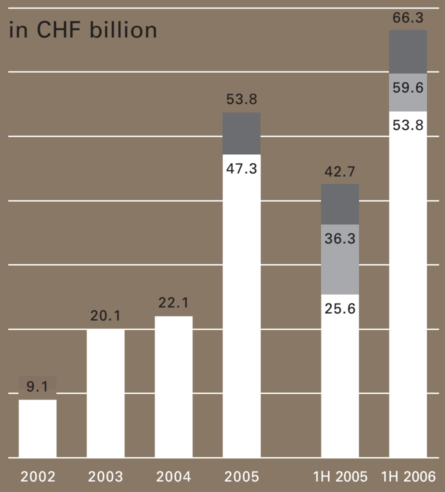
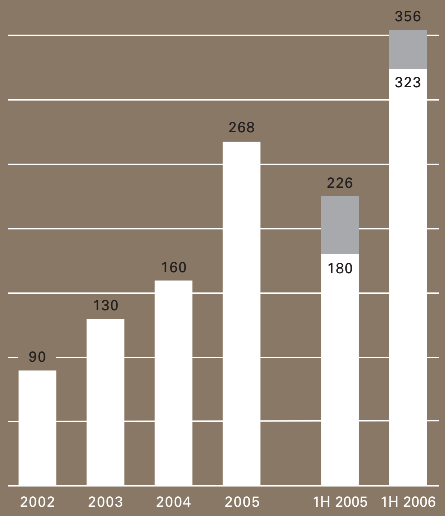
EFG International

Half-Year Report 2006

AUM and AUA *



Client Relationship Officers (CROs) *



Net Profit

EFG INTERNATIONAL

CONSOLIDATED FINANCIAL HIGHLIGHTS

in CHF million		June 30, 2006
Income Statement		
Operating Income		288.6
Profit before Tax		114.6
Net Profit		100.7
Net Profit attributable to ordinary shareholders		88.4
Cost/Income Ratio (%)		57.0
Balance Sheet		
Total Assets		12,558.3
Shareholders' Equity		2,142.7
Market Capitalisation		
Share Price (CHF)		34.00
Market Capitalisation		4,987
BIS Capital		
Total BIS Capital		1,665.8
Total BIS Capital Ratio (%)		40.7%
Ratings	Long-term	Outlook
Moody's	A2	stable
Fitch	A	positive
Personnel		
Total number of CROs		323
Total number of employees		1,171
Listing		
Listing at the SWX Swiss Exchange, Switzerland; ISIN: CH0022268228		
Ticker Symbols		
Reuters		EFGN.S
Bloomberg		EFGN SW

*** Legend of AUM, AUA and CROs**

- Assets under Management (AUM) or Number of CROs
- proforma including announced acquisitions
- Assets under Administration (AUA)

Dear Shareholders, dear Clients

When we reported our progress at the end of 2005, EFG International had reached a watershed in its development, having celebrated a decade of achievement by successfully going public in October 2005. Across our business, the prevailing mood was one of excitement, commitment, and optimism for the future. We are pleased to report that, in the first half of 2006, we have been able to harness this collective energy to deliver strong performance and practical achievements.

In financial terms, we continued to take meaningful strides forward in the six months to end-June 2006*:

– A net profit of CHF 100.7 million, up 101% from 1H 2005 and 42%* from 2H 2005. Net profit attributable to ordinary shareholders was CHF 88.4 million, up 191% from 1H 2005 and 66% from 2H 2005.

– Operating income of CHF 288.6 million, up 105% from 1H 2005 and 46% from 2H 2005.

– Clients' Assets under Management were CHF 53.8 billion as of June 30, 2006 up 110% from 1H 2005 and 14% from 2H 2005. For the first half year 2006, net new assets and the increase in clients loans were CHF 5.3 billion (loans: CHF 0.7 billion). The increase in clients' Assets under Management due to acquisitions was CHF 2.1 billion, while market effects (essentially dollar effects [CHF – 1.7 billion] and market movements and other currency effects [CHF 0.8 billion]) led to a decrease of CHF 0.9 billion. Taking into account the effect of the recently announced acquisitions, clients' Assets under Management were CHF 59.6 billion, up 26% from 2H 2005.

– A notable aspect of this performance was the contribution made by our operations around the world, underlining EFG International's credentials. Results were particularly strong in Switzerland, the UK, Sweden, Asia and the Americas.

The growth of EFG International is founded on a platform of achievement in five key areas. We continued to develop all of these during the first half of 2006:

– Organic growth. In an industry frequently characterised by front-line churn, Client Relationship Officers (CROs) of the highest calibre continue to choose EFG International as their long-term professional home. In the six months to end-June 2006, we increased our CROs to 323, up 55. Over the last 12 months, we have increased the number of CROs by 143, up some 80% year-on-year. In addition to these figures are a further 33 CROs, from the announced acquisitions (see below) of Harris Allday and Banque Monégasque de Gestion which will bring us to a total of 356 CROs.

