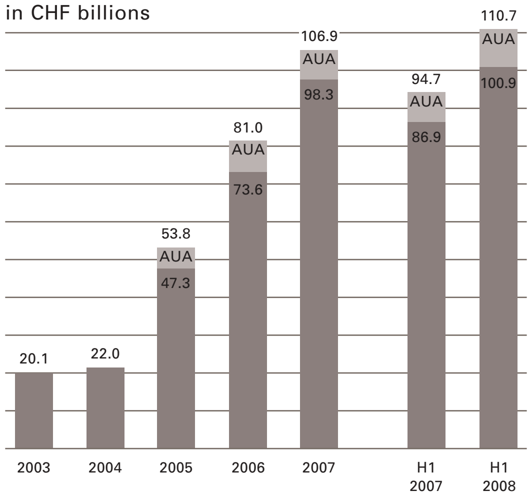
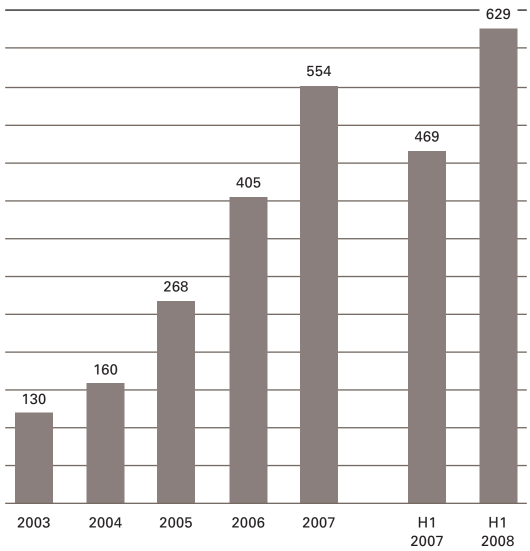
EFG International

HALF-YEAR REPORT 2008

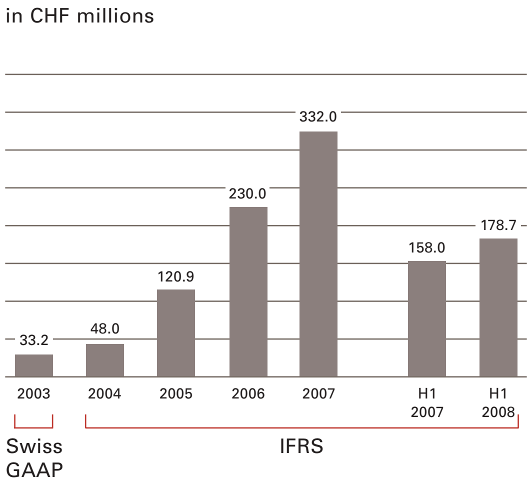
AUM and AUA*



Client Relationship Officers (CROs)*



Net Profit attributable to Group shareholders



EFG INTERNATIONAL CONSOLIDATED FINANCIAL HIGHLIGHTS

in CHF millions	30 June 2008
Income	
Operating Income	527.6
Profit before Tax	193.3
Net Profit attributable to Group shareholders	178.7
Net Profit attributable to ordinary shareholders	163.4
Cost/Income Ratio	59.1%
Balance Sheet	
Total Assets	20,266.3
Shareholders' Equity	2,403.9
Market Capitalisation	
Share Price (in CHF)	27.95
Market Capitalisation (ordinary shares)	4,099
BIS Capital	
Total BIS Capital	906
Total BIS Capital Ratio	14.0%

Ratings	**long term**	**outlook**
Moody's	A2	Stable
Fitch	A	Stable

Personnel	
Total number of CROs*	629
Total number of employees	2,175

Listing

Listing at the SWX Swiss Exchange, Switzerland; ISIN: CH0022268228

Ticker Symbols	
Reuters	EFGN.S
Bloomberg	EFGN SW

* Including announced acquisitions.

International practitioners
of the craft of private banking

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SHAREHOLDER'S LETTER

Jean Pierre Cuoni, Chairman of the Board
Lawrence D. Howell, Chief Executive Officer

Dear shareholders, dear clients,

The year to date has been a testing period, characterised by continued high levels of uncertainty, falling equity markets and a strong Swiss franc. Against this backdrop, EFG International produced another pleasing financial performance which, combined with progress in relation to its key business indicators, demonstrates its ongoing credentials as a dynamic private bank.

FINANCIAL SUMMARY

EFG International produced a robust financial performance, on a consolidated basis, in the six months ended 30 June 2008 (H1 2008):

Clients' Assets under Management

– Clients' Assets under Management were CHF 100.9 billion (including announced acquisitions) as at 30 June 2008, up 16% from CHF 86.9 billion as at 30 June 2007 and up from CHF 98.3 billion as at end-2007.

– For H1 2008, net new assets and the increase in clients' loans were CHF 14.0 billion (of which loans: CHF 0.5 billion). This represents a record performance, and compares with CHF 8.0 billion (loans: CHF 1.6 billion) for H1 2007, a rise of 75% year-on-year. Net new money during H1 2008 represents growth of 32% on an annualised basis, compared with historic norms of 20-25%. H1 2008 benefited from a significant inflow in relation to UHNWIs.

