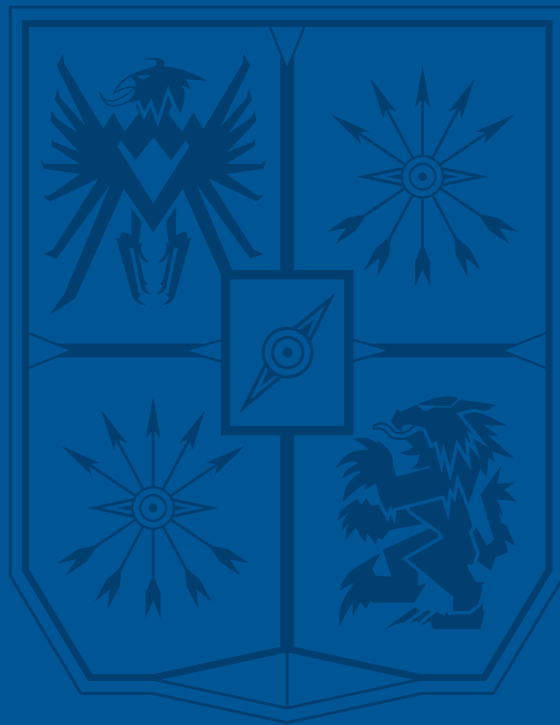




BANQUE PRIVÉE
EDMOND DE ROTHSCHILD



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transmission land
Masters environment
of their Craft tradition
creativity dedication
tradition innovation
exceptional talents
dedication passion



Masters of their Craft



Interview with Benjamin and Ariane de Rothschild

What are the links between the banking group you chair and all the non-financial activities you are engaged in?

BENJAMIN DE ROTHSCHILD: The art of good living and finance are two dimensions that feed off each other. It is essential to understand that financial and non-financial activities are complementary. Good living, in its noblest sense, gives a different meaning to the money earned by the Group's banks. Commitment and ethics pervade hospitality (hotels and restaurants), local traditions (vineyards and agriculture), sailing (Gitana), and especially philanthropy. All Group activities are pursued with regard to the same quest for sustainable excellence, professionalism and creativity. The two worlds complement and balance each other, and are governed by the same values, which my father, Edmond de Rothschild, made a particular point of passing down to me.

What does embracing the Rothschild universe entail?

BENJAMIN DE ROTHSCHILD: The Rothschild tradition is a way of life incorporating a desire for balance, a sense of moral responsibility, beliefs, strong commitments, daring and... passion!

In this way, producing, handing down, fructifying and using one's fortune as best one can becomes an art. This determination is embodied in the "Rothschild art of good living" and by the urge to attain excellence in every field, be it finance, wine, agriculture, competition sailing, gardens, foundations, the arts, etc. Generations of Rothschilds have shown that they know how to give real meaning to money. Our historic values Concordia, Integritas, Industria symbolise the principles of fine balances and ethics that are wedded to the notion of application.

In practice, how do these values influence your activities?

BENJAMIN DE ROTHSCHILD: First and foremost, we believe in caring for, listening to and respecting our clients and staff alike. There is a trailblazing, competitive culture here, and we value group and team work. The notion of hard work and constantly striving for excellence are also an integral part of our approach, and permeate everything we do. In a word, I would say that we are very attached to the notion of integrity.

What are your goals in developing your non-banking activities?

ARIANE DE ROTHSCHILD: Our lifestyle-related activities are not just a whim. We are deeply committed to them. We are making our practices more professional, and striving for innovation and excellence. This is a long-term process. We are working for our children and for future generations.

BENJAMIN DE ROTHSCHILD: We are aiming for perfection in our own distinctive way. This is how we can develop. Each generation in this family has its own enterprising drive and we create new businesses that afford our staff ample latitude to express themselves.

Your lifestyle is closely bound to a commitment to environmental stewardship. Is this also due to your concern for future generations?

BENJAMIN DE ROTHSCHILD: We always choose sustainable practices—in our vineyards, farm, gardens and so on. Our commitment to the environment is fundamental to us and we have a duty towards our children. We would like to pass on to them a taste for produce grown by respecting the land. It is vital to step up environmental awareness and to develop the right associated economic strategy!

What does the phrase “Masters of their Craft” mean to you?

ARIANE DE ROTHSCHILD: Growing into an artisan, perfecting one’s technique and “getting the knack” takes years, so it is often difficult to find a way into these trades. We believe in the idea of modern apprenticeships and are committed to passing on valuable skills whilst promoting technical innovation. France has an extraordinary craft heritage which must not be allowed to die!

Banque Privée Edmond de Rothschild S.A.

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de Rothschild S.A., Geneva

patience quality

The art of working
the land & gardening

terroir biodiversity

gardener harmony

growers ripening

gardener



The art of working the land & gardening

Over the generations, the Rothschild family has adopted an approach, which takes both man and nature into account, and which goes back to basics. By farming and adding value to its estates with due respect for tradition and the environment, the family is working for future generations. Just like successful wealth management, gardens and estates take shape as the years go by if we tend them with care: the resulting wines, cheeses, trees and beds of rare plant species are the rewards of a unique context.

Chairman's message

It is three years now since we were plunged into the deepest economic and financial crisis since the 1930s. At the start of 2009, many experts feared the world would slide into a second Great Depression, one that would be even more dramatic than the collapse that followed the crash of 1929. Thankfully, we escaped the worst. And there are grounds to believe that the ghost of depression has been laid, at least for the near future.

Nevertheless, this was a violent trauma and no-one has emerged unscathed. The systemic crisis and the shock treatment used as a remedy, has inevitably left the system shaken: governments, central banks and the banking system are all showing the strain and will continue to do so for some time. Non-financial companies, particularly small and medium-sized enterprises, have suffered, are still suffering and, in all too many cases, have gone to the wall. Unemployment is not about to start falling any time soon and yet companies have no option but to fight for their survival and so, paradoxically, for the jobs that remain and the jobs of tomorrow.

Our business, though, is asset management and our first thoughts are with the asset holders, individuals and institutions, who have been buffeted by the general slump in asset values and who are naturally still worried by the uncertain outlook. Our teams have been working tirelessly on behalf of the group's clients, keenly aware of the confidence and loyalty they place in us, striving to protect their assets. But we are not financial alchemists and cannot turn lead into gold. All asset classes, virtually without exception, have been hit by the crisis, as is always the case when a credit bubble bursts and unleashes a systemic risk. Our role now is to lead our investors through a financial landscape that remains far from clear.

We are guided in this task by two convictions. First, just because the threat of meltdown is now receding does not mean the crisis is over. As to where we are now, Churchill's remark after El Alamein comes to mind: "this is not the end. It is not even the beginning of the end, but it is perhaps the end of the beginning".

Second, we must not deceive ourselves that those responsible for the crisis have learnt from their past mistakes. The return to business as usual has been faster than the most pessimistic imagined. To those who think that nothing will be the same again, I say, quite the reverse: everything that happened before will happen again, only more so, precisely because of the crisis.

The heart of the crisis was excess, excess of every kind: easy money that compressed the time required to create value; an orgy of expansion – particularly buyouts funded with illimited leverage – embarked on by industrial companies, banks and financial institutions who became as bloated as the world that was their playground; the insatiable appetite of consumers in rich countries, living it up on the back of willingly exploited workers and the savings of emerging economies, with no thought of the reckoning that the hardworking would ultimately demand; and the ever quickening depletion of the planet's resources, earth, sea and air, heedless of the legacy we would leave to our children.

Over the last two centuries and a half, our family has lived through wars, revolutions, persecutions, financial crashes and economic crises. At this crucial time, when the crisis is struggling to find an emergency exit, I want simply but proudly to pass on a message drawn from seven generations of banking experience. Since the eighteenth century, our family motto has embodied the much cited but rarely practised approach now called sustainable development: "Concordia, Integritas, Industria". Unity, Integrity, Industry.



Autumn foliage with an American tulip tree centre, Pregny

Numerous studies have interpreted this motto as a sort of code for living. It can be read as “Harmony, Respect, Professionalism” and therefore applies to three areas common to all human organisations: living with others and in society, living with fundamental principles of ethics, whether religious or secular, and living in the material world that defines economic activity.

Harmony in the social contract: this means knowing how to live together, greeting differences as a source of nourishment rather than with grudging toleration. The message here is one of unity but not uniformity. We have all just lived through a year that has shown the irresistible power of globalisation: the banking crisis, climate change, pandemics, are all issues that can only be solved, or made worse, on a global scale.

But where would the world be now if it had uniformly embraced the US version of financial capitalism, the origin of many of the planet’s current troubles?

Respect for morality: this means striking a balance between age-old ethical principles and the flux of new ideas, constantly seeking the narrow right path in the midst of contradictions. Is it ethical to sacrifice our natural heritage to the pace of growth? Surely not. But is it ethical, in the name of sustainable development, to use sustainability as a stick to beat development? Is it ethical to limit growth for billions of people who are struggling free of poverty, only to lumber them with the cost of our own excesses?

Loyalty to Professionalism: this is an interplay between traditional expertise, the handing down from generation to generation of the craftsman's turn of hand and innovation, which brings technical progress and opens up new frontiers. In the same way, the Rothschild family firm, while remaining loyal to its profession of investment management, to its tradition, to its independence and to its human scale, must also deploy the most sophisticated financial products on behalf of its clients and pass on the art of investment management to the Indian and Chinese banks that are helping drive growth in emerging Asia.

My distant ancestors, multinational bankers under the Ancien Régime, and inventors of a much-vilified profession under a long-abolished political system, were already aware that the obsessive multiplication of wealth for a few can never be a sustainable aim. Harmony in the social contract, Respect for morality, loyalty to Professionalism. I read our family motto as a message of proportion, a counterpoint to the excesses with which the 21st century has begun.

A handwritten signature in blue ink, reading "Benjamin de Rothschild". The signature is written in a cursive, flowing style with long, sweeping lines.

Baron Benjamin de Rothschild

Report of the Executive Committee

End of the piranhas?

The fall of the Berlin Wall marked the triumph of American economic power and of free enterprise. It also wrought profound changes on the global economy as the US, no longer preoccupied by Cold War contingencies, gave capitalism an increasingly free rein.

Offshoring production to countries with dirt-cheap labour was supposed to help feed the wildfire growth of information technology. American banks, led by Wall Street, were to become the titans of global wealth lured by the mystique of the New Economy. Yet these tantalising plans had murderous results. The bursting of the dotcom bubble in 2000-02 sent stockmarkets plunging by more than half, while the 2008 credit crunch and meltdown on Wall Street touched off the worst recession of the post-war period.

US manufacturing has shed a quarter of its workforce in ten years, and only a quarter of all those lost jobs have been replaced in the new information-based industries. The auto sector is on the ropes. National unemployment has soared to 10%. One American in five between the ages of 25 and 54 is out of work.

The credit bubble is largely to blame for this hollowing out of the US economy. Aggregate debt (public and private) has quadrupled in the past 20 years, reaching \$44 trillion. The securitisation and virtualisation of fixed-income markets fuelled an exponential rise in the debt offering needed to finance the wars in Iraq and Afghanistan. All this was done at no extra cost to taxpayers. The top income brackets even got a break, along with corporations. The United States is the world's biggest tax haven: between 1996 and 2008, 61 of the 100 largest companies paid nothing to the Treasury. The worst example is Wall Street's Pied Piper, Goldman Sachs, which in 2008 declared a profit of \$2 billion while paying out \$10 billion in

bonuses to its traders and a paltry \$14 million in taxes. It is easy to understand why the public coffers have been depleted.

Financial debt has also exploded owing to that nasty habit of running up credit cards. Outstanding liabilities on these have rocketed from \$338 million in 1990 to \$5 trillion at present. The middle class has had to borrow against the future to cling to a standard of living that has plummeted 72% in a generation. Finally, America's no-holds-barred banking system pushed up the financial sector's share of total national earnings from 16% to 40% over the same period. (No comment.)



Arum lilies and vegetation bordering the pond at Château Clarke

The 2008 financial crisis grew out of these horrendous distortions. The Glass Steagall Act of 1933 had clearly separated retail banking and investment banking. Banks were barred from speculating by taking advantage of their enormous customer deposits. Proprietary trading was the realm of specialist banks that were required to finance such operations with shareholders' equity. But with capitalism holding sway in the free-wheeling 1990s, Congress caved in to the Wall Street lobbies. One by one the safeguards put in place during the Depression were lifted, and the banking industry was transformed into a giant casino. Have you noticed that in recent history, America's highest financial officials have all come from Wall Street and from Goldman Sachs, in particular? The once admired but now reviled ex-Fed chairman Alan Greenspan had previously worked as an economist for White Weld & Co, an investment bank.

Banks on Wall Street and around the world took speculation to levels that numb the brain, leveraging their capital by 80 times and more. They only stopped when the instruments they were trading, rated triple-A and worth billions on paper, turned into toxic waste when the US housing market went bust. That was the end of securitisation and virtualisation. Interbank lending seized up. Confidence evaporated. Deleveraging and asset write-downs swallowed zillions.

Shame and disgrace on the credit-rating agencies. They deceived investors. But then again, a total lack of scrutiny (and triple-A accreditation) is what they were providing in return for the handsome fees paid by investment banks, which bundled together and virtually wrapped America's most vulnerable mortgages and credit-card liabilities. These bundles were then released like schools of piranhas, labelled as goldfish, into an unsuspecting world, where they infested the financial system and devoured hapless investors to the bone.

In the unprecedented debacle of 2008 Bernie Madoff was made out to be the "swindler of the century". Actually he was more of a scapegoat and a convenient cover for the banking industry's own double-dealing.

What future lies ahead for finance? US President Obama, just weeks into his first term, had to release the government's huge airbags to prevent Wall Street succumbing to a head-on collision. AIG would have been the *coup de grâce*. But the outlook is still bleak. It will take months of effort and restraint before confidence can be restored gradually. One thing is perfectly clear, though: banks have to be brought to heel and carved up in a quasi-reinstatement of the Glass-Steagall Act. Never again should they be too big to fail. Governments will not be able to save a system made of dominos a second time. President Obama has tabled a plan to separate retail and investment banking on the advice of Paul Volker, who chaired the Fed during the stock-market collapse of 1974 and who wisely sees separation as the best way to reduce risk. But who will have the last word? The banking lobby, fiercely opposed to any change whatsoever, or the president of the United States, weakened by a daunting economic situation?

Swiss banks, except for our biggest one, did not follow Wall Street's example. And we have remained sturdy. The accusation that Switzerland is the world's biggest tax haven is, to put it flatly, a lie. The US state of Delaware and the City of London, home base to hosts of offshore entities in the English Channel and the Caribbean, are far busier shelters. The anti-Swiss campaign fomented last year is strangely reminiscent of the "wild talk" of the French finance minister, Joseph Caillaux, in 1914 and of the attempt by Edouard Herriot to blame Switzerland for hard times in 1932.

The success of Swiss banks has been built on our country's peace and prosperity, on the stability of our political institutions and on our trustworthiness. We have preserved our clients' assets with guarantees of confidentiality through continental and global crises. Switzerland ought to tell this to the world and respond firmly to the unfair criticism levelled against us.

The Executive Committee

Eagle and Dragon, or how to reinvent prosperity

China emerges from the financial crisis stronger than ever

China breezed through the subprime implosion and ensuing recession. At all events it has come out in much better shape than its main challenger, the United States, and the other so-called developed countries. The near breakdown of the Western banking system shook and even unnerved the defenders of American-style free enterprise. The debacle not only destroyed jobs on a massive scale in Europe and North America but also forced governments to spend far beyond reasonable limits. The budget deficits of Britain and the US are expected to exceed 10% of their GDP this year, while the other European countries and Japan will run up deficits of 5-10%. This contrasts sharply with China, whose much smaller shortfall (about 2%) would comply with the limits prescribed in the treaty of Maastricht. The deterioration of public finances across the industrialised world will inevitably lead to disastrously high debt levels, which in many nations could exceed 90% of GDP by 2011. A recent study by the Bank for International Settlements warned that if no remedial action is taken, that figure could double in the next decade. Ageing populations in the developed countries are exacerbating an already calamitous situation. Here again, China can proudly present a clean bill of health: its national debt is around a quarter the size of America's. The authorities in Beijing would therefore enjoy considerable leeway if they had to fork out more money to spur domestic business activity. This year China will likely take Japan's place as the world's second-largest economic power. It is already the number one exporting country, ahead of a still hale and hardy Germany.