– Growth through acquisitions. We announced the acquisition of two businesses in the six months to end-June. In February, we enhanced our hedge fund capabilities

with the acquisition of Bermuda-based fund of hedge funds manager C. M. Advisors Limited (CMA). In May, we agreed to acquire Banque Monégasque de Gestion, Monaco from UniCredit Private Banking S.p.A. (a subsidiary of UniCredito Italiano S.p.A.). This acquisition will increase our footprint in Southern Europe, provide a boost to clients' Assets under Management of circa CHF 1.3 billion, and, when combined with our existing operations, will transform EFG International into a significant force in the Monaco private banking market.
In July, we reached an agreement to acquire Birmingham-based private client stockbroker Harris Allday, extending our reach in the UK regions (with offices in Birmingham, Bridgnorth, Banbury and Worcester) and adding over CHF 4.5 billion of clients' Assets under Management. This transaction was closed on August 18, 2006.
We recognise that once an acquisition is completed, the real work starts. EFG International has made strong progress, both in terms of integration and ongoing business development in relation to all of the acquisitions undertaken last year.*

– Expanding our geographical presence. We continued our policy of attaining greater proximity to our clients, opening banks in Luxembourg and the Bahamas – the latter following on from our acquisition of the Bahamas-based activities of Banco Sabadell as well as starting a branch in Dubai and opening a representative office in Jakarta, Indonesia. We have applications pending to open offices in Manila, Philippines; and Bangkok, Thailand. By way of extending our trust capabilities in Asia, we recently opened a trust company in Hong Kong. EFG International continues to develop as a truly international organisation, operating in 40 locations in 26 countries with 13 booking centres.

– Building our organisational infrastructure. In order to improve our communication with our investors and the markets, we appointed key individuals to run investor relations and communications. We expanded our technological capabilities, upgrading our IT system, and working on the integration of recently acquired businesses onto the group platform. Our legal team was enhanced with the appointment in March of Fred Link as Group General Counsel and Group Secretary. We further strengthened our central financial control team, with a number of senior hires.

– Building product strength. As mentioned, the acquisition of C. M. Advisors Limited – with CHF 2.1 billion of clients' Assets under Management and rigorous research capabilities regarding over 2,500 hedge funds – extended our knowledge and expertise in the hedge fund arena. This enabled us to launch CMA Global Hedge PCC Ltd, a London Stock Exchange listed company investing in hedge funds. The IPO of CMA Global Hedge PCC Ltd, in July 2006 raised US$ 408 million. The funds raised, together with additional borrowing, are managed by CMA and will increase our clients' Assets under Management by approximately CHF 1 billion.
EFG International has increased its stock exchange memberships, which now encompass Switzerland (SWX), Virt-X (pan-European), the UK (LSE) and Sweden (OMX), the latter two in 2006. We also recently extended the benefits of

continuous electronic access to approximately 20 equity markets, by way of an innovative service designed for our professional and institutional clients.
We are pleased to note that our progress has been recognised by the ratings agencies. Fitch assigned an inaugural rating for EFG International of short-term "F1" and long-term "A with positive outlook", while upgrading the long-term rating for EFG Bank (EFG International's Swiss private banking subsidiary) to "A with positive outlook" (up from "A- with positive outlook"). Moody's assigned an inaugural issuer rating for EFG International of "A2 with stable outlook", while confirming the long-term rating for EFG Bank of "A2 with stable outlook".

The last few months have been characterised by volatile markets. However, EFG International has a track record of growth during turbulent as well as benign market conditions. Our continual challenge is to craft solutions for our clients across all phases of the business cycle, with the advice and guidance of CROs playing the central role. Looking ahead, we see no shortage of opportunities to extend our innovative business model to new markets, and we are currently considering market entry strategies in Southern Europe, India, Canada and the Carribean. In addition, we are currently evaluating a number of acquisition opportunities involving private banking- and asset management-businesses in onshore Europe (including Switzerland), the Americas and the Middle East.

Going forward, we remain confident that the strong potential of EFG International – combined with application and the means to realise it – will be reflected in a positive evolution of shareholder value from the present level. This confidence was amply demonstrated when, upon the expiry of the first phase of the EFG International share lock-up following our IPO, none of the members of the Executive Committee took the opportunity to sell shares.

EFG International is an innovative business in robust financial health, with no shortage of future growth prospects. However, the business would not be where it is – nor would it have any prospect of undertaking the exciting journey that lies ahead – without the dedication of its CROs and operations teams around the world, the support of its shareholders, and the loyalty of its clients.

Jean Pierre Cuoni
Chairman

Lawrence D. Howell
Chief Executive Officer

* Half year financials now include last year's acquisitions, i.e. EFG Private Bank Ltd, London, EFG Eurofinancière d'Investissements SAM, Monaco, Chiltern Wealth Management, London, Bank von Ernst (Liechtenstein) AG, Vaduz, DLFA Dresdner Lateinamerika Financial Advisors LLC, Miami, since February 2006 Banco Sabadell's Private Banking business in the Bahamas and C. M. Advisors Limited, Bermuda.