– The increase in clients' Assets under Management due to acquisitions announced and not yet completed was CHF 1.5 billion (relating to Stratcap Securities India and Sycomore Gestion Privée in France – the latter transaction completed on 25 July 2008).

– Excluding EFG International shares which do not form part of the current 31.3% free-float of EFG International shares at the SWX Exchange, clients' Assets under Management amounted to CHF 98.3 billion (including announced acquisitions) as at 30 June 2008. Also excluding announced acquisitions, revenue - generating clients' Assets under Management stood at CHF 96.8 billion, up 21% year-on-year.

– Clients' Assets under Administration increased to CHF 9.8 billion as at 30 June 2008, up 26% year-on-year.

Net profit

– Net profit attributable to Group shareholders was CHF 178.7 million, up 13% from H1 2007 and up 3% from H2 2007. Net profit attributable to ordinary shareholders was CHF 163.4 million, up 14% from H1 2007 and 3% from H2 2007.

Operating income

– Operating income was CHF 527.6 million, up 18% from H1 2007 and 13% from H2 2007.

– Commission income was flat compared to H1 2007 at CHF 306.3 million; net interest income was up 17% at CHF 127.3 million; and other income rose strongly to CHF 94.0 million, based on strong demand for high yielding life insurance products.

– The revenue margin was 1.18% of average clients' Assets under Management, compared with 1.19% in 2007.

Operating expenses

- Operating expenses[1] increased by 25% to CHF 312.1 million, compared to CHF 250.5 million for H1 2007.

- Personnel expenses were CHF 217.8 million for H1 2008, up 22% year-on-year. The ratio of personnel expenses to operating income was 41.3%, compared to 40.0% in H1 2007, reflecting our continued investment in hiring CROs. Over the same period, other operating expenses, excluding amortisation of acquisition related intangibles of CHF 22.2 million, increased by 31% to CHF 94.2 million.

- The cost-income ratio stood at 59.1%, up from 56.1% in H1 2007 and 57.0% for 2007 as a whole.

Equity base

- EFG International's BIS Tier 1 capital ratio of 11.3% according to the guidelines of the Bank for International Settlements (BIS) remains high by international comparison, and comfortably exceeds the legal requirement for banking groups in Switzerland and internationally.

- Consolidated risk weighted assets amounted to CHF 6.5 billion as at 30 June 2008, an increase of 5% from 31 December 2007.

REVIEW OF BUSINESS

Market conditions were turbulent during the first half of 2008, but there has been no direct impact on EFG International from the much publicised fall-out in credit markets. The business is not involved in - and therefore has not incurred any losses as a result of exposure to - the sub-prime sector. It has also not been affected by turbulence in credit markets in general, with lending activities limited to secured lending to private banking clients.

However, like other private banks, EFG International is not immune to falling equity markets and the strength of the Swiss franc relative to currencies in which our clients' assets are denominated. Confronted by an extremely high level of market volatility, clients have also shown an understandable tendency to curtail investment activity.

Had exchange rates and equity markets stayed at the same level as end-2007, everything else being equal clients' Assets under Management would have been over CHF 10 billion higher; operating income CHF 40-45 million higher; and profit before tax approximately CHF 25 million higher.

At EFG International, we draw comfort from a lower dependence on equities compared to many of our peers; a prudent approach to credit risk; and a proven ability to adjust our approach to changing circumstances. We adopt a long-term approach to the long-term business of private banking, and business fundamentals remain robust. Indeed, H1 2008 was characterised by continued progress across the full range of business levers:

Client Relationship Officers (CROs)

EFG International enjoyed a record level of CRO recruitment during H1 2008, further underlining its credentials as a highly attractive destination for leading private bankers. Over this period, we increased Client Relationship Officers (CROs) to 621 (up 97), rising to 629 including announced acquisitions (up 75). Over the last 12 months, we have increased the number of CROs (including announced acquisitions) by 160, up 34% year-on-year.

1. Defined as operating expenses including amortisation and depreciation, but excluding amortisation of acquisition-related intangibles.

Broadening and deepening client relationships

As we have said before, private banking is not a linear business; our CROs continue to work exceptionally hard to help clients navigate all phases of the economic cycle. We see this as essential to building a sustainable business, as evidenced by our net new money generation. EFG International also continues to benefit from increasing traction among ultra-high net worth individuals, notably those with investment potential in the hundreds of millions. This segment was an important contributor to net new money during H1 2008.

The benefits of a broad geographical spread

EFG International's operations continue to benefit from a balanced geographical spread. Strong progress was made across the majority of our businesses during H1 2008 (particularly in local currency terms), both in established European markets and in new growth markets. For example:

– The UK business grew profits and CROs by 20%+.

– EFG Bank (Luxembourg) SA continued to grow apace, with income rising by over 50% year-on-year.

– The Monaco business delivered double digit growth.

– The Americas business continued its forward momentum in relation to the Latin American market.

– The Caribbean business saw exceptionally strong growth.

– The Asian business saw clients' Assets under Management grow by over 20%, with the number of CROs increasing by over 30%.