A great nation rises again

For centuries China boasted the world's most advanced civilisation, surpassing all other peoples in numerous areas. The country can claim such key inventions as the compass, the printing press, noodles, gunpowder and paper money. Unfortunately, from the UK's industrial revolution onwards, China (then under the Qing dynasty) turned inward and went into a long decline. Its economic output shrank from 30% of the global total at the time of Napoleon I to just a few per cent by 1960. The 19th century saw growing domination by Europe's colonial powers, which led China from one defeat to the next starting with the opium wars. Only after evicting the Japanese in 1945 did China finally unshackle itself from foreign imperialism. But then came the wrenching changes of the Mao Zedong era. The Great Helmsman imposed an unworkable economic policy in the late 1950s, leading to an unprecedented famine that left nearly 30 million people dead. It was not until 1978 under the leadership of Deng Xiaoping that a long comeback was initiated. In January 2002, two decades of reform were rewarded at last by China's admission to the World Trade Organisation. This year, as its GDP climbs past 15% of the global total, the toppled Middle Empire is already half-standing. Thanks to an unusually driven character, in 20 years the country should be able to recover the full stature it had in the early 1800s. If it does so, China will pack twice the relative economic clout of the United States—a great vindication for a nation that has seen so many upheavals.

Towards a new balance

Until the 2008-09 financial crisis China and the US were like an odd couple married out of convenience. Insatiable American consumers bought more and more cheap imported products. This propensity to spend played into the hands of Chinese exporters, who got a leg up from the undervalued yuan. Thus, compulsive consumption by the Eagle catered for massive dumping by the Dragon. America recklessly went well over its head into debt, relying on capital inflows from China to balance its current account. Trade surpluses have caused China's foreign exchange reserves to swell to over \$2 trillion. To keep its currency undervalued, Beijing has been forced to finance its foremost trading partner's twin deficits, by buying dollars relentlessly and investing them in US Treasury bonds. Yet this cordial entente was undermined by the subprime crisis. US households, shell-shocked by the sudden depreciation of their home equity and financial assets, have stopped running up their credit cards. This has curtailed China's export prospects considerably. Soaring US unemployment is moreover raising the spectre of protectionism. But at the same time, the recent surge in the US national debt has prompted a healthy diversification of China's forex reserves. Irresponsible exuberance must give way to restraint. The US has to curb its appetite and save more. Capital adequacy ratios in the banking system need to be redefined. The era of Wall Street lording it over Main Street is over. In China the onus is now on developing the domestic market by implementing a series of reforms. It is ironic that a so-called communist state should be flooding the world with cheap goods instead of providing its own people with free education, unemployment insurance, basic

healthcare coverage and pensions big enough to live on. If the US and China reconsidered their respective economic models, they could certainly achieve a new balance of prosperity. That would be infinitely preferable to a confrontation of benefit to no one.

Michel Lagier

Governing bodies of Banque Privée Edmond de Rothschild S.A., Geneva

Board of Directors

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Baron Benjamin de Rothschild

Vice-Chairman

E. Trevor Salathé

Secretary

Manuel Dami

Members

Baroness Benjamin de Rothschild

John Alexander

Luc Argand

Walter Blum Gentilomo

Michel Cicurel

François Hottinger

Veit D. de Maddalena

Jacques-André Reymond

Daniel Y. Trèves

Guy Wais

Board Committee

Chairman

Baron Benjamin de Rothschild

Vice-Chairman

E. Trevor Salathé

Secretary

Manuel Dami

Members

John Alexander

Michel Cicurel

Auditing Committee

E. Trevor Salathé

Manuel Dami

Jacques-André Reymond

Guy Wais

Internal Auditors

Senior Vice-President

François Maendly

First Vice-President

Maurice Moser

Vice-Presidents

Serge Cochet

Dan Protti

Philippe Rebmann

Independent Auditors

PricewaterhouseCoopers S.A.

Governing bodies of Banque Privée Edmond de Rothschild S.A., Geneva

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Executive Committee

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Vice-Chairman and Deputy Chief Executive Officer

Sylvain Roditi

Member and Deputy Chief Executive Officer

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Jean-Philippe Grob

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Elie Joory

Vincent de Kerchove

François Kern

Michel Lagier

Martin Leuthold

Thierry Loney

Janos Lux

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Bruno Jacquier

Alfred Jans

Priska Lance

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Benoît Lombard

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 Robert Wortelboer
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 Françoise Ayats
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 Daniel Veuve
 Prudencio Vicente
 Eva Viedma Salvador
 Alexandre Volpicelli
 Rémy Wenger
 Lun Xu

Governing bodies of Banque Privée Edmond de Rothschild S.A., Geneva

Branches

Fribourg

Senior Vice-President
in charge of the Branch
Patrick Zurkinden

Vice-President

Frédéric Bersier

Lausanne

Senior Vice-President
in charge of the Branch
Roland Humbert

Senior Vice-Presidents

Paul Ballenegger
Bernard Fierens
Hervé Maillard
Rolf Rempfler

First Vice-Presidents

Christian Dustour
Félix Rattin
Jean-Daniel Renevey

Vice-Presidents

Steve Fauquex
Paulo Ferreira



Boar in the Mandegrès woods

Corporate governance

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winegrowers

barrels

The art wine-tasting

of wine making journey

appellations

blend

know-how

emotions

journey

conviviality

maturing



The art of wine making

Our vineyards also symbolise the fusion of tradition and entrepreneurial zeal. This can be seen in our drive to produce noble wines on the Clarke and Laurets estates but also in South Africa and in Argentina. Just like a fund manager, the talent of the wine grower is to blend the best components to create a subtle balance between ancestral know-how and new, sophisticated techniques.

Corporate governance

Introduction

On 25 March 2002, the Federation of Swiss Business published a Swiss Code of Best Practice containing standards for corporate governance. These standards are meant as recommendations, not as legally enforceable rules, and primarily concern companies listed in Switzerland.

The Guidelines on Corporate Governance issued by SIX Swiss Exchange ("SIX") came into force on 1 July 2002 and were last amended on 29 October 2008 effective 1 July 2009. They state when and how matters involving corporate governance should be made public, based on art. 8 of Switzerland's Stock Exchanges and Securities Trading Act and on articles 1, 4, 5 and 49 para. 2 of the SIX's Listing Regulations. They mainly apply to issuers incorporated in Switzerland whose equity securities are traded on the SIX.

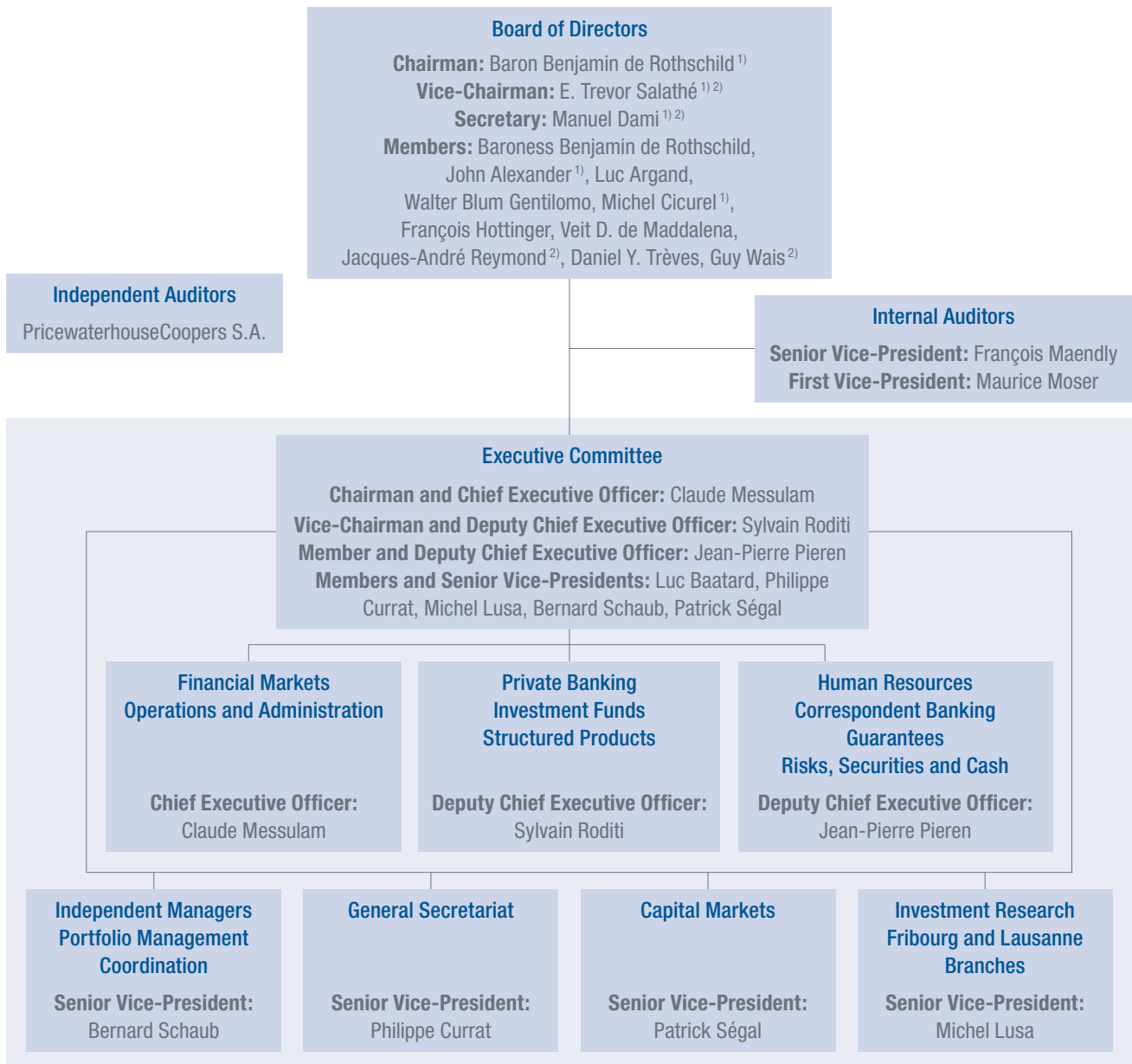
The major concerns underlying these "codes of conduct" are to limit economic risks, safeguard companies' reputations and promote responsibility. Corporate governance is anchored in a set of principles designed to protect shareholders by ensuring transparency, the issuance of clear information and a balance at the highest level between the company's executives, on the one hand, and its owners, on the other. At the same time, these principles uphold decision-making power and efficiency.

The following pages disclose the most important information required by the SIX guidelines that came into force on 1 July 2002 / 1 July 2009. There are also cross-references to items included elsewhere in this report, while the Bank's articles of association and bylaws can be found on our website (www.groupeedr.ch).

1. Group structure and shareholders

1.1. Group structure

1.1.1. Presentation of the Group operating structure



1) = member of the Board Committee
 2) = member of the Auditing Committee

1.1.2./1.1.3. Group legal structure

The fully consolidated entities of the Banque Privée Edmond de Rothschild Group are listed on pp. 58-61 of this report.

	Par value (in thousands of CHF)	Percentage of share capital (in%)	Percentage of voting rights (in%)
1.2. Major shareholders (at 31.12.2009)			
Major shareholders			
Edmond de Rothschild Holding S.A. ⁽¹⁾	36,019.5	80.0	86.4
Rothschild Holding AG, Zurich ⁽²⁾	3,799.5	8.4	9.4

(1) The entire share capital of Edmond de Rothschild Holding S.A. is directly or indirectly controlled by members of the de Rothschild family. 17% of the company's share capital (representing 6.77% of voting rights) is owned by Baroness Edmond de Rothschild and 66.33% (representing 89.84% of voting rights) by Baron Benjamin de Rothschild.

(2) Rothschild Holding AG is indirectly controlled by a group consisting of: Eric de Rothschild, Paris; David de Rothschild, Paris; Alexandre de Rothschild, London; Stéphanie de Rothschild, London; Louise de Rothschild, Paris; Financière de Tournon, Paris; Financière de Reux, Paris; Bero, Paris; Ponthieu Rabelais, Paris; Integritas B.V., Amsterdam; Rothschild Trust (Schweiz) AG, Zurich. Rothschild Holding AG holds 20,000 registered shares and 3,600 bearer shares of Banque Privée Edmond de Rothschild S.A., Geneva, representing 8.4% of the total share capital and 9.4% of voting rights.

	Number of shares owned	Percentage of share capital (in%)	Percentage of voting rights (in%)
1.3. Cross-holdings (at 31.12.2009)			
Cross-holdings			
Rothschild Holding AG, Zurich	10,161	9.5	9.5

2. Capital structure

2.1. Share capital

	Par value (in thousands of CHF)	Number of shares	Capital ranking for dividend (in thousands of CHF)
Share capital			
Fully paid registered shares at CHF 100.– par value	20,000	200,000	20,000
Fully paid bearer shares at CHF 500.– par value	25,000	50,000	25,000
Total share capital	45,000		

2.2. Specific indications regarding authorised and contingent capital

Banque Privée Edmond de Rothschild S.A. has no authorised or contingent capital.

2.3. Changes in share capital

	2009 (in thousands of CHF)	2008 (in thousands of CHF)	2007 (in thousands of CHF)	2006 (in thousands of CHF)
Share capital				
Total	45,000	45,000	45,000	45,000
200,000 fully paid registered shares with a par value of CHF 100.–	20,000	20,000	20,000	20,000
50,000 fully paid bearer shares with a par value of CHF 500.–	25,000	25,000	25,000	25,000

2.4. Shares and non-voting certificates

The 200,000 unlisted registered shares with a par value of CHF 100 and the 50,000 bearer shares with a par value of CHF 500 listed on the SIX (stock market capitalisation on 31.12.2009: CHF 1.286 billion; ISIN: CH0001347498; Swiss security number: 134749TK) confer the same entitlements in proportion to their par value, in accordance with art. 7 para. 2 and 3 of our articles of incorporation. The registered and bearer shares are fully paid up.

Under art. 6 para. 5 and 6 of the articles of incorporation, the restricted registered shares confer preferential membership rights: each share, regardless of its par value (art. 15 para. 1), entitles the owner to one vote at the Annual General Meeting. Again in respect of membership rights, art. 18 para. 3 of the articles of incorporation provides that each group of shareholders (i.e. the owners of bearer or registered shares) may demand to be represented on the Board of Directors by at least one member of its choice.

2.5. Dividend-right certificates

Banque Privée Edmond de Rothschild S.A. has not issued any dividend-right certificates.

2.6. Transferability restrictions and registration of nominees

2.6.1. Transferability restrictions and provisions governing dispensations

In order for an owner or usufructuary of registered shares to exercise the voting rights and other rights accruing to him, he must first be accepted as a shareholder by the Board of Directors and have his name entered in the Bank's share register.

Under art. 6 para. 5 of the articles of incorporation, the Board of Directors may refuse the transfer of title to or use of registered shares on valid grounds, having due regard for either the corporate purpose or the Bank's desire to preserve its financial independence and, in particular, its family character.

2.6.2. Grounds for granting dispensations during the reporting year

No dispensations were granted in 2007 and none were requested.

2.6.3. Eligibility of nominees

There is no provision for dispensations from the rules governing nominees referred to in item 2.6.1. above (art. 5 of the articles of incorporation).

2.6.4. Procedure and conditions for lifting transferability restrictions

Any amendment to the provisions of the articles of incorporation relating to registered share transferability restrictions must be approved by a two-thirds majority of the votes represented at the Annual General Meeting and by an absolute majority of the par value of the shares represented.

2.7. Convertible bonds and options

Banque Privée Edmond de Rothschild S.A. has not issued any convertible bonds or options.

3. Board of Directors

3.1. Members of the Board of Directors

The Board of Directors is made up of 13 members, who in accordance with industry practice do not exercise an executive function within the Bank. Notwithstanding this, some of them do exercise managerial duties within the Group, or did so in the past.

