% should be achievable for 2007 in current market environment



## Continued high Tier 1 ratio

- Risk weighted assets increase inline with business growth
- Reduction in Tier 1 ratio driven by rapid organic business expansion and acquisition strategy
- BIS Tier 1 capital ratio of 22.8% at the end of 1H07 remains high by international comparison
- Estimated Basel II Tier 1 ratio after Marble Bar Asset Management acquisition but before recognition of 2007 earnings of approx. 16%

# Strategic Goals

|                         | 2007                                       | 2008                                       |
|-------------------------|--|--|
| CROs                    | 540  | 675  |
| AUM Growth per CRO      | CHF 30.0 m per year                        | CHF 30.0 m per year                        |
| Acquisitions            | CHF 10-15 bn per year (incl. in AUM below) | CHF 10-15 bn per year (incl. in AUM below) |
| Assets under Management | CHF 93-99 bn                               | CHF 121-131 bn                             |
| Revenue Margin          | ~1.10% of Average AUM                      | ~1.10% of Average AUM                      |
| Cost-Income Ratio       | 51% - 55%                                  | 50% - 55%                                  |



# Overview of 1H 2007 Results

|   | 1H 06        | 2H 06        | 1H 07        | Change vs<br>1H 06 |
|---|--------------|--------------|--------------|--------------------|
| <b>Operating income</b>                     | <b>288.6</b> | <b>345.9</b> | <b>446.6</b> | <b>55%</b>         |
| Operating expenses                          | (173.9)      | (200.3)      | (263.4)      | 51%                |
| Profit before tax                           | 114.6        | 145.6        | 183.1        | 60%                |
| <b>Net profit for the period</b>            | <b>100.7</b> | <b>129.3</b> | <b>158.0</b> | <b>57%</b>         |
| <b>Net profit attributable</b>              | <b>88.4</b>  | <b>115.6</b> | <b>143.7</b> | <b>63%</b>         |
| Return on AUM (bps)                         | 121          | 117          | 123          |                    |
| Cost-income ratio (%)                       | 57.0         | 54.3         | 54.8         |                    |
| Net new assets & client loans (CHF billion) | 5.3          | 5.8          | 8.0          |                    |

# Consolidated Income Statement

|   | 2006         | 2005         | 2004         |
|---|--------------|--------------|--------------|
| <b>Net interest income</b>                              | <b>172.1</b> | <b>90.9</b>  | <b>45.0</b>  |
| <b>Net banking fee and commission income</b>            | <b>406.3</b> | <b>209.0</b> | <b>141.1</b> |
| Net trading income                                      | 53.6         | 38.4         | 44.3         |
| Other operating income                                  | 2.4          | 0.1          | 5.4          |
| <b>Net other income</b>                                 | <b>56.0</b>  | <b>38.5</b>  | <b>49.8</b>  |
| <b>Operating income</b>                                 | <b>634.4</b> | <b>338.4</b> | <b>235.9</b> |
| Operating expenses                                      | (374.2)      | (200.3)      | (178.1)      |
| Impairment losses on loans and advances                 | -            | -            | -            |
| <b>Profit before tax</b>                                | <b>260.2</b> | <b>138.1</b> | <b>57.8</b>  |
| Income tax expense                                      | (30.3)       | (17.2)       | (9.8)        |
| <b>Net profit for the period</b>                        | <b>230.0</b> | <b>120.9</b> | <b>48.0</b>  |
| Preference dividend on fiduciary shares                 | (26.0)       | (37.2)       | (4.5)        |
| <b>Net profit attributable to ordinary shareholders</b> | <b>204.0</b> | <b>83.7</b>  | <b>43.5</b>  |

# Balance Sheet Highlights

|                                 | <b>1H07</b> | <b>2006</b> |
|---------------------------------|-------------|-------------|
| Loans and advances to customers | 7'699       | 6'146       |
| Intangible assets               | 1'191       | 910         |
| Due to customers                | 12'504      | 11'994      |
| Total shareholders' equity      | 2'437       | 2'305       |
| Risk weighted assets            | 5'344       | 4'599       |
| BIS Tier 1 Capital              | 1'216       | 1'378       |
| BIS Total Capital               | 1'375       | 1'532       |
| BIS Tier 1 Ratio (in %)         | 22.8        | 30.0        |
| BIS Total Capital Ratio (in %)  | 25.7        | 33.3        |

**26 February 2008**

Full-year 2007 Results

**29 April 2008**

Annual General Meeting

**29 July 2008**

1H 2008 Results



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