Expansion of international presence and capabilities

Proximity to existing and prospective clients is a key driver for EFG International. During H1 2008, we extended our presence with new offices in the UK (a new presence extending reach in the Midlands); Spain (a Branch of EFG Bank (Luxembourg) SA with offices in Madrid and Barcelona; and an office of A&G Group in Tarragona); the United States (Los Angeles) and Canada (St. Catharines, Ontario; and Vancouver). Our UK business, EFG Private Bank Limited, launched a private banking joint venture, LCB Capital Management, targeting the Lebanese diaspora. EFG Offshore gained a trust license in Singapore. In the Cayman Islands, trust and bank branch licenses were obtained.

Growth through acquisition

For those acquisitions completed during 2007 - Quesada Kapitalförvaltning, PRS Group, Ashby London Financial Services, and Bull Wealth Management -integration has progressed smoothly and according to schedule in each case.

During H1 2008, EFG International completed the acquisition of three businesses, involving clients' Assets under Management of CHF 9.9 billion. These were A&G Group, a leading Spanish private wealth manager; On Finance, a Lugano-based financial services boutique; and Marble Bar Asset Management (MBAM), a leading UK-based alternative asset manager:

– At A&G Group, progress is underway to create a high quality, overarching proposition drawing on both A&G Group and the newly-launched bank branch operations in Spain. The ultimate goal is to create a unified business, with single leadership already in place, as part of ambitious plans for the Spanish market.

- On Finance has continued to perform strongly, and integration has been smooth. On the back of this acquisition, we are actively considering options to extend EFG International's capabilities in the Lugano region, both organically and through potential further acquisitions.

- MBAM has lived up to expectations and has continued to perform well, with clients' Assets under Management growing to circa USD 5.8 billion as at end-June 2008. Performance has been positive, with the majority of funds performing comfortably above their sector averages.

The acquisition of Stratcap Securities India (SSI), announced in December 2007, is moving towards completion. Mumbai-based SSI offers a range of financial services to a private and institutional client base in India, and has clients' assets of CHF 700 million. It provides entry to the Indian wealth management market, in keeping with EFG International's strategic goal of capitalising on new growth markets, and completion is anticipated shortly.

In June, EFG International entered the French market with the announced acquisition of Sycomore Gestion Privée (SGP). This transaction was completed on 25 July 2008. SGP is a specialist wealth manager, with a focus on discretionary investment management for wealthy individuals. Total clients' Assets under Management are CHF 800 million. We see opportunities to build out our private banking business in France through a strong emphasis on recruiting CROs (there is already a well developed pipeline), and capitalising on further acquisition opportunities.

Developing infrastructure and functional capabilities

In line with EFG International's stated aim of extending its strategic marketing activities, good progress has been made in raising the profile of the business. We have agreed and launched key sponsorships across various locations and themes, encompassing Le Mans Classic 2008; the Monte Carlo Philharmonic Orchestra; and various prestigious polo events, such the 40 Goal Challenge in Palm Beach, and Cartier International Polo in the UK. The business has also commenced a diverse and innovative global marketing campaign across broadcast, print and online media.

EFG International continued to strengthen its executive team during H1 2008. Alain Diriberry will assume the responsibilities of Senior Executive for Global Operations and Administration. Erik Stroet, formerly the Chief Operating Officer, is leaving EFG International in August. Alain will relinquish his position as head of private banking in Geneva (to be replaced by Don Ventura, formerly of Deutsche Bank Private Wealth Management). Alain Diriberry will be a member of the Executive Committee of EFG International and, in his new capacity, will be looking to strengthen the senior operational team. Frederick Link, in addition to his current role of General Counsel, has assumed the additional responsibilities of Chief Risk Officer.

The business continued to maintain tight discipline across all aspects of risk control. While uncertain market conditions have clearly had a generalised effect on the rate of growth, there have been no losses arising specifically in relation to credit markets. EFG International does not have any balance sheet exposure or any contingent liabilities in relation to sub prime debt, Alt-A debt, CDO debt, CLO debt or related securities. EFG International also has an exemplary credit control and operational risk record, and, as in previous reporting periods, there have been practically no bad debts, reflecting our focus on secured lending. Losses from credit, operations and fraud remain minimal.

Building our product and service capabilities

EFG International has in-house capabilities that sit in competitive juxtaposition with external service providers in complex areas such as structured products and hedge funds. We see this as integral to private banking, and developing the brain power to simplify complexity for clients. Notable initiatives have been structured investment product issuer EFG Financial Products, which became operational in December 2007, and the acquisition of MBAM. Both have made good headway in testing market conditions. EFG Financial Products has, in a short period, developed a reputation for innovative product development, which was recognised recently in the prestigious "Best Yield Enhancement" award from Swiss Derivatives 2008. It has established a leading presence in terms of the number of products issued. EFG International has also continued to develop its capacity to support CROs in complex structuring situations.

OUTLOOK & SUMMARY

Both the outlook for credit markets and wider macro-economic conditions remain fragile, exerting a sector-wide dampening effect on growth. EFG International prides itself on setting stretching medium term targets, and we continue to make strong progress in relation to those areas within our direct control. CRO recruitment has been extremely strong, and the business remains comfortably on course to achieve its target of 675 CROs by end-2008. Given current market conditions, the low end of the target of CHF 121-131 billion by end-2008 should be attainable, based on acquisitions and continued strong net new money. The cost income ratio, at 59.1%, is slightly higher than anticipated, reflecting the impact on income of current market conditions, and ongoing investment in future development. The revenue margin, at 1.18%, is ahead of the target of 1.10%.