Baron Benjamin de Rothschild

Chairman, French, 1963

Education/training

1984 Master's in Business and Management,
Pepperdine University (California)

Career summary

1985 BP, London
1985-1987 LCF Rothschild Group, Geneva and Paris
(now the Edmond de Rothschild Group)
1989 Founded Compagnie Benjamin de Rothschild
– *Chairman*

Present duties

Since 1997 Chairman of the Edmond de Rothschild Group

Directorships

Edmond de Rothschild Holding S.A. – *Chairman*
Holding Benjamin et Edmond de Rothschild
Pregny S.A. – *Chairman*
Banque Privée Edmond de Rothschild S.A.
– Geneva – *Chairman*
Banca Privata Edmond de Rothschild Lugano S.A.
– Lugano – *Chairman*
La Compagnie Benjamin de Rothschild S.A.
– Geneva – *Chairman*
Banque Privée Edmond de Rothschild Europe S.A.
– Luxembourg – *Chairman*
Compagnie Financière Saint-Honoré – Paris
– *Chairman of the Supervisory Board*
La Compagnie Financière Edmond de Rothschild
Banque – Paris – *Chairman of the Supervisory
Board*
Banque de Gestion Edmond de Rothschild
– Monaco – *Director*

Isrop Participations S.A. – Luxembourg – *Director*
The Caesarea Edmond Benjamin de Rothschild
Development Corporation Ltd – Caesarea
(Israel) – *Chairman*
Rothschild Continuation Holdings AG – Zurich
– *Director*
La Compagnie Vinicole Baron Edmond de
Rothschild S.A. – Paris – *Director*
La Compagnie Fermière Benjamin et Edmond
de Rothschild S.A. – Paris – *Director*
Société Française des Hôtels de Montagne –
Paris – *Vice-Chairman*
Cogifrance S.A. – Paris – *Director*
Assurances et Conseils Saint-Honoré – Paris
– *Chairman of the Supervisory Board*
Les Domaines Barons de Rothschild (Lafite)
– *Chairman of the Supervisory Board*
EBR Ventures – *Director*

E. Trevor Salathé

Vice-Chairman, Swiss and British, 1925

Education/training

1946 Master's in Law, University of Geneva
1948 Admitted to the Geneva Bar
1953 Trained in various departments of Société
Bancaire de Genève

Career summary, present duties and directorships

1954-1959 Executive Assistant with Société Bancaire
de Genève
1959-2000 Managing Director of Banque Privée S.A.
(which became Banque Privée Edmond de
Rothschild S.A.)
Since 1972 Vice-Chairman of Banca Privata Edmond de
Rothschild Lugano S.A.
Since 1985 Director and member of the Board Committee
of Edmond de Rothschild Holding S.A.
Since 1988 Vice-Chairman of Banque Privée Edmond
de Rothschild Europe, Luxembourg
Since 1989 Vice-Chairman of Compagnie Benjamin
de Rothschild S.A., Geneva
Since 1995 Vice-Chairman of Arbinter-Omnivalor S.A.,
Geneva (company absorbed by Banque Privée
Edmond Rothschild S.A. in 2009)

<i>Since 2000</i>	Director and Vice-Chairman of the Board of Banque Privée Edmond de Rothschild S.A., Geneva
<i>Since 2000</i>	Managing Director of Banque de Gestion Edmond de Rothschild - Monaco
<i>Since 2008</i>	Director of Edmond de Rothschild Gestion Monaco – SAM, Monaco

Manuel Dami

Secretary, Swiss, 1930

Education/training

<i>1952</i>	Master's in Law, University of Geneva
<i>1954</i>	Admitted to the Geneva Bar

Career summary

<i>1955-1956</i>	Worked for a firm of solicitors in Geneva
<i>1956-1965</i>	Legal Counsel and Secretary General of Banque pour le Commerce Suisse-Israélien, Geneva
<i>1965-1996</i>	First Vice-President, then Deputy General Manager of Banque Privée S.A. (became Banque Privée Edmond de Rothschild S.A. in 1987). Member of the Executive Committee. Assigned to organise and manage Banca Privata Edmond de Rothschild Lugano S.A. (a subsidiary of Banque Privée S.A., Geneva) in 1972

Present duties

<i>1997-present</i>	Director and Secretary of the Board of Directors of Banque Privée Edmond de Rothschild S.A., Geneva
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Directorships

Banca Privata Edmond de Rothschild Lugano S.A., Lugano
 Banque Privée Edmond de Rothschild Ltd, Nassau, Bahamas
 Memorial Adolphe de Rothschild, Geneva
 Equitas S.A., Geneva
 Administration & Gestion S.A., Geneva

John Alexander

Member, British, 1941

Education/training

BA (honours), Oxford University

Career summary

<i>1972-1983</i>	Director of Hill Samuel & Co. Limited
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Present duties

<i>Since 1984</i>	CEO of Edmond de Rothschild Limited, LCF Edmond de Rothschild Securities Limited and LCF Edmond de Rothschild Asset Management Limited, London
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Directorships

Sterling Insurance Group Limited
 The Bristol Port Company (Trustees) Limited
 First Corporate Shipping Ltd, UK
 Banque Privée Edmond de Rothschild S.A., Geneva
 Edmond de Rothschild Holding S.A., Geneva
 La Compagnie Financière Edmond de Rothschild Banque, Paris
 Banque Privée Edmond de Rothschild Europe, Luxembourg
 Compagnie Financière Saint-Honoré, Paris
 Leveraged Capital Holdings NV, Curaçao
 Trading Capital Holdings NV, Curaçao
 European Capital Holdings S.A., Luxembourg
 Asian Capital Holdings Fund, Luxembourg
 LCF Edmond de Rothschild (CI) Limited
 LCF Edmond de Rothschild Holdings (CI) Limited
 Edmond de Rothschild International Funds Ltd.
 C.A. Sperati (The Special Agency) Plc.
 CPRE Oxfordshire Buildings Preservation Trust Limited
 FEDEX Corporation S.A., Panama
 Thatchcastle Limited (United Kingdom)
 The Great Haseley Windmill Trust (United Kingdom)

Luc J. Argand

Member, Swiss, 1948

Education/training

1968	Diploma in Classical Studies, Collège Calvin (Geneva)
1968-1972	University of Geneva
1972	Master's in Law, University of Geneva
1972-1974	Articled at Antoine Hafner Solicitors
1974	Admitted to the Geneva Bar
1976	MBA, INSEAD

Career summary and present duties

1977-1981	Trained at La Compagnie Financière Benjamin & Edmond de Rothschild; Goldman Sachs, New York; NMR, London Worked for Banque Privée Edmond de Rothschild S.A., Geneva
1982-present	Partner of Pfyffer & Associés Solicitors, Geneva
Since 1986	Director of Banque Morval S.A., Geneva
1993-present	Director of Banque Privée Edmond de Rothschild S.A. Geneva
1996-1998	President of the Geneva Bar Association
1998-2006	President of the Arbitral Tribunal set up by the Self-regulating Body of the Swiss Attorneys Federation under the Law on the Prevention of Money Laundering
1990-present	Arbitrator for the Court of Arbitration for Sport, Lausanne
1998-2007	Member of the Geneva Magistrates' Upper Council
2004-present	Member of the Geneva Notaries' Supervisory Commission
Since 2005	President of the Geneva Auto Show
Since 2007	Director of Banque Syz & Co SA, Geneva

Walter Blum Gentilomo

Member, Swiss, 1941

Education/training

Studied in the UK and trained in various financial institutions

Career summary and present duties

1964	Joined Banca Solari & Blum, Lugano
1975	Became CEO of Banca Solari & Blum, Lugano
1991	Became Chairman of the Executive Committee of Banca Solari & Blum, Lugano
1998	Banca Solari & Blum becomes Banca Privata Edmond de Rothschild Lugano S.A.
Since 2002	Member of the Board of Directors and Board Committee of Banca Privata Edmond de Rothschild Lugano S.A.

Michel Cicurel

Member, French, 1947

Education/training

1969	Graduated from the Institut d'Etudes Politiques, Paris
1970	Master's in Economics
1973	Graduated from the Ecole Nationale d'Administration, Paris

Career summary

1973-1977	Headed the Financing and Trusteeships division of the French Treasury
1977-1979	Assistant Director in charge of financing for the Construction division of the Ministry of Equipment and Housing
1979-1982	Project manager, then head of the Cabinet of the Treasury Director
1983	Project manager for Compagnie Bancaire
1984	CEO of Banque Cortal
1988	Deputy CEO of Compagnie Bancaire
1989-1991	Managing Director of Galbani (Groupe BSN)
1991-Jan. 1993	Director and CEO of CERUS
1992-Jan. 1996	Chairman and CEO of Banque Duménil-Leblé
1993-1999	Vice-Chairman and CEO of CERUS

Present duties

Since Jan. 1999 Chairman of the Executive Board of La Compagnie Financière Edmond de Rothschild Banque, Paris
 Chairman of the Executive Board of Compagnie Financière Saint-Honoré, Paris

Director or member of supervisory board

Bouygues Telecom
 La Société Générale
 Member of the Supervisory Board of Publicis

François Hottinger**Member, Swiss, 1943****Education/training**

1965 French Banking Association courses at the Sorbonne
 1966-1967 Trained at BNP (ex BNCI), Paris
 1967-1968 Trained in the commercial banking department of Banque Hottinguer & Cie, Paris
 1968 Trained at Baring Bros, London

Career summary

1969-1992 Managing partner of Banque Hottinger & Cie, Zurich
 1975-1990 Managing partner of Banque Hottinguer & Cie, Paris
 1992-2008 Managing partner of J.F.E. Hottinger & Co, Zurich

Present duties

Since 1970 Director of Banque Privée Edmond de Rothschild S.A., Geneva
 Since 1992 Director of Jean-Philippe Hottinguer & Cie, Corporate Finance S.A., Paris
 Since 1992 Director of Jean-Philippe Hottinguer & Cie, Gestion Privée S.A., Paris
 Since 1995 Director of Bolux Sicav, Luxembourg
 Since 1998 Chairman of the supervisory board of Banque Jean-Philippe Hottinger & Cie, Paris
 Since 2009 Partner of J.C.E. Hottinger & Co, Zurich

Veit D. de Maddalena**Member Swiss, 1967****Education/training**

1988-1994 University of Bern
licentiatus rerum politicarum – Business Administration
 1998-1999 London Business School, London Master's in Science and Finance

Career summary

1994-1995 Credit Suisse, Chiasso
 Assistant to the Regional Manager
 1996 Credit Suisse Private Banking, Lugano
 Assistant to a member of the Executive Committee, CSPB
 1997-1998 Credit Suisse Private Banking, London
 Head of Client Management
 1999-2002 Credit Suisse (Monaco) SAM, Monaco
 Chairman and CEO
 Member of the Credit Suisse Private Banking Market Group 2 Management Committee
 2003-2006 Credit Suisse Trust Group
 Chairman and CEO
 Member of the International Private Banking Management Committee
 2006-2007 Rothschild Bank AG, Zurich
 Chairman and CEO

Present duties

Since 2008 Rothschild Private Banking & Trust
 Chairman, CEO and member of the Group Management Committee

Directorships

Banque Privée Edmond de Rothschild S.A.
 Charles Rodolphe Brupbacher Foundation
 Rothschild Private Trust Holding AG – *Chairman*
 Equitas S.A. – *Chairman*
 Rothschild Vermögensverwaltung GmbH
 INSEAD Advisory Council

Jacques-André Reymond

Member, Swiss, 1937

Education/training

1959	Master's in Law, University of Geneva
1962	Master's in Commerce, University of Geneva
1963	Degree from the Institute of Comparative Law, New York University
1966	Admitted to the Geneva Bar
1973	Ph. D. in Law, University of Geneva

Career summary

1964-1965	Articled at Shearman & Sterling, New York
1965-1966	Articled at Helg, Picot, Grandjean, Geneva
1966-1968	Worked for Lenz Solicitors
1968-1996	Worked for and in 1972 became a partner of Sandoz, Mayor, Moreillon & Reymond Solicitors
1974-1998	Professor of commercial and tax law at the Faculty of Law, University of Geneva, Dean from 1989 to 1993

Present duties

Solicitor, honorary professor at the University of Geneva, member of the Board of Directors of Banque Privée Edmond de Rothschild S.A., member of the Board of Directors of Edmond de Rothschild Holding S.A., Chairman of the Bureau of Edmond de Rothschild Holding S.A. and Vice-Chairman of the Auditing Committee of Banque Privée Edmond de Rothschild S.A.

Daniel Yves Trèves

Member, French, 1947

Education/training

1966-1969	Ecole Supérieure de Commerce de Paris
1969-1971	Master's in Business Administration, Wharton School (Philadelphia)

Career summary

1971-1984	Treasurer and Director of Financial Services for Nestle Group, Vevey
1984-1991	Head of Business Development for Tradition Group, Lausanne

Present duties

Since 1991	CEO of Compagnie Benjamin de Rothschild S.A., Geneva
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Directorships

Edmond de Rothschild Holding S.A.
 La Compagnie Financière Edmond de Rothschild Banque S.A., Paris
 Banque Privée Edmond de Rothschild Europe, Luxembourg
 Prifund Conseil S.A., Luxembourg
 Treasury Investments (C.I.) Limited, Channel Islands
 Pricam Advisory Limited, Cayman Islands
 BeCitizen SAS, Paris
 Associated Investors, British Virgin Islands
 Rolex Holding, Geneva
 Rolex SA, Geneva

Baroness Benjamin de Rothschild

Member, French, 1965

Education/training

1984	A-levels, Kinshasa (Zaire) - Nantes Academy
1988	BBA in Finance, Pace University, New York
1990	MBA in Financial management, Pace University, New York

Career summary

1988-1990	Financial analyst, then currency dealer at Société Générale, Australia and New York
1990-1995	Currency dealer at AIG, New York. Helped launch Paris subsidiary and developed business in Europe

Directorships

Since 2008	Edmond de Rothschild Holding S.A., Geneva – <i>Vice-Chairwoman</i> (since November 2009)
Since 2008	Holding Benjamin et Edmond de Rothschild Pregny S.A., Pregny
Since 2008	La Compagnie Financière Saint-Honoré, Paris
Since 2008	La Compagnie Financière Edmond de Rothschild Banque, Paris
Since 2008	Baron et Baronne Associés, Paris
Since 2008	BeCitizen SAS, Paris – <i>Chairwoman</i>
Since 2008	Banque Privée Edmond de Rothschild S.A., Geneva

Guy Wais

Member, Swiss, 1942

Education/training

1968	Degree in Chemical Engineering, Swiss Institute of Technology at Zurich
1972	MBA, INSEAD Fontainebleau

Career summary

1968-1971	Dow Chemical Europe, Zurich
1972-1992	Guyezeller AG, Zurich (now HSBC Guyezeller Bank S.A.); Chief Executive Officer and Chairman of the Executive Committee from 1989
1992-2006	Chief Executive Officer and Chairman of the Executive Committee of Rothschild Bank AG, Zurich

Present duties

Director of Rothschild Holding AG, Zurich
 Director of Rothschild Bank AG, Zurich
(since 01.07.2006)
 Director of Rothschild Bank AG, Zurich
 Member of the Auditing Committee of Banque Privée Edmond de Rothschild S.A., Geneva

None of the Directors had a close business relationship with Banque Privée Edmond de Rothschild S.A. or with a Group company.

3.2. Other activities and vested interests

Luc Argand is a member of the Geneva Notaries' Supervisory Commission.

3.3. Election and terms of the Directors

The Directors are elected for three-year terms until they reach the age of 70 during the calendar year when their term ends. Thereafter they may be elected for one-year terms. The average age of the Directors presently stands at 64.

The following table provides details of the length of Board members' current terms

Director	Member of the Board since	Term ends
Baron Benjamin de Rothschild	1985	2012
* M. E. Trevor Salathé	1959	2010
Baroness Benjamin de Rothschild	2009	2012
M. John Alexander	1994	2012
* M. Luc J. Argand	1993	2011
* M. Walter Blum Gentilomo	1994	2012
M. Michel Cicurel	1999	2011
* M. Manuel Dami	1997	2010
* M. François Hottinger	1969	2011
* M. Veit D. de Maddalena	2009	2012
* M. Jacques-André Reymond	1996	2010
M. Daniel Y. Trèves	1993	2011
* M. Guy Wais	1994	2012

* Fulfil the independence requirements provided in FINMA circular 08/24 "Supervision and internal control - banks".

Members of the Board of Directors are elected by individual ballot at an Annual General Meeting of shareholders.

3.4. Organisational structure

Board of Directors

At its meeting on 24 October 2008, the Board of Directors passed a new set of by-laws, which were approved by FINMA on 25 March 2009 (www.groupedr.ch, About Us/Investor Relations/Legal Documents).