FINANCIAL REVIEW

For the first half of the financial year 2006, consolidated net profit increased by 101% to CHF 100.7 million as compared to the first half of the financial year 2005. Net profit attributable to ordinary shareholders amounted to CHF 88.4 million, representing and increase of 191%. For the same period, consolidated operating income rose by 105% to CHF 288.6 million.

FACTORS AFFECTING RESULTS OF OPERATIONS

For the first half of the financial year 2006, EFG International reported a net profit of CHF 100.7 million, an increase of 101% compared to the same period last year, while operating income increased by 105% to CHF 288.6 million.

Consolidated financial results for the first half of 2006 reflect the full impact of the five acquisitions EFG International closed in 2005. The financial results of the Bahamian based private banking business of Banco Sabadell and of C. M. Advisors Limited (CMA), Bermuda, were consolidated from February 2006 onwards. Operating income on a comparable basis for 1H 2006 versus 1H 2005 prior to the impact of the 5 acquisitions made in late 2005, has grown by approximately 50% from CHF 140.6 million to CHF 211.6 million. This excludes the pro-forma impact of 2005 acquisitions of approximately CHF 77 million of operating income that the 5 acquisitions generated in 2H 2005 on a sustainable running basis.

The number of Client Relationship Officers (CROs) increased by 20% to 323 during the first half of 2006, as a result of continued hiring.

EFG International continued to make acquisitions in the first half of 2006, with two transactions announced during the first six months and one announced in early July: CMA in Bermuda, Banque Monégasque de Gestion in Monaco and Harris Allday in Birmingham, UK. Through the acquisition of CMA, EFG International increased its clients' Assets under Management by approximately CHF 2.1 billion. The announced acquisitions of Banque Monégasque de Gestion and Harris Allday will together add approximately CHF 5.8 billion clients' Assets under Management.

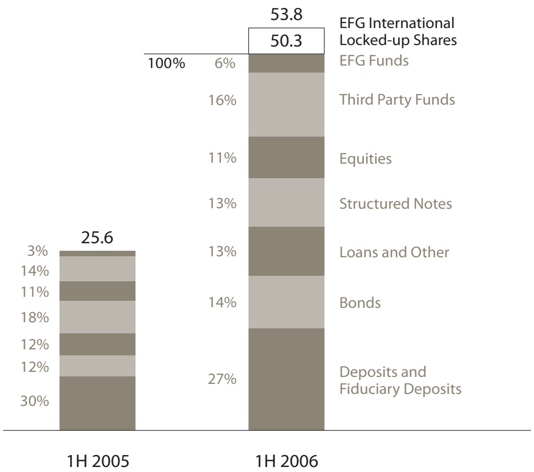
In addition to ongoing hiring of CROs, the continuing high level of M&A activity in the first half of 2006 industry-wide, but also in the private banking and asset management area, supports EFG International's confidence that consolidation will continue with resulting acquisition opportunities for EFG International.

CONSOLIDATED CLIENTS' ASSETS UNDER MANAGEMENT AND ASSETS UNDER ADMINISTRATION

Clients' Assets under Management increased by 110% year-on-year to CHF 53.8 billion as of June 30, 2006, up from CHF 25.6 billion as of June 30, 2005 and up by approximately 14% since the end of fiscal year 2005. Excluding EFG International shares, which do not form part of the current 27.11% free-float of EFG International shares at the SWX Swiss Exchange, clients' Assets under Management amounted to CHF 50.3 billion per end of June 2006.

Clients' Assets under Management by Asset Class

in CHF billion, except %



CONSOLIDATED FINANCIALS

Operating income

Net interest income doubled year-on-year, rising to CHF 77.9 million as a result of the substantial increase in clients' Assets under Management, the rise in interest rates and a small net impact related to excess capital.

Net banking fee and commission income increased by 109% to CHF 175.3 million compared to the equivalent period in 2005, primarily as a result of the increase in average clients' Assets under Management. Average clients' Assets under Management for the first half of 2005 were CHF 23.8 billion, which compares to the time-weighted average for the current period of CHF 47.7 billion, excluding EFG International shares, which do not form part of the current 27.11% free-float of EFG International shares on the SWX Swiss Exchange.

Net trading income during this period was CHF 34.7 million versus CHF 17.6 million in the first half of 2005, therefore up by 97%. Revenues reported in net trading income related mainly to trading on behalf of clients.

As a result, total operating income for EFG International amounted to CHF 288.6 million in the first half of 2006, an increase of 105% compared to the first six months of 2005.

Based on time-weighted average clients' Assets under Management of CHF 47.7 billion, the annualised revenue margin increased to 1.21% as compared to 1.18% in the first half of last year.

Operating expenses

Operating expenses excluding amortisation and depreciation expenses increased by 105% to CHF 164.5 million, compared to CHF 80.3 million for the first six months of 2005.