Looking further ahead, EFG International has established ambitious targets up to 2010. We remain optimistic in relation to our targets of 1,000 CROs; generating on average CHF 30-40m in clients' Assets under Management per annum; and a revenue margin of 110-120bps. The business also continues to have an ongoing appetite to make acquisitions. However, further deterioration in markets and exchange rate conditions could impact the medium-term prospect of achieving the targeted attributable profit of CHF 800 - 900 million.

EFG International adopts a long-term approach to what we see as a long-term relationship business. Given the current stage of the economic cycle, we are paying careful attention to the cost base, applying strict controls where necessary. However, the business will continue to invest, provided those factors within its control remain strong, and point to continued underlying growth. And, as stated before, challenging economic periods bring attendant opportunities. Having capitalised on these during the last downturn, we believe we will do so again.

We remain optimistic in relation to our strategic business levers, as follows:

CROs

We continue to be confident that EFG International can attain its stated CRO targets. Organic growth in CROs was at record levels in H1 2008, and the pipeline is healthy. The business has recruited from peers across the spectrum, and its nurturing entrepreneurial approach continues to appeal to some of the highest quality private bankers in the industry.

Acquisitions

EFG International has an enviable track record of success in buying and integrating high quality and culturally compatible businesses. The end of 2007 was particularly busy, and the first few months of 2008 have been spent completing these transactions, and on initial integration steps. Paris-based wealth manager Sycomore Gestion Privée was our first purchase of 2008 (see earlier).

For the remainder of the year, there is no shortage of viable opportunities, and EFG International is actively exploring a number of other acquisitions. Business owners continue to view EFG International as a conducive home, free of the bureaucratic constraints of many other potential acquirers. We have the capacity and potential deal flow to attain our target for 2008, without diluting ordinary shareholders. However, maintaining a disciplined approach is more important than ever, and we intend to be selective, mindful of deploying capital to optimal effect. The focus will be on transactions that are economically compelling; which reinforce, in a high quality way, existing private banking businesses; or which provide a foundation to build on in important new private banking markets.

Organic growth

We remain confident in our ability to maintain strong organic growth. We continue to develop existing businesses, as well as launching new operations in attractive markets where we find exceptional talent.

The Canadian business is applying for a trust license, and is seeking to further expand its representation (for example, in Montreal). In Latin America, the business has taken steps to accelerate the development of its regional network of offices. A new office will shortly be opened in Abu Dhabi. There are ambitious plans for Spain and India, and we continue to explore potential opportunities to enter new markets, including Italy, Germany, Austria and China.

Product and service capabilities

The diverse approach of EFG International, and our emphasis on developing intellectual capital in complex product areas, encompassing structured products and alternative investments, means that we are particularly well equipped to cope with the ebb and flow of markets. The rationale of harnessing intellectual capital was borne out by a strong demand for life insurance structures during H1 2008, highlighting the benefits of a diversified approach to leading edge asset classes.

We are satisfied with the performance of EFG International in H1 2008 against the backdrop of difficult market conditions. We continue to make progress and, allowing for equity market and currency effects, the business is maintaining its record of dynamic growth. We certainly live in uncertain times. But while we are managing the business to take account of this, our focus is on business fundamentals. We are pressing ahead from a position of underlying business strength, in terms of CRO recruitment, CRO productivity, and net new money generation. We also have the advantage of a track record of growth and exploiting opportunities during the previous market downturn; the constancy of our commitment to private banking, both in good times and bad; and the essential continuity - more important than ever - that we bring to our clients.

Jean Pierre Cuoni,
Chairman of the Board

Lawrence D. Howell,
Chief Executive Officer

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Note	Half year ended 30 June 2008 CHF millions	Half year ended 31 December 2007 CHF millions	Half year ended 30 June 2007 CHF millions
Interest and discount income		398.7	396.1	370.1
Interest expense		(271.4)	(260.7)	(261.1)
Net interest income	4	**127.3**	135.4	109.0
Banking fee and commission income		361.7	351.9	373.8
Banking fee and commission expense		(55.4)	(64.1)	(71.8)
Net banking fee and commission income	5	**306.3**	287.8	302.0
Dividend income		0.2		
Net trading income	6	30.8	51.9	23.8
Net income from financial instruments designated at fair value	7	0.3	(3.1)	8.4
Gains less losses from investment securities	8	54.1	(0.3)	
Other operating income/(loss)		8.6	(4.4)	3.3
Net other income		**94.0**	44.1	35.5
Operating income		**527.6**	467.3	446.5
Impairment charge for credit losses			(1.0)	
Operating expenses	9	(334.3)	(278.6)	(263.4)
Profit before tax		**193.3**	187.7	183.1
Income tax expense	10	(15.3)	(15.5)	(25.1)
Net profit for the period		**178.0**	172.2	158.0
Net loss attributable to minority shareholders		0.7	1.8	
Net profit attributable to Group shareholders		**178.7**	174.0	158.0
		CHF	CHF	CHF
Basic earnings per ordinary share	16	**1.13**	1.08	0.98
Diluted earnings per ordinary share	16	**1.13**	1.08	0.98

The notes on pages 16 to 24 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AT 30 JUNE 2008