The main new features of the by-laws are as follows:

1. In the introduction, the Bank enshrines a de facto situation when it states that in addition to its wealth management and securities dealing core business, it operates as the parent company of a banking and financial group as defined in Swiss legislation and rules on banking. As a result, the duties and powers of the Bank's governing bodies have increased;
2. The by-laws go on to state the required level of skills, experience, diligence, availability, loyalty and independence for each governing body;
3. The Bank points out that the members of its governing bodies must organise their personal and work relationships so as to avoid as much as possible any conflict of interests with the Bank and the banking and financial group of which it is the parent company;
4. The Bank cancels the Managing Director's function, which has become obsolete;
5. Both for itself and for the banking and financial group of which it is the parent company, the Bank broadens the duties and reinforces the powers of the Auditing Committee and the Internal Auditors, as well as of the Compliance Office and Risk Management department;

6. The Bank consolidates the internal monitoring, information management, reporting and risk management systems;

7. Finally, in a document appended to the by-laws the Bank's Board of Directors sets out in detail its policy regarding counterparty, market, reputational and operating risks.

The Board of Directors, made up of 13 members, is chaired by Baron Benjamin de Rothschild. E. Trevor Salathé and Manuel Dami respectively hold the offices of Vice-Chairman and Secretary. The Board of Directors operates as a collegial body. Resolutions are passed by an absolute majority of the directors present and in the event of a tie, the Chairman has the casting vote. In special circumstances, Board resolutions may be passed by circular as prescribed in the by-laws.

Committees

In accordance with the Bank's articles of incorporation and by-laws, the Board of Directors has set up a Board Committee and is empowered to set up an Auditing Committee.

These committees' main preparatory, consultative and dicisional powers are set out in the by-laws.

Board Committee

The Board of Directors has delegated some of its powers (notably relating to loans, liabilities and management oversight) to the Board Committee. The Board Committee is made up of five members, all of whom belong to the Board of Directors. Baron Benjamin de Rothschild serves as Chairman of this Committee, E. Trevor Salathé as Vice-Chairman and Manuel Dami as Secretary. The other two members of the Board Committee are John Alexander and Michel Cicurel. Resolutions are passed by an absolute majority of the directors present and in the event of a tie, the

Chairman has the casting vote. In special circumstances, Committee resolutions may be passed by circular as prescribed in the by-laws.

In 2009 the Board of Directors met five times and the Board Committee five times. On average, meetings of the Board of Directors and the Board Committee last half a day. The work of both bodies is based on agendas drawn up by their respective Secretaries and by the Chairman of the Executive Committee (see section 3.6 below). Minutes are taken at the meetings of the Board and the Committee; they are duly numbered and signed by the Chairman and Secretary. Each meeting follows a standing agenda that includes the following items: approval of the minutes of the previous meeting; report by the Chairman of the Board Committee (only for Board meetings); progress report from the Bank's headquarters, branches and affiliates; loans, liabilities and reports of major risks; legal and reputational risks (only for Board meetings); securities portfolio and long-term holdings; administrative matters; reports from the Internal Auditors; and any other business.

Auditing Committee

Under the new by-laws approved by FINMA on 25 March 2009, the Board of Directors delegates part of its powers to an Auditing Committee made up of at least three Board members. Their powers primarily include acting as a liaison unit between the Independent Auditors and the Board and supervising the activities of the Internal Auditors, the Compliance Office and the Risk Management department. The Board has appointed four of its members (E. Trevor Salathé as Chairman, Manuel Dami as Secretary, Jacques-André Reymond as Vice-Chairman and Guy Wais) to form the Auditing Committee. All four of these members have the necessary independence, skills and experience.

3.5. Powers

The Board of Directors is the Bank's highest governing body and is responsible for supervising and monitoring its operations. Under the statutes and the articles of incorporation (art. 22), it has the widest powers of oversight as regards how the Bank's business is managed. Aided by its committees, it sets the general strategy of the Bank and of the banking and financial group formed by the Bank's affiliates. It lays down the principles pertaining to organisation, management and control and ensures that they are applied. It supervises on a consolidated basis all the Swiss and foreign entities that together comprise the Banque Privée Edmond de Rothschild Group. The Board of Directors has delegated oversight of the Bank's day-to-day business to the Executive Committee (see section 4 below).

The Board of Directors has no official terms of reference. Its powers and those of its Committees are clearly delineated in the Bank's articles of incorporation and by-laws (www.groupedr.ch, About Us/Investor Relations/Legal Documents).

3.6. Meetings with and oversight of the Bank's General Management

Description of reporting by the Executive Committee and the Management Information System

At each meeting of the Board of Directors and Board Committee, the Chief Executive Officer and/or the two Deputy Chief Executive Officers report on the major decisions taken by the Executive Committee and on the operations dealt with, presenting those matters that fall within the jurisdiction of the Board or the Board Committee. However, the Chief Executive Officer and his Deputies may only participate in an advisory capacity.

To help them perform their oversight obligations, at each meeting the members of the Board of Directors are given among other documents a monthly progress report that primarily includes the Chief Executive Officer's comments, the summarised monthly accounts of the various Group entities comparing actual business performance with the budget and, finally, a list of the Group's financial investments and holdings.

At meetings the Board members also receive a quarterly report on risks noting, inter alia: the level of shareholders' equity; major risks, if any; market, interest rate and counterparty risks in the banking industry; the level of cash reserves; and risks of a legal and reputational nature.

The Board of Directors has also put facilities in place that are designed to monitor and supervise management at the Group level. These facilities are outlined on pp. 70 et seq of this annual report.

Between meetings of the Board of Directors and the Board Committee, the Chairman and Deputy Chairman of the Executive Committee keep the Chairman of the Board of Directors regularly informed on major executive decisions.

Other members of the Executive Committee, as well as other Bank executives, employees, internal auditors and external advisers or experts whose presence is needed, may also be invited to the meetings of the Board of Directors and the Board Committee. However, these persons may only participate in an advisory capacity.

Description of the internal auditing system

Pursuant to the statutes, the Board of Directors has an Internal Auditing Dept that is immediately subordinated to it in the chain of command. The chief internal auditor and his assistant are appointed by the Board, to which they report directly. The rights and obligations of the Internal Auditing Dept are set out in the Bank's by-laws. In particular, it has access to all the documents of the Bank and of the consolidated affiliates that it audits.

The Internal Auditing Dept currently has a staff of 12.

It draws up an auditing programme each year that is discussed and approved by the Auditing Committee. In addition to a detailed list of assignments planned for the current year, this programme contains a summary of the departments and functions that have been audited over the past three years and of those for which a review is scheduled in the three coming years.

This programme is also discussed with the Independent Auditors.

A separate report is drafted for each area audited. The Executive Committee's view on each item is included in the report, along with a deadline for implementing the recommended steps. At its meetings the Board of Directors deals with the Internal Auditing Dept's reports in the presence of the chief internal auditor and resolves to take additional measures when necessary. The Chief Internal Auditor and his assistant are asked to attend the meetings of the Board of Directors, the Board Committee and the Auditing Committee. In certain circumstances the Chairman of the Board may assign special tasks to the Chief Internal Auditor.

The Independent Auditors draw up an auditing plan for each financial year and submit it to the Board of Directors for discussion and implementation. The 2009 auditing plan was presented to the Board Committee at its meeting on 19 November 2009. The Board and Auditing Committees meet regularly with representatives of the Independent Auditors.

Description of the risk control and management system

Please refer to pp. 70, 71 and 72 of the “Notes to the consolidated financial statements”.



A shady courtyard on the Fredericksburg estate

4. Executive Committee

Pursuant to the statutes, to art. 23 of the articles of association and to item 3.4 of the new by-laws, the Board of Directors has set up an Executive Committee to act as the Bank's senior management body. The Executive Committee is responsible for supervising the Bank's day-to-day business in accordance with policy laid down by the Board of Directors and the Board Committee. It is currently comprised of eight members appointed by the Board of Directors and operates as a collegial body, holding weekly meetings that on average last half a day. In 2009 it met 50 times. Resolutions are passed by an absolute majority of the members present, provided they form a quorum. In the event of a tie, the Chairman has the casting vote. The Executive Committee's resolutions may also be passed by circular as prescribed in the by-laws. Minutes are taken at the meetings of the Executive Committee; they are duly numbered and signed by the Chairman and Vice-Chairman. Each meeting follows a standing agenda that covers the full range of the Bank's operations.

Each of the Bank's departments is placed under the supervision of a member of the Executive Committee (*see Group structure and shareholders, p. 23*). At meetings members report to the rest of the Committee on any major developments that have occurred in their area of responsibility.

The members of the Executive Committee receive documents and statistics issued weekly, monthly or quarterly by the departments and groups concerned. In particular, they receive a progress report containing the following: the Chief Executive Officer's comments; various statistics including summarised monthly accounts comparing actual business performance with the budget; monthly lists of financial investments; the financial statements of the various entities forming the Banque Privée Edmond de Rothschild Group; a report on risk control noting market, interest rate and counterparty risks; the level of shareholders' equity; and risks of a

legal and reputational nature (cf. compliance). The Executive Committee can also rely on the supervision and monitoring facilities described in section 3.6 above. These facilities are honed year after year to enhance their effectiveness.

To help it perform its duties, the Executive Committee has set up the following committees: a Management Committee; a Traditional Management Committee; an Alternative Management Committee; an Investment Funds Committee; a Strategy Committee; a Standing Committee for Operations; a Credit Committee; a Risk Committee; a Compliance Committee; a Security Committee and a Training Committee.

Minutes are taken at the meetings of these committees. They are numbered, dated and signed, and a copy is remitted to each member of the Executive Committee.

Other Bank executives, as well as employees, internal auditors and external advisers or experts may also be invited to the meetings of the Executive Committee. However, these persons may only participate in an advisory capacity.

4.1. Members of the Executive Committee

Claude Messulam

Chairman, Swiss, 1951

Chief Executive Officer

Education / training

1974	Master's in Commerce, University of Geneva
1975	<i>Certificat du troisième cycle d'enseignement romand en gestion d'entreprise</i>
1984	Federal Chartered Accountant's certificate

Career summary

1974-1976	Cetecom S.A.
1976-1987	Deloitte & Touche
1988-1990	Partner in charge of bank auditing in French Switzerland for Deloitte & Touche

Present duties

	Banque Privée Edmond de Rothschild S.A., Geneva in charge of: Financial Markets - Equity Markets, Forex Market Operations / Administration - IT and Telecommunications, Accounting, Financial Controlling, General Services, Internal Control (<i>see p. 23</i>)
1991-1993	Senior Vice-President, member of the Executive Committee
1994-2000	Senior Vice-President, Vice-Chairman of the Executive Committee
Since 2001	Chief Executive Officer, Chairman of the Executive Committee

Directorships

La Compagnie Benjamin de Rothschild S.A., Meyrin – *Vice Chairman*
Banca Privata Edmond de Rothschild Lugano S.A.
Banque Privée Edmond de Rothschild Europe, Luxembourg
Banque de Gestion Edmond de Rothschild - Monaco
Banque Privée Edmond de Rothschild Ltd, Nassau
LCF Edmond de Rothschild Limited, London
LCF Edmond de Rothschild *Prifund*, Luxembourg – *Chairman*
La Compagnie Financière Edmond de Rothschild Banque, Paris

Compagnie Financière Saint-Honoré, Paris
Rothschild Bank AG, Zurich
Rothschild Holding AG, Zurich
Holding Benjamin et Edmond de Rothschild Pregny S.A., Pregny-Chambésy – *Vice-Chairman*
LCF Communication S.A., Pregny-Chambésy – *Chairman*
Edmond de Rothschild International Funds Ltd (E.D.R.I.F.) Hamilton, Bermuda

Sylvain Roditi

Deputy Chairman, Swiss, 1951

Deputy Chief Executive Officer

Education / training

1970	College diploma from Institut Florimont, Geneva
1973	B. Sc., London School of Economics

Career summary

1973-1974	Trained at Keyser Ullmann S.A., Geneva
1974-1985	Co-founded and directed Stock & Commodity Services S.A., Geneva
1985-1989	CEO of Thomson McKinnon Securities Inc, Geneva
1989-1991	Senior Vice-President of Shearson Lehman Brothers, Geneva
1989-1991	Co-founded and directed SCS Alliance S.A., Geneva
1991-2000	Deputy CEO in charge of wealth management for Republic National Bank of New York (Switzerland) S.A., Geneva

Present duties

Since 2000	Deputy Chief Executive Officer and Vice-Chairman of the Executive Committee of Banque Privée Edmond de Rothschild S.A., Geneva in charge of Private Banking, Investment Funds and Structured Products (<i>see p. 23</i>)
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Directorships

Since 2000	Chairman of the Boards of Directors of Edmond de Rothschild Servicios Argentina S.A., Buenos Aires and Representación B.P. Edmond de Rothschild S.A., Montevideo – Director of LCH Investments NV, ACH Management S.A. and ECH Holdings Chairman of the Board of Directors of <i>Prifund</i> Conseil S.A., Luxembourg
Since 2009	Director of <i>Prifund</i> Conseil (Bahamas) S.A.

Jean-Pierre Pieren

Member, Swiss, 1943
Deputy Chief Executive Officer

Education/training

1970 Graduated from the Institut des Hautes Etudes Commerciales, University of Geneva

Career summary

1969-1980 Banque Privée S.A., Geneva
1980-1993 CEO of Compagnie de Banque et de Crédit S.A., Lausanne (part of the Tradition Group)
1993-1995 CEO of Banque Privée Edmond de Rothschild Lausanne S.A.

Present duties

Since 1996 Senior Vice-President and member of the Executive Committee of Banque Privée Edmond de Rothschild S.A., Geneva in charge of Human Resources, Correspondent Banking, Loans and Guarantees, Risks, Securities and Cash Management (*see p. 23*)
Since 2006 Deputy Chief Executive Officer of Banque Privée Edmond de Rothschild S.A., Geneva

Directorships

Since 1993 Director of Interterra Parking S.A., Lausanne
Since 1995 Director of Banque de Gestion Edmond de Rothschild - Monaco
Since 2008 Director of Edmond de Rothschild Gestion Monaco – SAM, Monaco

Luc Baatard

Member, Swiss, 1957
Senior Vice-President

Education/training

1967-1976 College certificate (Economics / Sciences stream) from Institut Florimont, Geneva
1977-1978 Trained at Messel & Co, London and Drexel, London
1978-1979 Trader in eurobonds at Merrill Lynch, London
1979-1981 Master's in Commerce (major in Banking), University of Geneva

Career summary

1981-1982 Securities analyst at Merrill Lynch, New York and then at Thomson McKinnon, New York
1983-1984 Assigned to manage Omnivalor, Geneva on behalf of Banque Privée Edmond de Rothschild S.A.