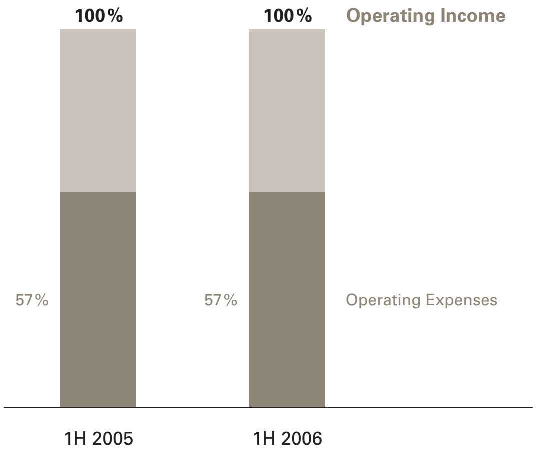
The cost-income ratio, calculated as the ratio of operating expenses before amortisation and depreciation to operating income expressed as a percentage, stood at 57.0% for the first half of 2006, nearly unchanged from the 57.1% reported at the end of the first half of 2005. The current cost-income ratio is due to faster then originally budgeted hiring of new CROs and influenced by the relatively high cost-income ratios of some of the recently acquired private banking businesses, whose integration synergies have been delayed pending completion of acquisitions in Monaco and London.

Performance-based compensation components accounted for approximately 25% of EFG International's total personnel expenses. The ratio of personnel expenses to operating income was 41% and therefore remained at the same level as in the first half of 2005. As already highlighted in our Annual Report for the fiscal year 2005, expenses related to the EFG International Stock Option Plan started to have an impact on the company's personnel expenses from March 2006 onwards. During the first half of 2006, personnel expenses were impacted by CHF 600,000 as a result of the Stock Option Plan deemed expense.

Other operating expenses, excluding depreciation and amortisation, increased by 104% to CHF 46.3 million, mainly relating to the impact from the acquisitions announced during the second half of 2005 and to organic growth initiatives. These expenses accounted for 16% of operating income and were thus at the same level as in the first half of 2005.

Depreciation and amortisation expense of CHF 9.5 million include CHF 4.8 million IFRS-required expenses on intangibles related to acquisitions since July 1, 2005.

Operating Expenses (excluding Depreciation and Amortisation) as Percentage of Operating Income

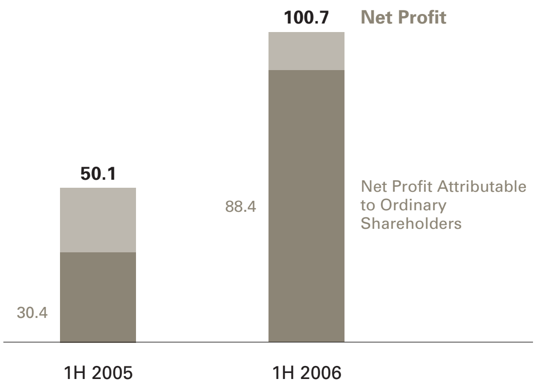


Consolidated net profit and consolidated net profit attributable to ordinary shareholders

For the first half of 2006, EFG International reported a consolidated net profit of CHF 100.7 million, an increase of 101% compared to the CHF 50.1 million reported for the same period of last year. Net profit attributable to ordinary shareholders was CHF 88.4 million representing an increase of 191% versus the CHF 30.4 million reported for the first half of 2005.

Net Profit and Net Profit Attributable to Ordinary Shareholders

in CHF million



Balance sheet

EFG International's total balance sheet size as of June 30, 2006 increased by approximately 16% to CHF 12.6 billion, compared to CHF 10.8 billion as of December 31, 2005. As compared to the total balance sheet size of CHF 5.4 billion as of June 30, 2005, the increase was approximately 131%.

Since the end of fiscal year 2005, loans to customers increased 16% by CHF 737 million to CHF 5.3 billion at the end of June 30, 2006, which is in line with the overall growth of the business. As compared to loans to customers of CHF 2.2 billion as of June 30, 2005, the increase was approximately 144%.

On the liabilities side, the amount due to customers increased by CHF 1.4 billion, or approximately 18%, to CHF 9.1 billion from CHF 7.7 billion at the end of fiscal year 2005. The increase is in line with the growth of clients' Assets under Management.

Equity base

At the end of the first six months of 2006, shareholders' equity stood at CHF 2.1 billion, up CHF 60.4 million from the level recorded at December 31, 2005. EFG International's BIS tier 1 capital ratio of 37% according to the guidelines of the Bank for International Settlements (BIS) remains high in international comparison and continues to significantly exceed the legal requirements for banking groups in Switzerland and internationally. Consolidated risk weighted assets amounted to CHF 4.1 billion as of 30 June 2006, an increase of 20% from December 31, 2005.