	Note	30 June 2008 CHF millions	31 December 2007 CHF millions
Assets			
Cash and balances with central banks		78.1	73.7
Treasury bills and other eligible bills		1,867.8	794.6
Due from other banks		2,650.5	3,501.0
Loans and advances to customers		8,510.3	7,920.0
Derivative financial instruments		181.6	223.4
Financial assets designated at fair value		474.0	37.6
Investment securities:			
Available-for-sale		3,552.1	3,537.7
Held-to-maturity		549.2	566.1
Intangible assets	11	2,084.0	1,191.4
Property, plant and equipment		49.9	44.8
Deferred income tax assets		18.0	11.0
Other assets		250.8	135.3
Total assets		**20,266.3**	18,036.6
Liabilities			
Due to other banks		812.6	807.1
Due to customers		15,514.7	13,579.6
Derivative financial instruments		206.1	235.6
Debt securities in issue		153.1	158.0
Current income tax liabilities		49.8	39.5
Deferred income tax liabilities		76.6	35.8
Other liabilities		1,049.5	741.9
Total liabilities		**17,862.4**	15,597.5
Equity			
Share capital		77.7	78.4
Share premium		1,217.6	1,263.1
Other reserves		399.6	517.1
Retained earnings		691.4	578.3
		2,386.3	2,436.9
Minority interest		17.6	2.2
Total shareholders' equity		**2,403.9**	2,439.1
Total equity and liabilities		**20,266.3**	18,036.6

The notes on pages 16 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 2008

	Half year ended 30 June 2008 CHF millions	Half year ended 30 June 2007 CHF millions
Net cash flows from operating activities	1,241.5	(943.9)
Net cash flows from investing activities	(1,056.5)	(377.8)
Net cash flows from financing activities	(96.5)	(58.1)
Net change in cash and cash equivalents	**88.5**	(1,379.8)
Cash and cash equivalents at beginning of period	4,370.4	6,157.8
Net change in cash and cash equivalents	88.5	(1,379.7)
Cash and cash equivalents	**4,458.9**	4,778.1

Cash and cash equivalents

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

Cash and balances with central banks	78.1	36.8
Treasury bills and other eligible bills	1,861.2	598.4
Due from other banks	2,519.6	4,142.9
Cash and cash equivalents	**4,458.9**	4,778.1

The notes on pages 16 to 24 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 2008

	Attributable to equity holders of the Group					
	Share capital CHF millions	Share premium CHF millions	Other reserves CHF millions	Retained earnings CHF millions	Minority interests CHF millions	Total CHF millions
Balance at 1 January 2007	79.3	1,338.3	567.3	319.6		2,304.5
Ordinary dividend paid				(44.0)		(44.0)
Preference dividend paid				(14.1)		(14.1)
Subsidiary merger costs			(0.5)			(0.5)
Employee stock option plan			3.9			3.9
Currency translation differences			7.3			7.3
Others			21.9			21.9
Profit for the period				158.0		158.0
Balance at 30 June 2007	79.3	1,338.3	599.9	419.5		2,437.0
Employee stock option plan			4.9			4.9
Preference dividend paid				(15.2)		(15.2)
Shares issued to minorities					4.0	4.0
Shares repurchased	(0.9)	(75.2)				(76.1)
Currency translation differences			(74.0)			(74.0)
Others			(13.7)			(13.7)
Profit for the period				174.0	(1.8)	172.2
Balance at 31 December 2007	78.4	1,263.1	517.1	578.3	2.2	2,439.1
Ordinary dividend paid				(50.0)		(50.0)
Preference dividend paid				(15.6)		(15.6)
Shares repurchased	(0.7)	(45.5)				(46.2)
Shares issued to minorities					15.6	15.6
Shares sold to minorities					1.0	1.0
Employee stock option plan			9.1			9.1
Minority put option adjustment			(38.1)			(38.1)
Available-for-Sale securities						
Changes in fair value			86.7			86.7
Transfer to net profit			(54.1)			(54.1)
Others			1.7			1.7
Currency translation differences			(122.8)		(0.5)	(123.3)
Profit for the period				178.7	(0.7)	178.0
Balance at 30 June 2008	**77.7**	**1,217.6**	**399.6**	**691.4**	**17.6**	**2,403.9**

The notes on pages 16 to 24 form an integral part of these condensed consolidated interim financial statements.

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 AG, which is a limited liability company and is incorporated and domiciled in Switzerland.

This condensed consolidated interim financial information was approved for issue on 28 July 2008.

2. ACCOUNTING POLICIES AND VALUATION PRINCIPLES

This condensed consolidated interim financial information was produced in accordance with International Accounting Standard 34, and were prepared on the basis of the accounting policies and valuation principles valid as of 31 December 2007.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. ASSETS UNDER MANAGEMENT AND ASSETS UNDER ADMINISTRATION

	30 June 2008 CHF millions	31 December 2007 CHF millions	30 June 2007 CHF millions
Character of client assets			
Third party funds	**19,260**	16,393	15,606
Equities	**19,332**	15,635	13,629
Deposits	**15,515**	13,580	12,504
EFG funds	**10,204**	4,643	4,869
Loans	**8,510**	7,920	7,699
Structured products	**8,202**	7,060	7,598
Fiduciary deposits	**7,557**	6,822	6,525
Bonds	**7,270**	8,317	8,118
EFG International locked-up shares	**2,636**	4,309	5,548
Other	**944**	2,542	3,269
Total Assets under Management	**99,430**	87,221	85,365
Total Assets under Administration	**9,821**	8,626	7,810
Total Assets under Management and under Administration	**109,251**	95,847	93,175

Assets under Administration are trust assets administered by the Group.