Present duties

Since 1996 Member of the Executive Committee of Banque Privée Edmond de Rothschild S.A., Geneva

Directorships

Since 1989 Director and member of the Board of Compagnie de Trésorerie Benjamin de Rothschild S.A., Geneva
Since 1995 Director of Banca Privata Edmond de Rothschild Lugano S.A.
Since 1996 Director and member of the Board Committee of Banca Privata Edmond de Rothschild Lugano S.A.; Banque Privée Edmond de Rothschild Europe, Luxembourg; Compagnie Benjamin de Rothschild S.A. Geneva

Philippe Currat

Member, Swiss, 1948
Senior Vice-President

Education/training

1972 Master's in Law, University of Fribourg
1976 Admitted to the Fribourg Bar

Career summary

1976-1977 Credit Depts of UBS, Fribourg and Zurich
1977-1979 Legal Dept of Banque Hentsch & Cie, Geneva
1979-1981 Partner of Etude Nouveau and Weck, Nordmann & Bussey Solicitors, Fribourg.
1981-1986 Secretary of the Federal Banking Commission (deputy to the Head of the Legal Dept)

Present duties

Since 1987 Senior Vice-President and member of the Executive Committee of Banque Privée Edmond de Rothschild S.A., Geneva
Secretary General in charge of Legal Services, Tax Services, Wealth Planning, Compliance Office, Central Register and Communications-Marketing (*see p.23*)

Directorships

Since 1988 Chairman of the Board of Directors of Privaco Trust S.A., Fribourg

Michel Lusa

Member, Swiss, 1949
Senior Vice-President

Education/training

1974 Master's in Law, University of Lausanne
1974 Master's in Economics, University of Lausanne
1979 Admitted to the Geneva Bar

Career summary

1979-1987 Asset manager at UBS, Geneva
1987-1992 Headed the Middle East section of the Wealth Management Dept at UBS, Zurich
1992-1998 Headed the Wealth Management Dept at UBS, Geneva
1998 Managing Director and Regional Market Manager for the Middle East, Israel and Africa at UBS, Geneva

Present duties

Since 1999 Senior Vice-President and member of the Executive Committee of Banque Privée Edmond de Rothschild S.A., Geneva in charge of Investment Research and the Lausanne and Fribourg branches (*see p. 23*)

Directorships

Member of the Boards of Directors of LCF Edmond de Rothschild *Prifund*, ECH Investment Ltd and Rouiller, Zurkinden & Cie Finance S.A., Fribourg

Bernard Schaub

Member, Swiss, 1955
Senior Vice-President

Education/training

1979 Master's in Law, University of Geneva

Career summary

1980-1983 Various internships with companies in Switzerland the US
1983-1995 Ferrier Lullin, Geneva
1983 Junior securities analyst
1984 Portfolio manager
1990 Head of the Independent Managers Dept
1992 Member of the Executive Committee and Co-head of the Portfolio Mgt Dept

Since 1995 Banque Privée Edmond de Rothschild S.A., Geneva Senior Vice-President in charge of administration in the Portfolio Mgt Dept

Present duties

Since 1999 Member of the Executive Board of Banque Privée Edmond de Rothschild S.A. Personnel Welfare Foundation
Since 2000 Senior Vice-President and member of the Executive Committee of Banque Privée Edmond de Rothschild S.A. in charge of Independent Managers and Coordination for the Portfolio Mgt Dept (*see p. 23*)

Directorships

Since 1997 Director of Priasia Ltd
Since 2000 Director of LCF Edmond de Rothschild *Prifund*
Since 2005 Chairman of Priasia Ltd

Patrick Ségal

Member, Swiss, 1944
Senior Vice-President

Education/training

College certificate (Mathematics and Philosophy stream) from Collège Saint-Joseph, Reims
1965-1967 Ecole Supérieure de Commerce de Paris

Career summary

1968-1970 US securities analyst for Caisse Centrale des Banques Populaires, managed the Valorem investment fund
1970-1972 Trading and Financial Mgt Depts of Banque Nationale de Paris
1972-1979 Vice-President in charge of the French American Capital Corp. (BNP Group), New York
1979-1980 Returned to Paris to manage BNP's Epargne Croissance fund; headed the securities section of BNP's Private Investment Advisory Services division

Present duties

Since 1981 Senior Vice-President and member of the Executive Committee of Banque Privée Edmond de Rothschild S.A., Geneva in charge of Capital Markets (*see p. 23*)

4.2. Other activities and vested interests

The members of the Executive Committee have no other activities or vested interests within the meaning of art. 4.2. of the SIX Guidelines on Corporate Governance.

4.3. Management contracts

No such contracts exist at Banque Privée Edmond de Rothschild S.A.



Harvesting and thinning out grapes in South Africa

5. Remuneration, profit-sharing and loans

Procedure for fixing remuneration and terms of stock options programmes

Under art. 10.2.18 and 11.2.16 of the Bank's by-laws, the Board of Directors or the Board Committee is responsible for deciding the remuneration of Board members and senior executives.

The members of the Board of Directors are paid fixed fees. The remuneration of members of the Bank's Executive Committee includes a fixed annual salary set by the Board of Directors plus a bonus dependent on the achievement of objectives. These include the Bank's quantitative (as measured by cash flow) and qualitative targets, as well as the members' own personal objectives. There is no stock option plan for members of the Board of Directors or the Executive Committee.

In accordance with article 663 bis and 663 c section 3 of the Swiss Code of Obligations, the remuneration and loans granted to current members of the Bank's governing bodies are indicated in item 15 of the Notes to the Financial Statements (*pp. 117-119 below*).

No such remuneration was paid in 2009.

There was no allotment of shares during the reporting year. For shareholdings see item 15 of the Notes to the Financial Statements on p. 120.

Banque Privée Edmond de Rothschild S.A. has not issued any options on its own shares.

There were no additional fees or remuneration in 2009 as defined in the SIX Guidelines on Corporate Governance.

6. Shareholders' rights

6.1. Limitation and representation of voting rights

Under art. 6 para. 4 of the articles of incorporation, the name and permanent address of the owners and usufructuaries of registered shares are entered in the Bank's share register. Only the owners and usufructuaries of registered shares whose inclusion in the share register is endorsed by a director may legitimately exercise the rights in respect of the Company attaching to a registered share. Para. 5, 6 and 8 state the grounds on which the Board may refuse to grant such an endorsement.

Moreover, an owner of registered shares may only be represented at an Annual General Meeting by another owner of registered shares in possession of a written proxy (cf. art. 14, para. 2). Holders of bearer shares must merely produce such shares (or comply with any other formality required by the Board under art. 14, para. 3) in order to exercise their rights.

6.2. Quorums

Annual General Meetings are deemed validly held when over half the shares are represented. In cases where this quorum is not achieved, a second meeting may be convened with the same agenda (cf. art. 15, para. 2 of the articles of incorporation). The second meeting may not take place until after at least 30 days have elapsed and is deemed validly held regardless of the number of shares represented. This must be mentioned in the notice (art. 15, para. 3).

6.3. Notice of annual general meetings

The rules pertaining to notices of AGMs are set forth in art. 11, 12 and 31 of the articles of incorporation, which draw on the provisions of the Swiss Code of Obligations.

6.4. Items on the agenda

The rules pertaining to agendas and deadlines are set forth in art. 11 and 12 of the articles of incorporation, which draw on the provisions of the Swiss Code of Obligations.

Article 11

General Meetings shall be convened by the Board of Directors and, if necessary, by the Auditors, the liquidators or the representatives of bondholders. One or more shareholders together representing at least 10 percent of the capital stock may also request that a General Meeting be convened.

Shareholders representing shares with a total par value of 1 million francs may request that an item be included in the agenda.

Any convocation or inclusion of an item in the agenda is to be requested in writing, with mention made of the topics of discussion and proposals.

Article 12

General Meetings shall be convened at least 20 days prior to the date on which they are to be held, in accordance with the procedures stipulated in article 31 for the Corporations's notices.

Items included on the agenda shall be referred to in the notice of the General Meeting, together with the proposals of the Board of Directors and the shareholders who requested the convocation or the inclusion of an item in the agenda.

6.5. Entries in the share register

In accordance with Company practice, the deadline for entering unlisted registered shares falls on the day the AGM agenda is published.

7. Take-overs and defensive measures

7.1.

The Bank has included in art. 6 para. 3 of its articles of incorporation a clause providing that bidders are not required to make a formal take-over bid pursuant to art. 32, 52 and 53 of the Swiss Stock Exchanges and Securities Trading Act.

7.2.

No member of Management (Board of Directors, Executive Committee and other senior officers) has signed a contract protecting him/her from a transfer of control by the Bank.



Transferring freshly destemmed grapes to vats at the Argentine winery

8. Independent Auditors

8.1. Duration of the auditors' mandate and of the chief auditor's term of service

Since 1982, PricewaterhouseCoopers S.A., Geneva has audited the parent company financial statements of Banque Privée Edmond de Rothschild S.A., Geneva. The financial statements of the Banque Privée Edmond de Rothschild Group are also audited by PricewaterhouseCoopers S.A. Philippe Bochud has served as chief auditor for our account since 2005.

8.2. Auditing fees

Banque Privée Edmond de Rothschild S.A. in 2009 paid a total of CHF 556,000 in auditing fees to PricewaterhouseCoopers S.A., Geneva, within the meaning of this provision of the Guidelines on Corporate Governance.

8.3. Additional fees

The Bank paid additional fees totalling CHF 93,000 (e.g. for consulting services), within the meaning of this provision of the Guidelines on Corporate Governance.

8.4. Consultation with the Independent Auditors

PricewaterhouseCoopers S.A. draws up an auditing plan each year. It drafts one report on its review of the annual financial statements and another on its prudential audit. The auditor in charge of our account discusses these reports with the Board of Directors and the Auditing Committee at three or four meetings held during the course of each year. The auditing plan was presented to the Board Committee at its meeting on 19 November 2009. The Independent Auditors' findings in respect of the annual financial statements are presented and discussed with the Board of Directors each year at its meeting in March.

The Independent Auditors have access to the Auditing at all times, as well as to the Executive Committee and to the Internal Auditing Dept., all of whom they meet with regularly.

PricewaterhouseCoopers S.A. is hired on an annual basis. The company's qualifications, performance and fees are assessed each year by the Auditing or the Board of Directors.

As required by the Swiss Financial Market Supervisory Authority FINMA, the auditor in charge of our account is rotated every seven years.

9. Information policy

Banque Privée Edmond de Rothschild S.A. provides the fullest disclosure possible to the Bank's existing and potential shareholders as well as to its employees and the general public. This information is mainly conveyed in the Bank's annual reports, at press conferences on its annual results, through interviews given to the financial media and securities analysts, at General Meetings and on the Bank's website (www.groupedr.ch, About Us/Investor Relations).

Details on risk policy and management and on the calculation of consolidated shareholders' equity are available on the Bank's website (www.groupedr.ch, About Us/Investor Relations).

Events and agenda

30 March 2010:

- Publication of the notice of the Annual General Meeting of shareholders and its agenda in the *FOSC* (full text), *Le Temps*, *L'AGEFI*, the *Neue Zürcher Zeitung* and *Finanz und Wirtschaft* (summarised editions)
- Press conference on 2009 results in Geneva
- Publication of a media release summarising our management report in the electronic media and the press, with a copy sent to our online subscribers
- Publication of the annual report

29 April 2010:

- Annual General Meeting of shareholders in Geneva, at the Château de Pregny

26 August 2010:

- Publication of our semi-annual results in the *FOSC*
- Publication of a media release summarising our management report in the electronic media and the press, with a copy sent to our online subscribers

Contacts

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Online subscriptions:

www.groupedr.ch, About Us/Investor Relations

or directly

<http://www.edmond-de-rothschild.ch/inscription.aspx>

10. Major changes since the balance sheet date

There have been no major changes since
31 December 2009.



Tasting room, Château Clarke

Financial report

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This is an English translation of the original document in French which may be obtained from the Bank. In the event of a discrepancy between the English and French versions, the French one shall prevail.

heritage material
Arts & crafts talent
impressions artisan
conservation creativity
exceptional talent
heritage artisan
exchange restoration
conservation



Arts & crafts

Breathing new life into age-old skills, carving out a place for them in modern life... by connecting with famous artists, Benjamin and Ariane de Rothschild lend their support to artisans like painters, cabinet makers and upholsterers to help promote new works. Banking is underpinned by exactly the same alliance between tradition and innovation.

Key figures

Banque Privée Edmond de Rothschild Group

	2009	2008	Change (in CHF)	Change (in %)
Consolidated profit and loss account (in thousands of CHF)				
Net interest income	66,532	111,283	(44,751)	(40.2)
Fee and commission income	476,050	561,718	(85,668)	(15.3)
Results of trading operations	102,275	116,524	(14,249)	(12.2)
Operating expenses (personnel costs and other overheads)	468,026	508,371	(40,345)	(7.9)
Group net income	136,814	201,017	(64,203)	(31.9)
Profitability (%)				
Return on equity				
- net income / average shareholders' equity (2)	11.5	17.8	-	-
Return on assets				
- net income / average assets	1.1	1.6	-	-
Shares (in CHF)				
Earnings per bearer share after deducting portion due to minority interests	1,407	2,019	(612)	(30.3)
Earnings per registered share after deducting portion due to minority interests	281	404	(122)	(30.3)
Consolidated balance sheet (in thousands of CHF)				
Due from banks	7,020,347	5,787,142	1,233,205	21.3
Advances to customers	1,441,037	1,627,652	(186,615)	(11.5)
Due to banks	352,390	440,298	(87,908)	(20.0)
Customer deposits	10,560,194	10,271,650	288,544	2.8
Shareholders' equity (1)	1,314,273	1,252,407	61,866	4.9
Balance sheet total	12,739,900	12,989,491	(249,591)	(1.9)
Assets under management (in millions of CHF)				
Total assets under management (includes double reporting)	92,204	82,298	9,906	12.0
<i>of which: - double reporting</i>	<i>10,078</i>	<i>8,449</i>	<i>1,629</i>	<i>19.3</i>
<i>Net inflow of fresh funds</i>	<i>5,633</i>	<i>5,398</i>	<i>235</i>	<i>4.4</i>
Group personnel (number of employees)				
Average number of employees	1,598	1,517	81	5.3
- in Switzerland	643	607	36	5.9
- abroad	955	910	45	4.9
Total number of employees at year-end	1,614	1,587	27	1.7
Number of employees at year-end, converted into full-time jobs	1,570	1,555	15	1.0

(1) Including Group net income before payment of dividend by parent company and minority interests.

(2) After appropriation of the parent company's earnings.

Report of the Directors

to the shareholders on the consolidated accounts of Banque Privée Edmond de Rothschild SA at the general meeting on 29 April 2010

Dear Shareholders,

2009 could qualify as an “annus horribilis”. After the subprime implosion followed by an all-out crisis of confidence and stockmarket meltdown that pushed the international financial system to the brink, last year brought upheavals in our framework conditions and private banking business. Pressure on banking secrecy was stepped up and came from all sides. In the wake of the dispute between one of our nation’s largest banks and the United States, the OECD entered the fray and placed Switzerland on a list of so-called uncooperative countries.

Our authorities bowed to international demands and agreed to apply the OECD regulations, in particular article 26 requiring an automatic exchange of information on demand, along with an end to the distinction between tax evasion and tax avoidance.

By signing 11 new tax treaties and amending seven others, Switzerland was able to have itself removed from the OECD’s so-called “greylist” on 24 Sept. 2009. Despite this, pressure on banking secrecy and on the Swiss financial sector continued. This situation created considerable concern among our clientele and consumed enormous time and energy among our staff.

Despite this extremely tough context our institution remained on track, thanks to our situation as a family-controlled wealth management company with a stable shareholder base. We continued to strive for excellence at all levels by reinforcing our core business and by enhancing our organisational structure. Investing resolutely in the future, we recruited more teams of wealth management professionals to serve our clients better.

The professionalism of the teams in charge of assembling and managing our Alpha line of funds of hedge funds enabled us to weathered the financial crisis

without having to activate “side pockets” or “gates”. We continued to honour our commitments and fulfilled all redemption applications. Today our fund of hedge funds family, complete and fully operative, is posting steady gains.

Aided by a prudent investment policy and dynamic business performance, our wealth management operations continued to grow last year. The net inflow of fresh funds totalled CHF 5.6 billion. Assets under management amounted to CHF 92.2 billion at the end of 2009, up 12% on the year-earlier level of CHF 82.3 million.

The large increase in client funds partially counterbalanced the battering of our industry’s framework conditions. We were able to generate a gross profit of CHF 211.9 million, down 33.3% on the 2008 figure (CHF 317.7 million).

Consolidated net profit came to CHF 136.8 million, marking a drop of 31.9% compared with the year-earlier level of CHF 201 million.

The Group last year continued to expand in the wealth management segment through our national and international networks.

Report of the Directors

Swiss network

Geneva

Banque Privée Edmond de Rothschild S.A., Geneva specialises in wealth management, mainly on behalf of private clients. The Bank is directed by Claude Messulam, who also coordinates Group operations from our head office. In an extremely hostile economic and market environment, BPER Geneva continued to expand throughout 2009 and registered a substantial increase in the inflow of client funds. This enabled the Bank to post a net profit of CHF 118.5 million for the reporting year, down 25.6% on the 2008 figure (CHF 159.3 million).

Fribourg

The Fribourg branch of Banque Privée Edmond de Rothschild S.A. is headed by Patrick Zurkinden. We have operated in Fribourg since 1986 with a view to extending our reach in this area astride Switzerland's French- and German-speaking communities. Despite last year's very tough economic context, business development at the branch and at the asset management firm Rouiller, Zurkinden & Cie Finance SA was in line with expectations.

Lausanne

Our Lausanne branch has operated since 1993 and currently employs a staff of 25 focused on private banking. Lausanne, as "Olympic capital" of the world, contributes to the Bank's international scope and the branch promotes our presence in Vaud Canton. Since 2002 this unit has been housed in a handsome building with appointments ideally suited to our profession and clientele. Under the guidance of Roland Humbert, business continues to grow at a gratifying pace.

