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EFG Private Bank and Banque Edouard Constant Agree Merger

EFG Private Bank SA (EFG) and Banque Edouard Constant SA (BEC), based in Zurich (EFG) and Geneva, (BEC), both specialized in private banking and asset management, will merge by mid-year, subject to approval from the regulatory authorities.

The combined entity will comprise approximately 500 staff members, manage CHF 17 Billion in client assets and generate revenues of CHF 200 Million. Geographically, the bank will be represented around the world and throughout Switzerland, with offices in Geneva, Zurich, Lausanne, the Valais, Hong Kong, Singapore, Taiwan, Monaco, Guernsey, Miami, Buenos Aires, Stockholm, Malmö, Göteborg and Helsinki.

Considering its strength and international positioning, EFG Private Bank SA has been retained as the name of the merged organization going forward. The new entity will continue to be part of the EFG Bank Group whose total shareholders' equity is CHF 3.2 billion. The Sandoz Family Foundation will be a minority shareholder of the new entity and be represented on the Board of Directors. Lawrence Howell, CEO of EFG, will remain Chief Executive of the new merged entity. Robert Waser, CEO of BEC will take over the executive management of the combined operations in Geneva. Christian Zanella, BEC's Deputy CEO, will continue to assist Mr. Waser as head of private banking. Both are joining the General Management of EFG.



The merger of both entities will provide cost rationalisation opportunities through increased transaction volumes, efficient operational processes and premises consolidation. Given the continued growth of EFG and its future prospects, it is expected that the level of staff reductions, where appropriate, will be mitigated. A social plan will be set up in close collaboration with employee's representatives and local authorities.

BEC's historical roots and strong client base in the Scandinavian markets will provide an attractive mix of capabilities when combined with EFG's extensive onshore Scandinavian activities.

BEC's franchise in the Swiss market including independent asset managers and institutional investors will reinforce EFG's Swiss presence and client diversification.

EFG's strengths in structured products and alternative investment, when combined with BEC's Swiss mutual fund and asset management expertise, will create formidable breadth and quality of products and services.

Both banks are currently using a Globus IT platform, which will facilitate data migration and continuity in client services, especially since EFG has worked successfully with its Globus platform since 1993.

Mr. Waser, CEO of BEC commented : "this merger is consistent with both banks' intention to develop critical mass and market diversification in private banking business while benefiting from multiple synergies across the organizations".

Mr. Cuoni, Chairman of EFG, noted that "the aggregation of the capabilities and size of these two institutions will effectively position the new bank in the front rank of private banks in Switzerland and around the world with regard to client service, product innovation and geographic scope. We intend to continue our institution's dynamic growth in an ongoing effort to provide a first rate client experience".



BANQUE EDOUARD CONSTANT



EFG Private Bank was advised on the transaction by Lehman Brothers, the Sandoz Family Foundation by Goldman Sachs International.

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