4. NET INTEREST INCOME

	Half year ended 30 June 2008 CHF millions	Half year ended 31 December 2007 CHF millions	Half year ended 30 June 2007 CHF millions
Interest and discount income			
Banks and customers	**259.0**	285.9	318.4
Trading securities	**1.4**		0.3
Other securities	**138.3**	110.2	51.4
Total interest and discount income	**398.7**	396.1	370.1
Interest expense			
Banks and customers	**(266.3)**	(255.1)	(257.3)
Debt securities in issue	**(5.1)**	(5.6)	(3.8)
Total interest expense	**(271.4)**	(260.7)	(261.1)
Net interest income	**127.3**	135.4	109.0

5. NET BANKING FEE AND COMMISSION INCOME

Commission income on lending activities	**1.7**	(0.4)	1.3
Commission income from securities and investment activities	**316.4**	291.2	337.3
Commission income from other services	**39.4**	61.1	35.2
Commission expenses	**(51.2)**	(64.1)	(71.8)
Net banking fee and commission income	**306.3**	287.8	302.0

6. NET TRADING INCOME

Foreign exchange	**30.8**	51.9	23.8
Net trading income	**30.8**	51.9	23.8

7. NET INCOME FROM FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE

	Half year ended 30 June 2008 CHF millions	Half year ended 31 December 2007 CHF millions	Half year ended 30 June 2007 CHF millions
Equity securities	1.0	0.8	3.8
Debt securities	(0.7)	(3.9)	4.6
Net income from financial instruments designated at fair value	**0.3**	(3.1)	8.4

8. GAINS LESS LOSSES FROM INVESTMENT SECURITIES

Gain on disposal of Available-for-Sale securities - transfer from Equity	54.1	(0.3)	
Gains less losses from investment securities*	**54.1**	(0.3)	-

** Includes recognition of a gain of CHF 48.9 million on the sale of part of the US Life Insurance Policies portfolio. This gain was realised on disposal to third parties, based on prices determined by third parties on an arms length basis. The portfolio was classified as Available-for-Sale at 31 December 2007. These Life Insurance Policies where then acquired by an entity that was established to give Private Banking clients access to this asset class. At 30 June 2008 the Group consolidated 100% of this entity, as the Group retained a controlling interest in this entity. The entity in temporarily consolidated until it is sold to Private Banking clients. These Life Insurance Policies are now designated at fair value.*

9. OPERATING EXPENSES

	Half year ended 30 June 2008 CHF millions	Half year ended 31 December 2007 CHF millions	Half year ended 30 June 2007 CHF millions
Staff costs	(217.8)	(187.1)	(178.7)
Administrative expenses and other expenses	(63.3)	(54.8)	(42.3)
Operating lease rentals	(13.4)	(12.0)	(12.8)
Advertising and marketing	(4.7)	(4.7)	(1.4)
Professional services	(4.2)	(5.2)	(9.5)
Depreciation of property, plant and equipment	(6.1)	(5.0)	(4.3)
Amortisation of intangible assets - computer software and licences	(2.6)	(1.5)	(1.5)
Amortisation of intangible assets - other intangible assets	(22.2)	(8.3)	(12.9)
Operating expenses	**(334.3)**	(278.6)	(263.4)

10. INCOME TAX EXPENSE

Current tax	(14.7)	(15.1)	(23.6)
Deferred tax	(0.6)	(0.4)	(1.5)
Income tax expense	**(15.3)**	(15.5)	(25.1)

11. INTANGIBLE ASSETS

	Half year ended 30 June 2008 CHF millions	Half year ended 31 December 2007 CHF millions
Computer software and licences	15.8	11.9
Intangible assets	462.8	194.2
Goodwill	1,605.4	985.3
Total intangible assets	**2,084.0**	1,191.4

Marble Bar Asset Management

On 9 January 2008, the Group acquired 90.01% of the business of the Marble Bar Asset Management (“MBAM”) Group. The transaction gave rise to a goodwill of CHF 581.5 million and to the recognition of Intangible assets for CHF 271.7 million. The Intangible assets are amortised over 2 to 14 year periods depending on their nature. The fair value of net assets acquired was not material. For the 6 month period ending 30 June 2008, the acquired business contributed a net profit of CHF 58 million before amortisation of intangible assets linked to the acquisition (CHF 45 million after amortisation).

A&G Group

On 3 April 2008, the Group announced the acquisition of 72% of the issued share capital of the Spanish-based A&G Group with an effective date of 1 April 2008. The transaction gave rise to intangible assets and goodwill of CHF 99.5 million. The fair value of net assets acquired was not material. For the three month period ending 30 June 2008, the acquired company contributed a net profit of CHF 0.3 million before amortisation of intangible assets linked to the acquisition (CHF (0.3) million after amortisation). The Group also recognises a potential liability of CHF 38.1 million related to a put option held by minority shareholders that in extremely unlikely circumstances could require the Group to acquire the shares from minority shareholders.