Lugano

Banca Privata Edmond de Rothschild Lugano SA, headed by Robert Misrahi, is 99.8% owned by our parent company. In 2009 this subsidiary reported a net profit of CHF 18.8 million, down 42.2% on the 2008 figure of CHF 32.6 million.

The 2008 amount had included CHF 12.7 million of extraordinary income from the sale to Banque Privée Edmond de Rothschild S.A. of the subsidiary's stake in Arbinter-Omnivalor S.A. Excluding that sale, 2008 net profit would have come to CHF 19.9 million. Thus, based on an unchanged scope of consolidation 2009 net profit was down only 5.5% on the 2008 level.

Geneva

Arbinter-Omnivalor S.A., our separate asset management unit in Geneva, was fully owned by Banque Privée Edmond de Rothschild S.A. following the purchase of a 15% stake controlled by Luc Baatard and the purchase of Banca Privata Edmond de Rothschild Lugano S.A.'s 20% holding. The affiliate merged with Banque Privée Edmond de Rothschild S.A. on 1 March 2009 retroactive to 1 Jan. 2009.

International network

Luxembourg

Led by Frédéric Otto and his teams, Banque Privée Edmond de Rothschild Europe, Luxembourg last year continued to expand in line with its strategy of long-term growth and with ongoing efforts to enhance the quality of customer service. An ever broader business mix has enabled our Grand Duchy subsidiary to diversify its sources of revenue considerably.

Report of the Directors

Growth at BPERE's representative offices in Spain, Portugal, Belgium, Italy, Slovakia and Poland has proceeded in line with projections.

Considering last year's extremely shaky economic conditions, our Luxembourg affiliate reported good results. Net profit totalled CHF 44.8 million (EUR 30.2 million), down only 6% on the 2008 figure of CHF 47.7 million (EUR 32.1 million).

United Kingdom

Our London operations are directed by John Alexander and gravitate around four main lines of business. LCF Edmond de Rothschild Securities Ltd is mainly geared towards trading in bonds and emerging market funds, but has also carved out a niche in corporate finance where it is active in management buyouts and M&A activity. Marshalling the resources of institutional clients is the job of LCF Edmond de Rothschild Asset Management Ltd. Its teams of experts market and direct funds of hedge funds in close cooperation with the Group as a whole.

Our London subsidiary reported a net profit of CHF 10.4 million (GBP 6.2 million), as against CHF 12.3 million (GBP 7.9 million) in 2008, marking a fall of 15.6%.

Guernsey

In Guernsey LCF Edmond de Rothschild (C.I.) Limited provides asset risk management services on a consulting basis as well as under discretionary mandates. The company is a shareholder of the Channel Islands Stock Exchange, where it handles issuance of investment funds and notes. It also operates in the fixed-income segment.

Monaco

Our Monaco affiliate, Banque de Gestion Edmond de Rothschild - Monaco, is 54.7% owned by the Banque Privée Edmond de Rothschild Group and is run by Giampaolo Bernini. This unit posted a net profit of CHF 7.1 million (EUR 4.8 million), down 25.5% on the previous year's level of CHF 9.6 million (EUR 6.4 million).

Bahamas

Under the guidance of Gian Fadri Pinoesch, Banque Privée Edmond de Rothschild Ltd continued to grow steadily. Our Nassau subsidiary reported a net profit of CHF 5 million, 28.4% below the 2008 figure (CHF 7 million).

Roundup of 2009 results

The Group registered a consolidated net profit of CHF 136.8 million in 2009, marking a 31.9% decline compared with the previous year's level of CHF 201 million.

Revenue

Interest income totalled CHF 66.5 million, down 40.2% from CHF 111.3 million in 2008. The reasons for this decline were very low (even zero) interest rates on money markets and our highly conservative investment of surplus cash.

Income from fees and commissions fell 15.3% to CHF 476.1 million from CHF 561.7 million the previous year, reflecting our prudent management of clients' assets.

Results of trading operations amounted to CHF 102.3 million, down 12.2% on their 2008 level of CHF 116.5 million. The drop was largely due to a lower profit on currency dealing.

Report of the Directors

Other ordinary results totalled CHF 35 million versus a year-earlier figure of CHF 36.6 million. This item chiefly comprises dividends deriving from non-consolidated holdings.

Expenses

The average number of staff employed by our Group last year was 1598, up from 1517 in 2008. Personnel expenses amounted to CHF 349.4 million, compared with the previous year's level of CHF 383.1 million.

Other operating expenses fell 5.3% to CHF 118.7 million from CHF 125.2 million in 2008.

Total operating expenses came to CHF 468 million, 7.9% lower than the year-earlier level.

Gross profit

Group gross profit was down 33.3% and totalled CHF 211.9 million, versus CHF 317.7 million in 2008.

Depreciation of fixed assets worked out to CHF 35.2 million, as against CHF 32.3 million the previous year.

Extraordinary income amounted to CHF 46.3 million, up 101.7% on the 2008 figure. This item chiefly includes the release of provisions no longer required for operating purposes.

Extraordinary expenses totalled CHF 41.5 million, or CHF 15.7 million more than the CHF 25.8 million reported the previous year. This line primarily contains the allocation to Group reserves for general banking risks.

Taxes came to CHF 32.8 million, down 30.8% on the year-earlier figure of CHF 47.4 million.

Balance sheet review

The consolidated balance sheet total stood at CHF 12.7 billion at end-2009, down slightly on the year-earlier level.

Current assets including cash, bank deposits, loans to customers, mortgage bills, claims arising from money market paper and securities and precious metals held for trading purposes, totalled CHF 11.4 billion, unchanged versus the previous year's figure.

Financial investments amounted to CHF 682.4 million, as against CHF 492.3 million in 2008. Most of this rise was attributable to the stock of precious metals used to cover our clients' metal accounts.

Fixed assets stood at CHF 189.2 million, down from CHF 194.1 million at end-2008.

Adjustment accounts totalled CHF 117.5 million, compared with CHF 145 million the previous year.

"Other assets" were sharply lower at CHF 197.6 million, mainly reflecting a decrease in the positive replacement values of forward contracts. At the close of the reporting year these came to CHF 179.3 million as against CHF 602.7 million at end-2008.

On the liabilities side, borrowed funds comprised of debits on money market paper, medium-term bonds and sums due to banks and customers together amounted to CHF 10.9 billion, or 85.7% of the balance sheet total, up slightly from CHF 10.7 billion the previous year. The rise mostly stemmed from clients' deposits.

"Other liabilities" fell sharply to CHF 236.1 million, primarily as a consequence of the lower negative replacement values of forward contracts. These came to CHF 178.3 million at the close of the reporting year compared with CHF 597.5 million at end-2008.

Report of the Directors

Valuation adjustments and provisions totalled CHF 91.6 million, down from CHF 115 million in 2008.

Reserves for general banking risks were raised 15.7% to CHF 258 million from their year-earlier level of CHF 223 million.

Prior to the dividend payout, Group capital and reserves stand at CHF 1.3 billion, representing 10.3% of the balance sheet total.

Return on equity worked out to 11.5%. Shareholders' equity as required by the BIS (under Basel II) came to CHF 360.2 million. Eligible capital totalled CHF 1.1 billion. The BIS ratio (eligible capital in relation to shareholders' equity required under Swiss law) was 25.3%, well above the legal minimum.

Outlook for 2010

In 2010 the key to success will be our threefold ability to adapt to the new conditions shaping our business, to rise to the challenges ahead and to satisfy the expectations of our clients. We believe that the strategy we are pursuing will enable us to achieve these objectives.

We will continue adding new professionals to our workforce and will invest in new premises as well as in IT equipment. Our aim is not only to provide our clients with top-quality service but also to enhance our competitiveness.

We plan to go on extending our international network, in particular by opening a branch in Hong Kong that will give us better access to clients in Asia. In our view this region will be instrumental in our Group's development and future success.

Our attitude nevertheless remains guarded in view of geopolitical, economic and market environments fraught with uncertainty.

We cannot conclude this report without expressing gratitude to our shareholders and clients for their abiding trust.

Our thanks also go to our management and staff for their dedication and fine work.

The Board of Directors

Report of the statutory auditor

to the general meeting of Banque Privée Edmond de Rothschild S.A., Geneva

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Banque Privée Edmond de Rothschild S.A., which comprise the balance sheet, income statement, statement of cash flows and notes (pages 58 to 95), for the year ended 31 December 2009.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting rules for banks and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2009 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with accounting rules for banks and comply with Swiss law.

Report of the statutory auditor

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

<i>Philippe Bochud</i>	<i>Alain Lattafi</i>
<i>Audit Expert</i>	<i>Audit Expert</i>
<i>Auditor in charge</i>	

Geneva, 25 March 2010

Consolidated affiliates

at 31 December 2009

Fully consolidated entities of the Banque Privée Edmond de Rothschild Group

In Switzerland

Parent company

Banque Privée Edmond de Rothschild S.A.
Geneva
CHF 45.0 m²⁾

Bank

Banca Privata Edmond de Rothschild Lugano S.A.
Lugano
99.8 %¹⁾ CHF 5.0 m²⁾

Service companies

Privaco Trust S.A.
Geneva
100 %¹⁾ CHF 2.1 m²⁾

Les Conseillers du Léman Associés S.A.
Geneva⁵⁾
100 %¹⁾ CHF 0.1 m²⁾

Financial and asset management companies

Rouiller, Zurkinden & Cie Finance S.A.
Fribourg
100 %¹⁾ CHF 0.6 m²⁾

Cefeo Investimenti S.A.
Lugano³⁾
99.8 %¹⁾ CHF 0.1 m²⁾

Castinvest S.A.
Geneva¹⁾
100 %¹⁾ CHF 0.1 m²⁾

Priadvisory Holding S.A.
Geneva⁴⁾
100 %¹⁾ CHF 3.120 m²⁾

Figures:

1) Direct and/or indirect holding by parent company

2) Share capital

3) Wholly owned by Banca Privata Edmond de Rothschild Lugano S.A., Lugano

4) Wholly owned by Banque Privée Edmond de Rothschild Europe, Luxembourg

5) Wholly owned by Privaco Trust S.A., Geneva

Consolidated affiliates

Abroad

Banks

Banque Privée Edmond de Rothschild Europe
Luxembourg
100% ¹⁾ EUR 31.5 m ²⁾

Banque Privée Edmond de Rothschild Ltd. Nassau
Bahamas
100% ¹⁾ CHF 15.0 m ²⁾

Banque de Gestion Edmond de Rothschild - Monaco
Monaco ³⁾
54.66% ¹⁾ EUR 12.0 m ²⁾

Service and real estate companies

COPRI III S.A.
Luxembourg
100% ¹⁾ EUR 0.747 m ²⁾

Immobilière du 3 Joseph II
Luxembourg ⁷⁾
100% ¹⁾ EUR 0.064 m ²⁾

Edmond de Rothschild Real Estate -
Mediação Imobiliária S.A.
Portugal ⁸⁾
100% ¹⁾ EUR 0.050 m ²⁾

Trust and asset management companies

LCF Edmond de Rothschild
Asset Management Limited
U.K. ⁴⁾
80% ¹⁾ GBP 0.25 m ²⁾

LCF Edmond de Rothschild Fund Management Ltd
U.K. ⁴⁾
80% ¹⁾ GBP 0.25 m ²⁾

LCF Rothschild Conseil S.A.
Luxembourg ⁵⁾
100% ¹⁾ EUR 0.05 m ²⁾

LCF Edmond de Rothschild
Asset Management (C.I.) Limited
Guernsey ⁶⁾
100% ¹⁾ GBP 0.133 m ²⁾

Figures:

1) Direct and/or indirect holding by parent company

2) Share capital

3) Owned 34% by Banque Privée Edmond de Rothschild S.A., Geneva, 18% by Banca Privata Edmond de Rothschild Lugano S.A., Lugano and 2.66% by Incentive Management SAM, Monaco

4) Wholly owned by Edmond de Rothschild Limited, London

5) Owned 99.74% by Banque Privée Edmond de Rothschild Europe, Luxembourg and 0.26% par Pri Investment, Luxembourg

6) Wholly owned by La Compagnie Privée de Finance (Jersey), Jersey

7) Wholly owned by Banque Privée Edmond de Rothschild Europe, Luxembourg

8) Owned 99.9% by Banque Privée Edmond de Rothschild Europe, Luxembourg and 0.1% by LCF Edmond de Rothschild Conseil, Luxembourg

Consolidated affiliates

Abroad

Financial and brokerage firms

Edmond de Rothschild Limited London 80% ¹⁾	GBP 1.0 m ²⁾	La Compagnie Privée de Finance (Jersey) Jersey 100% ¹⁾	GBP 0.005 m ²⁾
LCF Edmond de Rothschild Securities Limited U.K. ³⁾ 80% ¹⁾	GBP 1.0 m ²⁾	LCF Edmond de Rothschild (C.I.) Limited Guernsey ⁵⁾ 100% ¹⁾	GBP 0.4 m ²⁾
Edmond de Rothschild International Funds Ltd Bermuda ⁴⁾ 62.28% ¹⁾	USD 0.4 m ²⁾	Testafid Anstalt Vaduz ⁶⁾ 99.8% ¹⁾	CHF 0.020 m ²⁾
Pri Investment Luxembourg ⁹⁾ 100% ¹⁾	EUR 0.125 m ²⁾	Rhoninvest Establishment Vaduz ¹⁾ 100% ¹⁾	CHF 0.020 m ²⁾
LCF Edmond de Rothschild Holdings (C.I.) Limited Guernsey ⁵⁾ 100% ¹⁾	GBP 0.053 m ²⁾	Incentive Management SAM Monaco ⁷⁾ 54.55% ¹⁾	EUR 0.150 m ²⁾
		Priglobal Advisory Limited Cayman Islands ⁸⁾ 100% ¹⁾	EUR 1.210 m ²⁾

Figures:

1) Direct and/or indirect holding by parent company

2) Share capital

3) Wholly owned by Edmond de Rothschild Limited, London

4) Owned 32.25% by Banque Privée Edmond de Rothschild S.A., Geneva, 2.25% by Banca Privata Edmond de Rothschild Lugano S.A., Lugano, 14.75% by Banque Privée Edmond de Rothschild Europe, Luxembourg, 11.80% by Edmond de Rothschild Limited, London, 1.23% by Banque de Gestion Edmond de Rothschild-Monaco, Monaco

5) Wholly owned by La Compagnie Privée de Finance (Jersey), Jersey

6) Wholly owned by Banca Privata Edmond de Rothschild Lugano S.A., Lugano

7) Wholly owned by Banque de Gestion Edmond de Rothschild-Monaco, Monaco

8) Wholly owned by Priadvisory Holding S.A., Geneva

9) Owned 99.92% by Banque Privée Edmond de Rothschild Europe, Luxembourg and 0.08% by LCF Rothschild Conseil S.A., Luxembourg

Consolidated affiliates

Prifund Conseil S.A. Luxembourg ³⁾ 100% ¹⁾	EUR 0.078 m ²⁾	E.C.H. Investments Ltd Luxembourg ⁴⁾ 45.50% ¹⁾	EUR 0.251 m ²⁾
Representación B.P. Edmond de Rothschild S.A. Montevideo 100% ¹⁾	USD 0.003 m ²⁾	Privaco (Uruguay) S.A. Montevideo ⁷⁾ 100% ¹⁾	USD 0.037 m ²⁾
Priasia Limited B.V.I. 100% ¹⁾	USD 0.0003 m ²⁾	Mizen Finance Corp. B.V.I. 100% ¹⁾	USD 0.0005 m ²⁾
Edmond de Rothschild Servicios Argentina S.A. Argentina ⁵⁾ 100% ¹⁾	USD 0.5 m ²⁾	LCF Fund Advisory Ltd Bermuda ⁶⁾ 62.28% ¹⁾	USD 0.050 m ²⁾
Edmond de Rothschild Conseil & Courtage d'assurances Monaco ¹⁰⁾ 54.44% ¹⁾	EUR 0.150 m ²⁾	Adjutoris Conseil Luxembourg ⁸⁾ 100% ¹⁾	EUR 0.031 m ²⁾
Iberian Renewable Energies GP. S.à r.l. Luxembourg ¹¹⁾ 100% ¹⁾	EUR 0.012 m ²⁾	Multi Alpha Advisory S.A. Luxembourg ⁹⁾ 100% ¹⁾	EUR 0.075 m ²⁾
Prifund Conseil Bahamas S.A. Bahamas 100% ¹⁾	EUR 0.070 m ²⁾	Edmond de Rothschild Gestion Monaco - SAM Monaco ¹²⁾ 54.33% ¹⁾	EUR 0.150 m ²⁾

Figures:

- 1) Direct and/or indirect holding by parent company
- 2) Share capital
- 3) Wholly owned by Banque Privée Edmond de Rothschild S.A.
- 4) Owned 19.92% by Banque Privée Edmond de Rothschild S.A., Geneva, 3.98% by Edmond de Rothschild Limited, London, 7.47% by Banque Privée Edmond de Rothschild Europe, Luxembourg, 14.13% by Edmond de Rothschild International Funds Ltd, Bermuda
- 5) Owned 95% by Banque Privée Edmond de Rothschild S.A., Geneva, 5% by Privaco Trust S.A., Geneva
- 6) Wholly owned by Edmond de Rothschild International Funds Ltd, Bermuda
- 7) Wholly owned by Privaco Trust S.A., Geneva
- 8) Owned 99.68% by Banque Privée Edmond de Rothschild Europe, Luxembourg, 0.32% by Pri Investment, Luxembourg
- 9) Owned 55% by Pri Advisory Holding S.A., Geneva, 45% by Banque Privée Edmond de Rothschild S.A., Geneva
- 10) Owned 99.60% by Banque de Gestion Edmond de Rothschild-Monaco, Monaco
- 11) Wholly owned by Banque Privée Edmond de Rothschild Europe, Luxembourg
- 12) Owned 99.40% by Banque de Gestion Edmond de Rothschild-Monaco, Monaco

Consolidation principles

The consolidated financial statements of the Banque Privée Edmond de Rothschild Group have been prepared in accordance with the provisions of the Federal Law on Banks and Savings Banks, its implementing ordinance (OB), the guidelines issued by FINMA (the Swiss Financial Market Supervisory Authority) and the provisions on the drawing up of financial statements in the Listing Rules of the Swiss Exchange. The financial statements provide a true picture of the Group's assets, financial situation and earnings.