Ratings Update

During the first half of the financial year, both Moody's and Fitch Ratings assigned inaugural ratings to EFG International. On June 16, 2006, Fitch Ratings assigned a "Long-Term Issuer Default Rating of A with Positive Outlook" and a "Short-Term Rating of F1". Shortly after, on July 6, 2006, Moody's assigned to EFG International a Long-term Rating of "A2 with Stable Outlook".

Rudy van den Steen
Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2006

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2006

	Note	**Half year ended 30 June 2006 CHF '000**	Half year ended 31 December 2005 CHF '000	Half year ended 30 June 2005 CHF '000
Interest and discount income		**206,089**	111,903	72,513
Interest expense		**(128,229)**	(59,723)	(33,773)
Net interest income	4	**77,860**	52,180	38,740
Banking fee and commission income		**206,700**	142,097	94,444
Banking fee and commission expense		**(31,439)**	(16,874)	(10,696)
Net banking fee and commission income	5	**175,261**	125,223	83,748
Dividend income		**–**	(43)	109
Net trading income	6	**34,668**	20,844	17,554
Gains less losses from other securities		**719**	9	–
Other operating income / (expense)		**60**	(433)	478
Net other income		**35,447**	20,377	18,141
Operating income		**288,568**	197,780	140,629
Operating expenses	7	**(173,924)**	(116,684)	(83,653)
Impairment losses on loans and advances		**–**	–	–
Profit before tax		**114,644**	81,096	56,976
Income tax expense	8	**(13,948)**	(10,305)	(6,873)
Net profit for the period		**100,696**	70,791	50,103
		CHF	CHF	CHF
Basic earnings per ordinary share	13	**0.60**	0.42	0.28
Diluted earnings per ordinary share	13	**0.60**	0.42	0.28

The notes on pages 18 to 24 form an integral part of these condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AT 30 JUNE 2006

EFG INTERNATIONAL

	Note	30 June 2006 CHF '000	31 December 2005 CHF '000
Assets			
Cash and balances with central banks		**81,058**	42,888
Treasury bills and other eligible bills		**446,969**	488,970
Due from other banks		**4,064,578**	3,744,459
Trading securities		**8,483**	7,836
Derivative financial instruments		**141,265**	105,881
Loans and advances to customers		**5,281,707**	4,544,459
Investment securities			
Held-to-maturity		**535,469**	530,435
Available-for-sale		**1,265,000**	903,706
Intangible assets	9	**602,926**	351,253
Property, plant and equipment		**31,034**	29,819
Other assets		**99,813**	69,755
Total assets		**12,558,302**	10,819,461
Liabilities			
Due to other banks		**676,177**	428,877
Derivative financial instruments		**127,651**	100,085
Due to customers		**9,085,278**	7,711,601
Debt securities in issue		**149,522**	148,355
Other borrowed funds		**–**	31,106
Other liabilities		**376,942**	317,085
Total liabilities		**10,415,570**	8,737,109
Equity			
Share capital		**79,263**	79,263
Share premium		**1,337,889**	1,338,270
Other reserves and retained earnings		**725,580**	664,819
Total shareholders' equity		**2,142,732**	2,082,352
Total equity and liabilities		**12,558,302**	10,819,461

The notes on pages 18 to 24 form an integral part of these condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2006

	Half year ended 30 June 2006 CHF '000	Half year ended 30 June 2005 CHF '000
Net cash flows from operating activities	**1,036,286**	625,586
Net cash flows from investing activities	**(633,035)**	(243,929)
Net cash flows from financing activities	**(71,423)**	48,397
Net change in cash and cash equivalents	**331,828**	430,054
Cash and cash equivalents at beginning of period	**4,217,803**	1,848,282
Net change in cash and cash equivalents	**331,828**	430,054
Cash and cash equivalents	**4,549,631**	2,278,336

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

	30 June 2006 CHF '000	30 June 2005 CHF '000
Cash and balances with central banks	**81,058**	14,682
Treasury bills and other eligible bills	**446,952**	357,579
Due from other banks	**4,013,138**	1,891,724
Trading securities	**8,483**	14,351
Cash and cash equivalents	**4,549,631**	2,278,336

The notes on pages 18 to 24 form an integral part of these condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGE IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2006

EFG INTERNATIONAL

	Attributable to equity holders of the Group				
	Share capital CHF '000	Share premium CHF '000	Other reserves CHF '000	Retained earnings CHF '000	Total CHF '000
Balance at 1 January 2005	59,165	552,044	84,254	15,744	711,207
Preference dividend paid / payable			(40,125)		(40,125)
Currency translation differences			1,704		1,704
Others	159	88,002	13,150	(13,950)	87,361
Profit for the period				50,103	50,103
Balance at 30 June 2005	59,324	640,046	58,983	51,897	810,250
Creation of EFG International and demerger effects	(55,000)	(653,507)	654,405	(898)	(55,000)
Issuances of shares	73,335	1,324,709			1,398,044
Effect of Business combinations exempted from IFRS3			(171,860)		(171,860)
Currency translation differences			3,168		3,168
Others	1,604	27,022	(559)	(1,108)	26,959
Profit for the period				70,791	70,791
Balance at 31 December 2005	79,263	1,338,270	544,137	120,682	2,082,352
Preference dividend paid / payable			(24,652)		(24,652)
Currency translation differences			(13,592)		(13,592)
Others		(381)	(1,691)		(2,072)
Profit for the period				100,696	100,696
Balance at 30 June 2006	**79,263**	**1,337,889**	**504,202**	**221,378**	**2,142,732**

Please also see the 2005 Annual Report of EFG International for further details relating to the creation of EFG International in 2005.