If the acquisition had occurred on 1 January 2008, rather than the actual closing date of 1 April 2008, the net revenue contribution would have been CHF 6.7 million and the net profit contribution would have been CHF 1.0 million before amortisation of intangible assets linked to the acquisition.

12. SEGMENTAL REPORTING

Pursuant to IAS 14, EFG International's primary segments are geographic segments, while its secondary segmental reporting is done on the basis of business segments.

Geographic segmentation

For comparison purposes, the Group shows four main geographical regions, which follow the Groups organisational and management structure: Europe Cross-Border, Europe Onshore, Asia, and The Americas. The Europe Cross-Border segment includes locations where typically the clients are from a different country relative to where their relationship exists with the Group, such as Switzerland, Monaco, Liechtenstein and Gibraltar. The Europe Onshore segment includes business locations where typically the clients are from the same country as the Group company with which they transact, such as for example the United Kingdom and Sweden. The Asia segment includes all the locations in the Middle and Far East, such as Hong Kong and Singapore. The Americas include United States of America, Canada, Bahamas, Cayman and Latin America.

12. SEGMENTAL REPORTING (CONTINUED)

	Europe Cross-Border CHF millions	Europe Onshore CHF millions	Asia CHF millions	The Americas CHF millions	Elimination CHF millions	Total CHF millions
For the six months ended 30 June 2008						
Segment revenue from external customers	345.4	115.0	39.5	32.7	(5.0)	527.6
Cost to acquire intangible assets	(14.7)	(5.7)		(1.8)		(22.2)
Segment profit before tax	158.8	20.7	12.4	1.4		193.3
Income tax expense						(15.3)
Net profit after tax						178.0
Net loss attributable to minority shareholders						0.7
Net profit attributable to Group shareholders						**178.7**
As at 30 June 2008						
Segment assets	21,530.8	6,555.8	4,796.9	432.3	(13,049.5)	20,266.3
Segment liabilities	15,716.8	5,903.2	4,785.9	386.2	(8,929.7)	17,862.4
For the six months ended 31 December 2007						
Segment revenue from external customers	225.0	161.4	56.0	36.5	(11.6)	467.3
Cost to acquire intangible assets	(1.1)	(5.9)		(1.3)		(8.3)
Segment profit before tax	117.3	55.0	14.9	0.5		187.7
Income tax expense						(15.5)
Net profit after tax						172.2
Net loss attributable to minority shareholders						1.8
Net profit attributable to Group shareholders						174.0
As at 31 December 2007						
Segment assets	15,922.4	6,015.9	4,322.2	446.7	(8,670.6)	18,036.6
Segment liabilities	14,566.9	5,246.4	4,298.2	319.6	(8,833.6)	15,597.5
For the six months ended 30 June 2007						
Segment revenue from external customers	238.4	141.9	46.6	28.9	(9.3)	446.5
Cost to acquire intangible assets	(1.0)	(10.6)		(1.3)		(12.9)
Segment profit before tax	113.3	48.7	15.4	5.7		183.1
Income tax expense						(25.1)
Net profit after tax						158.0
Net loss attributable to minority shareholders						-
Net profit attributable to Group shareholders						158.0
As at 30 June 2007						
Segment assets	13,908.0	7,678.0	3,688.2	390.2	(8,733.9)	16,930.5
Segment liabilities	10,990.6	6,085.7	3,674.8	348.3	(6,605.9)	14,493.5

12. SEGMENTAL REPORTING (CONTINUED)

Business segmentation

In 2008 the group acquired Marble Bar Asset Management ("MBAM"), a hedge fund business. The Group believes that the risk return profile of MBAM and the C.M. Advisors Ltd business acquired in 2006 not to be significantly different from the Group's private banking activities, however for relative size reasons management reports a second business segment "Hedge Fund Management".

	Private Banking CHF millions	Hedge Fund Management CHF millions	Elimination CHF millions	Total CHF millions
For the six months ended 30 June 2008				
Segment revenue from external customers	422.2	106.5	(1.1)	527.6
Cost to acquire intangible assets	(6.1)	(16.1)		(22.2)
Segment profit before tax	137.1	57.3	(1.1)	193.3
Income tax expense				(15.3)
Net profit after tax				178.0
Net loss attributable to minority shareholders				0.7
Net profit attributable to Group shareholders				**178.7**
As at 30 June 2008				
Segment assets	19,054.1	1,212.2		20,266.3
Segment liabilities	17,335.4	916.2	(389.3)	17,862.4
For the six months ended 31 December 2007				
Segment revenue from external customers	444.8	23.5	(1.0)	467.3
Cost to acquire intangible assets	(5.0)	(3.3)		(8.3)
Segment profit before tax	173.2	15.5	(1.0)	187.7
Income tax expense				(15.5)
Net profit after tax				172.2
Net loss attributable to minority shareholders				1.8
Net profit attributable to Group shareholders				174.0
As at 31 December 2007				
Segment assets	17,696.2	340.4		18,036.6
Segment liabilities	15,408.1	189.4		15,597.5
For the six months ended 30 June 2007				
Segment revenue from external customers	406.8	40.3	(0.6)	446.5
Cost to acquire intangible assets	(4.5)	(8.4)		(12.9)
Segment profit before tax	156.1	27.6	(0.6)	183.1
Income tax expense				(25.1)
Net profit after tax				158.0
Net loss attributable to minority shareholders				-
Net profit attributable to Group shareholders				158.0
As at 30 June 2007				
Segment assets	16,585.6	344.9		16,930.5
Segment liabilities	14,260.1	233.4		14,493.5

13. CONTINGENT LIABILITIES AND COMMITMENTS

	30 June 2008 CHF millions	31 December 2007 CHF millions
Guarantees issued in favour of third parties	703.3	653.6
Irrevocable commitments	438.9	374.7
Total	**1,142.2**	1,028.3

14. LEGAL PROCEEDINGS

The Group is involved in various legal proceedings in the course of normal business operations. The Group establishes provisions 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 reasonably estimated.