Scope of consolidation

Group companies

The consolidated financial statements of the Banque Privée Edmond de Rothschild Group include the financial statements of the major companies operating in the banking and financial sector, as well as the real estate companies in which the parent company holds, directly or indirectly, a majority interest (for details of the companies concerned, refer to pages 58, 59, 60 and 61).

Changes in the scope of consolidation

The following company was consolidated for the first time during the reporting period:

- *Prifund Conseil* (Bahamas) S.A., Bahamas

The following companies were removed from the scope of consolidation during the reporting period:

- Merger by absorption of *Arbinter-Omnivalor* at 1 January 2009 by Banque Privée Edmond de Rothschild S.A.
- *Rushmore Finance Corp.* BVI

Holdings accounted for using the equity method

Associated companies in which the Group owns a 20% to 50% interest are consolidated using the equity method; the value shown under "Holdings" represents the Group's share in the equity and net income of these entities, rather than the value of the shares under our control.

The companies concerned are *La Compagnie Benjamin de Rothschild S.A.* (34.68%), *A.C.H. Management S.A.* (41.98%) and *LCF EdR Nikko Cordial Japon* (50%).

The difference resulting from the first consolidation is shown under "Retained earnings". The impact of applying the Group's accounting principles to the affiliated companies has been considered as minor on the consolidated financial statements. As a consequence, the equity application is based on the unadjusted accounts of the companies held.

Equity stakes accounted for under the equity method are shown under "Non-consolidated holdings".

The Group's share in the profits of companies consolidated using the equity method is presented as a separate item in the consolidated profit and loss account.

Other holdings

Majority interests of lesser impact or whose sale is envisaged, as well as other stakes of less than 50%, are disclosed under "Non-consolidated holdings".

Consolidation principles

Consolidation methods

Full consolidation method

The financial statements of all companies within the Group are fully consolidated.

All assets and liabilities, as well as expenses and income of Group companies, are fully integrated (line-by-line).

Intercompany balance sheet items and profit and loss transactions between consolidated Group companies are set off against each other.

Off-balance sheet items are also fully consolidated and set off when they relate to intercompany transactions within the Group.

Dividends are eliminated through reserves. The entitlement of third-party shareholders (minority interests) to equity and net income is disclosed separately.

Capital consolidation

The capital invested in the Group's banks and investment, asset management and real estate companies is consolidated in accordance with the purchase method.

The positive or negative differences arising from the first consolidation are disclosed under "Intangible assets" and "Retained earnings" respectively.

The value of the Bank's treasury stock, or own shares in BPER S.A., is deducted from capital and reserves and reported under "Additional paid-in capital and other reserves" at the shares' cost price. Dividends and the proceeds of subsequent sales are directly allocated to "Additional paid-in capital and other reserves".

Newly acquired companies

As a rule, newly acquired companies are included in the consolidated financial statements in the year of their acquisition.

Closing date for consolidated accounts

The consolidated companies all end their financial year on 31 December except for Priadvisory Holding S.A., *Prifund Conseil S.A.* and *Prifund Conseil (Bahamas) S.A.* whose financial years conclude on 30 November.

Valuation policies

Translation of financial statements in foreign currency

Transactions in foreign currency are reported at the exchange rate applicable on the date of the relevant transaction. Profits and losses arising from the settlement of these transactions are reported in the profit and loss account, along with profits and losses arising from the conversion at the exchange rate on the balance sheet date of claims and liabilities on money market placements denominated in foreign currency.

The balance sheets of fully consolidated companies expressed in foreign currency are translated into Swiss francs at the year-end exchange rate, except for shareholders' equity which is translated at historical rates.

The profit and loss accounts of Group companies are translated at yearly average exchange rates.

In the case of foreign companies consolidated using the equity method, the year-end market rate is applied to the Group's share of equity expressed in foreign currency. The Group's share of the net income of these affiliated companies is translated at the annual average exchange rate.

Translation differences resulting from full consolidation and from the equity method are reported as shareholders' equity in "Retained earnings".

The exchange rates used to convert sums in foreign currency are as follows:

	2009 Closing rate	Average 2009 rate	2008 Closing rate	Average 2009 rate
Major currencies				
USD	1.03	1.08	1.07	1.08
GBP	1.67	1.70	1.56	1.98
EUR	1.48	1.51	1.49	1.58

Transaction bookings and balance sheet reporting

Since 31 Dec. 2006 the balance sheet and profit and loss statement have been drawn up on the basis of settlement dates.

Results of forex and precious metals transactions

Trading positions in forex and precious metals are evaluated at year-end rates and prices.

Forward positions are estimated at year-end at the forward rate for the remainder of the period. Forex differences are recorded in the profit and loss account.

Income and expenses expressed in foreign currency are translated at the market rate prevailing on the transaction date.

Valuation policies

Fixed assets and financial investments

Fixed assets are stated at cost less depreciation (see Note 8), except for the equity stakes in associated companies consolidated as per the equity method. These are shown under "Non-consolidated holdings".

Income and expenses

The income and expenses generated by the Group companies are accounted for in the period to which they relate.

No substantial intermediate profit arises from on inter-company transactions.

Personnel welfare liabilities

Contributions are reported as personnel expenses in the profit and loss account for the year to which they relate.

Each year the Group determines whether it has derived any economic benefits or commitments from personnel welfare plans for Group staff. If any are found, they are stated in the balance sheet pursuant to rule 16 of the Swiss accounting principles (GAAP RPC 16). The difference in relation to the corresponding amount reported the previous year is included in "Personnel expenses" in the profit and loss account.

This annual study is based on contracts, on financial statements bearing a closing date no older than 12 months and drawn up in accordance with GAAP RPC 16 (in the case of Swiss pension funds) and on any other relevant calculations.

Other balance sheet and profit and loss items

The accounting principles and valuation policies concerning other items are set out in the Notes to the Consolidated Financial Statements.



Woodworking scissors and other tools

Consolidated balance sheet

at 31 December 2009 (in thousands of CHF)

	Notes	2009	2008	Change (in thousands of CHF)	Change (in %)
Assets					
Cash and other liquid assets	18	2,903,433	3,904,096	(1,000,663)	(25.6)
Claims arising from money market paper	1, 18	22,978	37,519	(14,541)	(38.8)
Due from banks	2, 18	7,020,347	5,787,142	1,233,205	21.3
Due from customers	3, 18	1,429,468	1,619,008	(189,540)	(11.7)
Mortgage loans	3, 18	11,569	8,644	2,925	33.8
Total advances to customers	4, 20	1,441,037	1,627,652	(186,615)	(11.5)
Securities and precious metals trading portfolios	5, 18	54,917	78,570	(23,653)	(30.1)
Financial investments	6, 18	682,427	492,275	190,152	38.6
Non-consolidated holdings	7, 8	89,669	87,190	2,479	2.8
Fixed assets	8	189,182	194,133	(4,951)	(2.6)
Intangible assets	8	20,814	19,040	1,774	9.3
Accrued income and prepaid expenses		117,487	144,959	(27,472)	(19.0)
Other assets	9	197,609	616,915	(419,306)	(68.0)
Total assets	8, 19, 21, 22, 23	12,739,900	12,989,491	(249,591)	(1.9)
Subordinated amounts receivable		2,518	2,985	(467)	(15.6)
Due from non-consolidated Group companies and qualifying shareholders	7, 14	30	23	7	28.4

Consolidated balance sheet

at 31 December 2009 (in thousands of CHF)

	Notes	2009	2008	Change (in thousands of CHF)	Change (in %)
Liabilities					
Liabilities arising from money market paper	18	3,045	61	2,984	-
Due to banks	18	352,390	440,298	(87,908)	(20.0)
Due to customers on savings or deposit accounts	18	7,428	8,488	(1,060)	(12.5)
Other amounts due to customers	11, 18	10,552,766	10,263,162	289,604	2.8
Total due to customers		10,560,194	10,271,650	288,544	2.8
Loans from central mortgage bond institutions		-	-	-	-
Accrued expenses and deferred income		182,295	237,942	(55,647)	(23.4)
Other liabilities	12	236,087	672,162	(436,075)	(64.9)
Valuation adjustments and provisions	13	91,616	114,972	(23,356)	(20.3)
Reserves for general banking risks	13	258,048	222,983	35,065	15.7
Share capital	14	45,000	45,000	-	-
Additional paid-in capital and other reserves		130,779	133,197	(2,418)	(1.8)
Retained earnings	15	748,056	662,811	85,246	12.9
Treasury stock		(37,929)	(42,545)	4,616	(10.8)
Minority interests in shareholders' equity	16	33,505	29,945	3,560	11.9
Consolidated net income		136,814	201,017	(64,203)	(31.9)
<i>of which: - minority interests</i>		<i>12,375</i>	<i>23,044</i>	<i>(10,669)</i>	<i>(46.3)</i>
Total Group capital and reserves	17	1,314,273	1,252,407	61,866	4.9
Total liabilities	19, 21, 23	12,739,900	12,989,491	(249,591)	(1.9)
Subordinated liabilities		-	-	-	-
Due to non-consolidated holdings and qualifying shareholders	7, 14	29,930	41,652	(11,722)	(28.1)
Off-balance sheet transactions					
Contingent liabilities	4, 20, 24, 25	408,974	460,703	(51,729)	(11.2)
Irrevocable liabilities	4	79,858	64,148	15,710	24.5
Liabilities for unpaid share capital and additional capital contributions	4	-	-	-	-
Guarantee loans		-	-	-	-
Derivative instruments	26				
Positive replacement values		179,249	602,692	(423,443)	(70.3)
Negative replacement values		178,286	597,502	(419,216)	(70.2)
Underlying values		18,444,119	24,423,355	(5,979,236)	(24.5)
Fiduciary transactions	27	8,414,002	9,202,710	(788,708)	(8.6)

Consolidated profit and loss account

for the year ended 31 December 2009 (in thousands of CHF)

	Notes	2009	2008	Change (in thousands of CHF)	Change (in %)
Interest and discount income	29	82,198	364,350	(282,152)	(77.4)
Interest and dividend income on trading portfolios	29	758	828	(70)	(8.5)
Interest and dividend income on financial investments	29	4,708	5,335	(627)	(11.8)
Interest payable	30	21,132	259,231	(238,099)	(91.8)
Interest income, net		66,532	111,283	(44,751)	(40.2)
Commission income on lending activities		1,847	1,564	283	18.1
Commission income on securities and investment transactions	31	519,374	601,313	(81,939)	(13.6)
Commission income on other services	32	72,005	83,410	(11,405)	(13.7)
Commissions payable		117,176	124,570	(7,394)	(5.9)
Fee and commission income, net		476,050	561,718	(85,668)	(15.3)
Results of trading operations	33	102,275	116,524	(14,249)	(12.2)
Proceeds from the sale of financial investments		(53)	(3,146)	3,094	(98.3)
Income from holdings		19,596	28,727	(9,131)	(31.8)
<i>of which: - holdings reported using the equity method</i>		4,896	7,187	(2,291)	(31.9)
<i>- other non-consolidated holdings</i>		14,700	21,540	(6,840)	(31.8)
Real estate income		1,181	735	446	60.7
Other ordinary income	34	14,977	11,259	3,718	33.0
Other ordinary expenses		670	1,019	(349)	(34.3)
Other ordinary results		35,031	36,556	(1,524)	(4.2)
Total operating income		679,888	826,080	(146,192)	(17.7)
Personnel expenses	35	349,376	383,135	(33,759)	(8.8)
Other operating expenses	36	118,650	125,235	(6,585)	(5.3)
Total operating expenses		468,026	508,371	(40,345)	(7.9)
Gross profit		211,862	317,709	(105,847)	(33.3)
Depreciation of fixed assets	8,37	35,154	32,322	2,832	8.8
Valuation adjustments, provisions and losses	38	11,917	34,113	(22,196)	(65.1)
Result before extraordinary items and taxes		164,791	251,274	(86,483)	(34.4)
Extraordinary income	39	46,310	22,957	23,353	101.7
Extraordinary expenses	39	41,494	25,843	15,651	60.6
Taxes	40	32,793	47,371	(14,578)	(30.8)
Consolidated net income	41, 42, 43	136,814	201,017	(64,203)	(31.9)
<i>of which: - minority interests' share in consolidated net income</i>		12,375	23,044	(10,669)	(46.3)

Consolidated cash flow statement

at 31 December 2009 (in thousands of CHF)

	2009 Source of funds	2009 Application of funds	2009 Balance	2008 Source of funds	2008 Application of funds	2008 Balance
Consolidated net income	136,814	-		201,017	-	
Depreciation of fixed assets	35,154	-		32,322	-	
Accrued income and prepaid expenses	27,472	-		5,498	-	
Accrued expenses and deferred income	-	55,647		-	41,639	
Valuation adjustments and provisions	-	23,356		12,970	-	
Reserve for general banking risks	35,065	-		17,216	-	
Previous year's dividend		108,000			216,000	
Other changes in reserves and minority interests	-	(404)		-	92,131	
Net cash used in/provided by operating activities (results of operations)	234,505	186,599	47,906	269,023	349,770	(80,747)
Share capital						
Additional paid-in capital	-	2,418		9,224	-	
Net cash used in/provided by transactions involving shareholder's equity	-	2,418		9,224	-	
Non-consolidated holdings	-	2,546		1,691	-	
Real estate	-	2,434		-	240	
Other fixed assets	-	17,980		-	32,720	
Intangible assets	-	11,530		-	12,888	
Exchange rate changes	35	-		11,191	-	
Net cash used in/provided by transactions involving financial investments and fixed assets	35	34,491	(34,456)	12,882	45,848	(32,966)
Claims arising from money market paper	14,541	-		-	17,258	
Liabilities arising from money market paper	2,984	-		-	483	
Money market transactions	17,525	-	17,525	-	17,741	(17,741)
Due from banks	-	1,233,205		2,504,101	-	
Due to banks	-	87,908		-	374,989	
Financial investments	-	190,152		-	257,094	
Banking and trading activities	-	1,511,265	(1,511,265)	2,504,101	632,083	1,872,018
Due from customers	189,540	-		281,974	-	
Mortgage loans	-	2,925		-	1,148	
Savings and deposit accounts	-	1,060		3,353	-	
Other amounts due to customers	289,604	-		1,708,657	-	
Medium-term bank bonds	-	-		-	-	
Transactions with customers	479,145	3,985	475,160	1,993,984	1,148	1,992,836
Other assets	419,306	-		-	323,025	
Other liabilities	-	436,075		304,165	-	
Other balance sheet items	419,306	436,075	(16,768)	304,165	323,025	(18,860)
Cash and other liquid assets	1,000,663	-		-	3,689,095	
Securities and precious metals trading portfolios	23,653	-		-	34,668	
Liquid assets	1,024,316	-	1,024,316	-	3,723,763	(3,723,763)
Net cash used in/provided by banking activities	1,940,293	1,951,325	(11,032)	4,802,250	4,697,760	104,490
Total cash flows	2,174,832	2,174,832		5,093,378	5,093,378	

Notes to the consolidated financial statements

Description of operations and disclosure of staff size

Banque Privée Edmond de Rothschild S.A. is a full-service bank specialising in wealth management for private and institutional clients. It is a member of SIX Swiss Exchange.