1. GENERAL INFORMATION

EFG International and its subsidiaries (hereinafter collectively referred to as "the Group") are a leading global private banking group, offering private banking and asset management services. The Group's parent company is EFG International, which is a limited liability company and is incorporated and domiciled in Switzerland.

This condensed consolidated interim financial information was approved for issue on August 17, 2006.

2. ACCOUNTING POLICIES AND VALUATION PRINCIPLES

This interim report was produced in accordance with International Accounting Standard 34.

The half-year accounts were prepared on the basis of the accounting policies and valuation principles valid as of 31 December 2005.

3. ASSETS UNDER MANAGEMENT AND ASSETS UNDER ADMINISTRATION

	30 June 2006 CHF million	31 December 2005 CHF million	30 June 2005 CHF million
Character of client assets			
Deposits	**9,084**	7,712	3,945
Fiduciary deposits	**4,244**	4,470	3,895
Bonds	**7,113**	7,903	3,121
Structured notes	**6,632**	5,065	4,545
Equities	**5,733**	6,464	2,740
EFG funds	**3,014**	984	716
Third party funds	**8,153**	5,270	3,583
Loans	**5,282**	4,544	2,167
Other	**1,061**	1,248	888
EFG International shares held by EFG Bank European Financial Group and employees	**3,517**	3,656	–
Total Assets under Management	**53,833**	47,316	25,600
Total Assets under Administration	**6,655**	6,471	–
Total Assets under Management and under Administration	**60,488**	53,787	25,600

Assets under Management are client assets managed by the Group and comprise custodised securities, fiduciary placements, deposits, client loans, funds, mutual funds under management, third party custodised assets, third party funds administered by the Group and structured notes which are structured and managed by the Group.

Assets under Administration are trust assets administered by the Group.

4. NET INTEREST INCOME

	Half year ended 30 June 2006 CHF '000	Half year ended 31 December 2005 CHF '000	Half year ended 30 June 2005 CHF '000
Interest and discount income			
Banks and customers	**176,836**	100,346	55,045
Trading securities	**8**	2	
Other securities	**29,245**	11,555	17,468
Total interest and discount income	**206,089**	111,903	72,513
Interest expense			
Banks and customers	**(124,499)**	(55,803)	(30,346)
Debt securities in issue	**(2,846)**	(2,466)	(2,480)
Other borrowed funds	**(884)**	(1,454)	(947)
Total interest expense	**(128,229)**	(59,723)	(33,773)
Net interest income	**77,860**	52,180	38,740

5. NET BANKING FEE AND COMMISSION INCOME

	Half year ended 30 June 2006 CHF '000	Half year ended 31 December 2005 CHF '000	Half year ended 30 June 2005 CHF '000
Commission income on lending activities	**1,659**	1,362	644
Commission income from securities and investment activities	**165,768**	130,455	84,904
Commission income from other services	**28,495**	8,190	8,896
Commission income from trust and company administration fees	**10,778**	2,090	
Commission expenses	**(31,439)**	(16,874)	(10,696)
Net banking fee and commission income	**175,261**	125,223	83,748

6. NET TRADING INCOME

	Half year ended 30 June 2006 CHF '000	Half year ended 31 December 2005 CHF '000	Half year ended 30 June 2005 CHF '000
Equities and Interest rate instruments	**12,151**	7,817	6,478
Foreign exchange	**22,517**	13,027	11,076
Net trading income	**34,668**	20,844	17,554

7. OPERATING EXPENSES

	Half year ended 30 June 2006 CHF '000	Half year ended 31 December 2005 CHF '000	Half year ended 30 June 2005 CHF '000
Staff costs	**(118,171)**	(80,956)	(57,629)
Professional services	**(6,555)**	(4,921)	(3,506)
Advertising and marketing	**(1,460)**	(2,394)	(544)
Administrative expenses	**(24,601)**	(15,054)	(12,925)
Operating lease rentals	**(8,125)**	(6,520)	(3,951)
Depreciation of property, plant and equipment	**(2,752)**	(2,032)	(1,682)
Amortisation of intangible assets	**(6,720)**	(2,148)	(1,630)
Other	**(5,540)**	(2,659)	(1,786)
Operating expenses	**(173,924)**	(116,684)	(83,653)