15. DIVIDEND PER SHARE

At the Annual General Meeting on 29 April 2008, a dividend in respect of 2007 of CHF 0.35 per share was approved.

16. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE

	Half year ended 30 June 2008 CHF millions	Half year ended 31 December 2007 CHF millions	Half year ended 30 June 2007 CHF millions
Basic Earnings Per Ordinary Share			
Net profit for the period	178.7	174.0	158.0
Estimated, pro-forma accrued preference dividend	(15.3)	(15.5)	(14.3)
Net profit for the period attributable to ordinary shareholders	163.4	158.5	143.7
Weighted average number of ordinary shares - *000's of shares*	143,989	146,515	146,670
	CHF	CHF	CHF
Basic earnings per ordinary share	1.13	1.08	0.98

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. For the purpose of the calculation of earnings per ordinary share, net profit for the period has been adjusted by an estimated, pro-forma preference dividend. The latter has been computed by assuming a dividend rate from 1st January 2008 until 30 April 2008 of 4.816% and a rate of 4.876% from 30 April 2008 until 30 June 2008. The average number of shares excludes the average number of EFG Fiduciary Certificates owned by the Group.

	Half year ended 30 June 2008 CHF millions	Half year ended 31 December 2007 CHF millions	Half year ended 30 June 2007 CHF millions
Diluted Earnings Per Ordinary Share			
Net profit for the period	178.7	174.0	158.0
Estimated, pro-forma accrued preference dividend	(15.3)	(15.5)	(14.3)
Net profit for the period attributable to ordinary shareholders	163.4	158.5	143.7
Diluted-weighted average number of ordinary shares - *000's of shares*	145,200	147,288	147,365
	CHF	CHF	CHF
Diluted earnings per ordinary share	1.13	1.08	0.98

Pursuant to its employee stock option plan, EFG International has granted options to employees to purchase shares of EFG International. These options have the effect to increase the diluted-weighted average number of ordinary shares of EFG International by 1,211,374 shares.

17. STOCK OPTION PLAN

EFG International granted 2,537,275 options on 23 February 2008. There are three classes of options having a exercise price of CHF 23.97 ("In-the-money options"), CHF 35.95 ("At-the-money options") and CHF 0 ("Zero-strike options"), with 1,012,634 In-the-money options granted, 733,837 At-the-money options and 790,804 Zero-strike options. All three classes have a vesting period of three years and an exercise period beginning five years from the grant date and ending seven years from the grant date. A deemed value of each option was estimated 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 expense recorded in the income statement spreads the cost of the grant equally over the vesting period. Assumptions are made concerning forfeiture rates, which are 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 granted options in the income statement for the period ended 30 June 2008 was CHF 9.13 million. No options where exercised or lapsed in the period.

18. POST BALANCE SHEET EVENTS

On 19 December 2007 the Group reached an agreement to acquire 75% of Mumbai based Stratcap Securities India ("SSI"), from Strategic Capital Corporation, which is majority owned by its founder, Atul Sud. SSI has four CROs, and assets under management of approximately CHF 700 million. The transaction is expected to complete in August.

On 3 June 2008 the Group reached an agreement to acquire Paris based Sycomore Gestion Privée ("SGP"), from Sycomore Asset Management and senior management. SGP has four CROs, and assets under management of approximately CHF 800 million. The transaction completed on 25 July 2008.

19. BOARD OF DIRECTORS

The Board of Directors of EFG International AG is the following:

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

FORWARD LOOKING STATEMENTS

This Half-Year Report contains statements that are, or may be deemed to be, forward-looking statements. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Half-Year Report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industries in which we operate.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Prospective investors should not place undue reliance on these forward-looking statements.

Many factors may cause our results of operations, financial condition, liquidity, and the development of the industries in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this Half-Year Report. These factors include among others (i) the performance of investments; (ii) our ability to retain and recruit high quality CROs; (iii) governmental factors, including the costs of compliance with regulations and the impact of regulatory changes; (iv) our ability to implement our acquisition strategy; (v) the impact of fluctuations in global capital markets; (vi) the impact of currency exchange rate and interest rate fluctuations; and (vii) other risks, uncertainties and factors inherent in our business. EFG International AG is not under any obligation to (and expressly disclaims any such obligations to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

CONTACTS

ADDRESS
EFG International AG
Bahnhofstrasse 12
8001 ZURICH
Tel + 41 44 226 18 50
Fax + 41 44 226 18 55
www.efginternational.com

INVESTOR RELATIONS
Tel + 41 44 212 73 77
investorrelations@efginternational.com

MEDIA RELATIONS
Tel + 41 44 212 73 87
mediarelations@efginternational.com