8. INCOME TAX EXPENSE

	Half year ended 30 June 2006 CHF '000	Half year ended 31 December 2005 CHF '000	Half year ended 30 June 2005 CHF '000
Current tax	**(8,109)**	(3,603)	(3,250)
Deferred tax	**(5,839)**	(6,702)	(3,623)
Total tax charge	**(13,948)**	(10,305)	(6,873)

9. INTANGIBLE ASSETS

	30 June 2006 CHF '000	31 December 2005 CHF '000
Computer software and licences	**5,595**	7,003
Intangible assets	**96,308**	31,888
Goodwill	**501,023**	312,362
Total intangible assets	**602,926**	351,253

C. M. Advisors Limited

On 13 February 2006, the Group acquired 100% of the issued share capital of C. M. Advisors Limited (CMA). Bermuda-based CMA focuses on both managing fund of hedge funds and research of hedge funds. The transaction gave rise to goodwill of CHF 182.0 million and to the recognition of Intangible assets of CHF 65.1 million. The Intangible assets are amortised over 4 to 14 year periods depending on their nature. The fair value of net assets acquired was not material. For the period ending 30 June 2006, the acquired company contributed a net profit of CHF 13.5 million before amortisation of intangible assets linked to the acquisition (CHF 10.2 million after amortisation).

EFG Bank & Trust (Bahamas) Ltd

In addition, the acquisition of the Bahamian based private banking business of Banco Sabadell was effective from February 2006.

10. GEOGRAPHICAL SEGMENTS

A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. The group is organised in four geographical segments, which are Switzerland, Europe, Asia and Americas. The analysis below is based on the domicile of operations.

For the six months ended 30 June 2006	**Switzerland**	**Europe (excl. Switzerland)**	**Americas**	**Asia**	**Elimination**	**Total**
	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000
Segment income	135,218	109,308	30,133	26,054	(12,145)	288,568
Profit from operations	46,667	46,133	14,110	7,734		114,644
Profit before tax						114,644
Income tax expense						(13,948)
Group Profit after tax						100,696
Net profit						100,696
As at 30 June 2006:						
Segment assets	5,283,034	9,417,634	526,336	2,754,566	(5,423,268)	12,558,302
Segment liabilities	2,969,255	8,012,591	256,889	2,746,507	(3,569,672)	10,415,570

For the six months ended 31 December 2005	**Switzerland**	**Europe (excl. Switzerland)**	**Americas**	**Asia**	**Elimination**	**Total**
	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000
Segment income	104,631	72,018	11,060	20,921	(10,850)	197,780
Profit from operations	25,000	51,158	625	4,313		81,096
Profit before tax						81,096
Income tax expense						(10,305)
Group Profit after tax						70,791
Net profit						70,791
As at 31 December 2005:						
Segment assets	5,207,215	8,608,262	29,207	2,383,066	(5,408,289)	10,819,461
Segment liabilities	2,999,649	7,657,098	17,850	2,375,661	(4,313,149)	8,737,109

For the six months ended 30 June 2005	**Switzerland**	**Europe (excl. Switzerland)**	**Americas**	**Asia**	**Elimination**	**Total**
	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000
Segment income	83,414	34,087	6,753	18,651	(2,276)	140,629
Profit from operations	25,177	26,389	874	4,536		56,976
Profit before tax						56,976
Income tax expense						(6,873)
Group Profit after tax						50,103
Net profit						50,103

11. CONTINGENT LIABILITIES AND COMMITMENTS

	30 June 2006 CHF '000	31 December 2005 CHF '000
Contingent liabilities:		
Guarantees		
guarantees issued in favour of third parties	**343,049**	266,426
Commitments:		
Irrevocable commitments	**551,607**	254,151
	894,656	520,577

12. LEGAL PROCEEDINGS

The Group's management believes that the outcomes of existing lawsuits is unlikely to have a significant impact on the Group's financial statements.

13. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE

Basic Earnings Per Ordinary Share

		Half year ended 30 June 2006 CHF '000	Half year ended 31 December 2005 CHF '000	Half year ended 30 June 2005 CHF '000
Net profit for the period		**100,696**	70,791	50,103
Estimated, pro-forma accrued preference dividend		**12,309**	17,601	19,746
Net profit for the period attributable to ordinary shareholders		**88,387**	53,190	30,357
Weighted average number of ordinary shares	Number of shares	**146,670,000**	125,204,000	108,164,000
Basic earnings per ordinary share	CHF	**0.60**	0.42	0.28

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 period, excluding the average number of ordinary shares owned by the Group. For the purpose of the calculation of basic earnings per ordinary share, net profit for the period has been adjusted by an estimated, pro-forma accrued preference dividend. The latter has been computed by applying a preference dividend rate of 6.5% from January 1, 2005 to November 10, 2005 and of 3.788% from November 10, 2005 to April 30, 2006 and of 4.386% from April 30, 2006 to June 30, 2006. The average number of EFG Fiduciary Certificates owned by the Group during the period were excluded from this calculation.

13. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE (CONTINUED)

Diluted Earnings Per Ordinary Share

		Half year ended 30 June 2006 CHF '000	Half year ended 31 December 2005 CHF '000	Half year ended 30 June 2005 CHF '000
Net profit for the period		**100,696**	70,791	50,103
Estimated, pro-forma accrued preference dividend		**12,309**	17,601	19,746
Net profit for the period attributable to ordinary shareholders		**88,387**	53,190	30,357
Diluted-weighted average number of ordinary shares	Number of shares	**147,168,000**	125,204,000	108,164,000
Diluted earnings per ordinary share	CHF	**0.60**	0.42	0.28

EFG International has issued a total of 733,350 options to purchase EFG International shares pursuant to its employee stock option plan on February 28, 2006 which have the effect of increasing the diluted-weighted average number of ordinary shares by 498,000.

14. STOCK OPTION PLAN

EFG International issued 733,350 options pursuant to the Employee Stock Option Plan with a grant date of February 28, 2006. These options have an exercise price of CHF 25.33, a vesting period of three years and may be exercised at any time during a period beginning five years from the grant date and ending seven years from the grant date. EFG International does not have any other stock options outstanding.

The expense recorded in the income statement spreads the cost of the grant equally over the vesting period. Assumptions are made concerning the forfeiture rate which is adjusted during the vesting period so that at the end of the vesting period there is only a charge for vested amounts. Total expense related to the Employee Stock Option Plan in the income statement for the six month period ended June 30, 2006 was CHF 0.6 million.

A deemed value of each option was estimated to be CHF 9.19 using a modified version of the Black Scholes Merton formula which takes into account expected dividend yield as well as other funding costs during the period between the end of the vesting period and the earliest exercise date. The significant inputs into the model were spot share price (CHF 36.25), expected volatility (21%), dividend yield (2%), other funding costs (5%), the expected life of the options (72 months) and the risk free rate (2.03%). Expected volatility was calculated using the 100 day average of volatility of other private banks listed in Switzerland, combined with a statistical analysis of implied market volatilities for options with similar expected lives. The expected life of the options has been assumed to be the mid-point of the exercise period. The risk free rate is the yield on Swiss treasury notes with an outstanding maturity of 72 months as of the grant date. Dividend yield has been calculated according to management's estimates of the long term dividend payments. Other funding costs represent adjustments made by market participants when pricing options that cannot be hedged or exercised and, pursuant to IFRS 2, may be applied only after the vesting period. The fair value of the options which is based on applying the other funding costs throughout the entire restricted period amounts to CHF 6.12.

15. POST BALANCE SHEET EVENTS

The Group announced on May 19, 2006 that it had reached an agreement to acquire Banque Monégasque de Gestion from UniCredit Private Banking S.p.A., a subsidiary of UniCredito Italiano S.p.A.. Banque Monégasque de Gestion is a Monaco-based private banking organisation which has operated with a full banking licence in the Principality of Monaco since 1985. Through the acquisition, the Group's clients' Assets under Management will increase by approximately CHF 1.3 billion and the number of CROs by 6. The closing of the transaction is subject to certain conditions precedent, including regulatory approval and is expected by the 4th Quarter 2006 (previously communicated late summer 2006).

The Group announced on July 10, 2006 that it had reached an agreement to acquire Harris Allday. Harris Allday is a Birmingham, United Kingdom, based private client stockbroker which traces its origin to 1834 and which has offices in Birmingham, Bridgnorth, Banbury and Worcester. Through the acquisition, the Group's clients' Assets under Management will increase by approximately CHF 4.5 billion and the number of CROs by 27. The closing of the transaction is subject to regulatory approval and is expected by late summer.

The Group announced on July 25, 2006 that the launch of CMA Global Hedge PCC Ltd ("CMA Global Hedge") a London Stock Exchange listed company investing in hedge funds closed. CMA Global Hedge raised US$ 408 million, to be managed by CMA, the fund of hedge funds company acquired by EFG International in February 2006. CMA Global Hedge will aim to borrow an amount equal to approximately 100 per cent of its net asset value for portfolio investments. The bulk of funds raised by CMA Global Hedge and to be managed by CMA represents new money, not previously managed by the Group.

16. BOARD OF DIRECTORS

The Board of Directors of EFG International is the following:

Jean Pierre Cuoni, Chairman
Emmanuel L. Bussetil
Spiro J. Latsis
Hugh Napier Matthews
Périclès Petalas
Hans Niederer

FOR MORE INFORMATION PLEASE CONTACT:

HEAD OFFICE
EFG International
Bahnhofstrasse 12
8001 Zurich
Phone +41 44 226 1850
Fax +41 44 226 1855
www.efginternational.com

INVESTOR RELATIONS
Phone +41 44 212 7377
Fax +41 44 226 1727
investorrelations@efginternational.com

MEDIA RELATIONS
Phone +41 44 212 7387
Fax +41 44 226 1727
mediarelations@efginternational.com