Converted to full-time jobs, the number of staff employed by the Banque Privée Edmond de Rothschild Group stood at 1570 at end-2009 versus 1555 a year earlier.

Through its network of branches and subsidiaries in Switzerland and abroad, the Group conducts on its clients' behalf all the operations customarily performed by private banking institutions. Fee and commission business on behalf of clients mainly includes portfolio management, fiduciary deposits and payment transactions, along with trading in securities, precious metals and derivative instruments. The Group also manages and administers investment funds.

In addition, the Group actively deals in debt instruments, equities, currencies, precious metals and derivatives on a proprietary basis, but does not engage in commodity trading.

Disclosure of accounting principles and valuation policies

The general accounting and consolidation principles are set out under a separate heading.

All assets, liabilities and off-balance sheet transactions reported under the same heading

Description of our risk control and management system

Risk management

Risk policy

Banque Privée Edmond de Rothschild SA ("the Bank") and the Banque Privée Edmond de Rothschild Group ("the Group") specialise in wealth management. In order to satisfy the needs of our mainly private clientele, we have to be able to offer a broad range of products and services that primarily involve currency and securities trading and credit. The Group also manages a number of investment funds and provides investment advice.

The Board of Directors has set the guidelines of the policy covering all the risks to which the Group is exposed. These are chiefly counterparty risk, market risk, operating risk and reputational risk. Rules of deontology set down in a Risk Charter as well as in circulars and internal guidelines, govern the context in which risks are monitored.

Notes to the consolidated financial statements

A structure devoted to risk management for all the Group entities has been put in place, and its responsibilities are laid down in a set of specifications. The human, organisational and technological resources made available to this structure are considerable. Cooperation between the Group entities has moreover been reinforced, enabling us to better apprehend and monitor the concentration of risk exposure from a consolidated standpoint.

Risk exposure

The Bank's exposure to risk is mitigated by prudent management of our proprietary securities and currency dealing and of our lending business.

There was a minor change in the Group's general exposure to risk in 2009. Although stockmarkets rallied and volatility subsided, a number of banks had been left tottering by the credit crunch and needed to be bailed out, thereby worsening the financial situation of certain governments. As a consequence we had to watch the situation of our financial counterparties closely, and numerous steps were taken to reduce the risk of counterparty default.

The Swiss financial industry and wealth management companies, in particular, are still under strong international pressure that could have major repercussions. Our Executive Committee is constantly focused on the resulting strategic risk. This daunting environment has increased the reputational risk, and numerous preventive measures have been taken to reduce it.

Counterparty risk

This is the risk of insolvency on the part a financial counterparty or of a client with whom the Bank is bound contractually, particularly in connection with a loan or with sums owing on financial instruments.

The counterparty risk covers credit and other commitments of all types towards clients, banks and other financial institutions that we deal with, as well as the default risk attaching to securities in the Bank's investment portfolio. The risks inherent in this exposure are sharply reduced by continuous monitoring, by rigorous counterparty selection and by the diversified, top-quality collateral we require under pledge agreements with clients and for reverse repos. The use of credit and deposit facilities by banking and financial counterparties is monitored daily, and the limits granted are updated periodically or in real time if required by a deteriorating situation. This mitigation and the monitoring of the risk of counterparty concentration together extend to all the Group entities.

Market risk

This lies in the Group's vulnerability to swings in the market value (or in the underlying value and implied volatility) of currencies, equities, precious metals and commodities and to the unfavourable impact such swings could have on our financial situation.

The Group's exposure to the market risk can be regarded as very small. The limits granted to traders are low, and their use of these is monitored constantly. Regular internal control of the business conducted in the Group's trading rooms reduces the market risk considerably.

Notes to the consolidated financial statements

Interest rate and liquidity risks

These risks concern the consequences that adverse movements in interest rates would have on the Group's net worth and net interest margin.

Interest rate risks are gauged using the most up-to-date techniques that focus on the alignment of maturities. Positions are tracked with software specially designed for the purpose. In order to ensure structural control of the balance sheet and to optimise returns, the Bank has set up an Asset and Liability Management Committee to monitor these parameters.

The Bank's reserves and cash position exceed the minimum legal requirements by a wide margin. The Executive Committee is determined to maintain a large surplus cash position at all times.

Operating risk

This is the risk of loss that the Group would suffer owing to the inadequacy or failure of internal procedures, staff, IT systems or external occurrences.

Our Bank has put a system of operating risk controls in place that covers all of our business and workflow and complies with the Basel II requirements. Group employees in charge of tracking and managing operating risks use specially designed software that makes it possible, among other things, to quantify the catalogued risks, to record operating incidents in chronological order and to draw up reports based on identical parameters for each Group subsidiary.

The Bank last year further reinforced the security of data confidentiality and improved business continuity planning, which covers all the necessary steps to ensure rapid recovery of our technical facilities, organisational structure and human resources in the event of a disaster. These efforts will be continued in 2010 to comply with the recommendations of the Swiss Bankers Association in this regard.

Outsourcing

Our Group does not outsource services within the meaning of FINMA circular 08/7.

Notes to the consolidated financial statements

(Note 4 cont'd)

	Gross value	Estimated proceeds from sale of collateral	Net value	Individual valuation adjustments
Nonperforming loans (in thousands of CHF)				
Total 2009	14,838	-	14,838	14,838
2008	19,483	4,090	15,393	15,398

Delinquent claims, i.e. claims for which the borrower is unlikely to honour his future commitments, are evaluated on an individual basis and the resulting depreciation is covered by itemised valuation adjustments. Off-balance sheet transactions, primarily involving contingent liabilities, guarantees and derivative instruments, are also included in this review. A claim is deemed delinquent when there is substantive evidence that future principal and interest payments due under contract are unlikely to be made or are over 90 days in arrears.

Interest is deemed in arrears when overdue for more than 90 days. Nonperforming loans and overdue interest do not appear in the profit and loss account, but are reported instead in "Valuation adjustments and provisions".

		2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)	
5	Securities and precious metals trading portfolios	Total	54,917	78,570	(30.1)
	Debt instruments		22,751	20,222	12.5
	<i>of which: - listed</i>		22,472	20,222	
	Equity paper		32,166	58,347	(44.9)
			54,917	78,570	

Securities are reported at their fair value on the balance sheet date (securities traded on a recognised Stock Exchange or representative market; if these conditions are not fulfilled, the securities are evaluated at their lowest quoted price); capital gains and losses are recorded under "Results of trading operations". Regarding balance sheet reporting of treasury stock, see **Note 17**.

		2009 (in thousands of CHF)	2009 (in thousands of CHF)	2008 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)
6	Financial investments	Total	682,427	492,275	492,275	38.6
		2009 Book value	2009 Fair value	2008 Book value	2008 Fair value	
	Debt instruments	186,737	190,274	213,455	216,742	
	<i>of which: - intended to be held until maturity</i>	132,129	134,222	152,407	153,521	
	<i>- reported as per lowest valuation</i>	54,608	56,052	61,048	63,221	
	Equity paper	28,299	33,486	34,882	38,124	
	<i>of which: - qualifying equity stakes (min. 10% of capital or votes)</i>	-	-	-	-	
	Precious metals	467,391	467,391	243,938	243,938	
		682,427	691,150	492,275	498,804	
	<i>of which: - securities eligible for repo agreements under liquidity regulations</i>	85,759	-	132,898	-	

Interest-bearing securities that are intended to be held until maturity are evaluated using the accrual method. Capital gains and losses are calculated for the duration of issues, i.e. until their redemption date. Interest-bearing securities that are not intended to be held until maturity appear at their lowest valuation. When the market value of listed securities is below their acquisition price or when the price of unlisted securities is below the net asset value of the issuing company, the difference is charged to "Other ordinary expenses". Precious metals held to set off commitments towards clients are stated at their fair value. Regarding balance sheet reporting of treasury stock, see **Note 17**.

Notes to the consolidated financial statements

		2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)
7 Non-consolidated holdings	Total	89,669	87,190	2.8
Holdings consolidated using the equity method		41,982	41,037	2.3
Non-consolidated majority holdings excluded from consolidation		47,687	46,153	3.3
		89,669	87,190	
"Holdings consolidated using the equity method" includes significant interests owned by the Group (20-50% of the relevant company's share capital).				
Differences arising from the first equity consolidation:				
- positive, included under "Retained earnings"		2,372	2,372	
- negative, shown under "Intangible assets"		-	-	
Companies consolidated on the balance sheet using the equity method:				
- La Compagnie Benjamin de Rothschild S.A. - Geneva, owned by: Banca Privata Edmond de Rothschild Lugano S.A., Lugano (17.34%) and Banque Privée Edmond de Rothschild S.A., Geneva (17.34%) Total share capital CHF 11,534,000.–				
- A.C.H. Management S.A., Luxembourg, owned by: Banque Privée Edmond de Rothschild S.A., Geneva (27%), Edmond de Rothschild Limited, London (5%) and Edmond de Rothschild International Funds Ltd, Bermuda (10%) Total share capital USD 87,590				
- LCF EdR Nikko Cordial, Japan, owned by: Banque Privée Edmond de Rothschild Europe, Luxembourg (50%) Total share capital JPY 100,000,000				
Due from or to holdings consolidated using the equity method:				
Due from customers		24	23	
Adjustments accounts		6	-	
Other assets		-	-	
Total assets		30	23	28.4
Other amounts due to customers		27,395	21,799	
Other liabilities		-	-	
Total liabilities		27,395	21,799	25.7
The other equity stakes are evaluated at their acquisition price less any write-offs to allow for long-term capital losses. Other capital losses are shown in the balance sheet as "Valuation adjustments and provisions" and in the relevant item of the profit and loss account.				
Due from and to majority holdings excluded from consolidation:				
Due from banks		-	-	
Total assets		-	-	-
Other amounts due to customers		-	-	
Total liabilities		-	-	-

Notes to the consolidated financial statements

	Acquisition value at 1 January 2009	Accumulated depreciation at 1 January 2009	Group value at 1 January 2009
8 Schedule of non-current assets (in thousands of CHF)			
Holdings consolidated using the equity method	41,037	-	41,037
Other holdings	46,600	(447)	46,153
Non-consolidated holdings	87,637	(447)	87,190
Bank premises	165,451	(39,627)	125,824
Other buildings	13,200	(3,196)	10,004
Other fixed assets	217,143	(158,838)	58,305
Total fixed assets	395,794	(201,661)	194,133
Goodwill	68,558	(65,758)	2,800
Other intangible assets	80,817	(64,577)	16,240
Intangible assets	149,375	(130,335)	19,040

	2009 (in thousands of CHF)	2008 (in thousands of CHF)
Fire insurance value of bank premises	149,763	150,903
Fire insurance value of other buildings	13,177	12,605
Fire insurance value of other fixed assets	118,307	112,304
Commitments: future leasing instalments under operating leases	-	-

Fixed assets

Increases and decreases in the value of holdings consolidated using the equity method are shown under "Investments" and "Divestitures" respectively.

Investments in new fixed assets which are to be used for more than one financial year and exceed the balance-sheet reporting threshold are stated at their purchase value. Investments in existing fixed assets are reported as assets if their market or usage value increases for an extended period or if their useful life increases significantly.

Fixed assets are reported in subsequent years at their purchase value less accumulated depreciation. They are written down according to a predetermined schedule throughout their useful life, and the correctness of their value is reviewed each year. If this assessment reveals a change in an asset's projected useful life or a decrease in its actual worth, the residual book value is either amortised as per the new schedule or written down accordingly at the end of the reporting period. Planned and additional unplanned write-downs are stated as expenses under "Depreciation of fixed assets" in the profit and loss account. If the reason for a write-down ceases to exist, the relevant asset is re-evaluated.

Buildings are depreciated over 66 years.

Other fixed assets are made up of furniture, machines and equipment (including any improvements being carried out on the premises). These fixed assets are depreciated over two to five years, depending on their useful lives.

Profits on sales of fixed assets are included in "Extraordinary income" and losses in "Extraordinary expenses".

Goodwill

If the cost of an acquisition exceeds its net value as assessed according to Group principles, the difference is considered goodwill and stated as an asset in the balance sheet. The positive differences arising from a company's first-time full consolidation or consolidation at equity are amortised in the profit and loss account on a straight-line basis.

Other intangible assets

Other intangible assets when acquired are reported in the balance sheet if it is believed they will provide the Group with economic benefits over a number of years. Other intangible assets created by the Group itself do not appear at their fair value: following their evaluation, they are reported in the balance sheet at their purchase price and amortised in the profit and loss account as per their residual value over a period of two to five years. The currency of the residual value is reviewed each year. If this review reveals a change in the duration of their useful lives or a decrease in their actual worth, the Group depreciates the residual book value in accordance with the new useful life or by means of an unplanned write-down.

Notes to the consolidated financial statements

Forex adjustments	Redesignations	Investments and newly consolidated assets	Divestitures and assets no longer consolidated	Depreciation, including changes in scope of consolidation	Group value at 31 December 2009
(35)	-	2,185	(1,206)	-	41,982
(33)	-	1,598	(31)	-	47,687
(68)	-	3,783	(1,237)	-	89,669
(31)	-	2,434	-	(2,681)	125,546
-	-	-	-	(300)	9,704
42	-	18,021	(41)	(22,396)	53,932
12	-	20,455	(41)	(25,377)	189,182
-	-	6,419	-	(2,126)	7,093
21	-	5,111	-	(7,651)	13,721
21	-	11,530	-	(9,777)	20,814



Reception room, Château Clarke

Notes to the consolidated financial statements

		2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)
9 Other assets	Total	197,609	616,915	(68.0)
Positive replacement value of derivative instruments		179,250	602,692	(70.3)
Other		18,359	14,222	29.1
		197,609	616,915	

	2009 Book value of assets	2009 Actual encumbrance	2008 Book value of assets	2008 Actual encumbrance
10 Assets pledged or assigned to cover own liabilities and assets subject to reservation of ownership (in thousands of CHF)				
Securities pledged to a Stock Exchange to cover settlements	22,065	-	31,508	-
Mortgage notes pledged to cover Bank premises	-	-	-	-
Other	9,387	-	8,359	-
Assets pledged or assigned to cover own liabilities	31,452	-	39,867	-
Assets subject to reservation of ownership	-	-	-	-
Total encumbrances covering own liabilities	31,452	-	39,867	-

	2009	2008
Securities lending and repurchase agreements		
Claims arising from cash pledged as collateral under securities borrowing and reverse repo agreements	5,219,618	3,261,748
Liabilities arising from cash received as collateral under securities lending and repo agreements	-	-
Securities held for own account and tendered as collateral under securities borrowing and repo agreements	-	-
<i>of which: - those which the recipient has been authorised without restriction to sell or pledge subsequently</i>		
Securities received as collateral under securities lending agreements and securities received under borrowing or reverse repo agreements which the Bank has been authorised without restriction to sell or pledge subsequently	5,254,603	3,290,418
<i>of which: - those of the above securities which were sold or pledged</i>	-	-

The fees earned or paid as a result of securities lending are reported as per the duration of the loan and appear respectively as interest income or interest charges. Repos and reverse repos are used to finance and refinance the purchase of special kinds of equities. They are stated as loans secured by financial instruments or as deposits secured by shares from the Bank's treasury stock. They are stated as advances secured by securities or as deposits for which the Bank has pledged securities. The interest income arising from reverse repos and the interest charges arising from repos are reported as per the duration of the relevant transactions.

Notes to the consolidated financial statements

	2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)
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11 Disclosure of commitments to own pension plans

	22,170	31,387	(29.4)
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Commitments to own pension plans (joint and employer foundations alike) are stated under "Other amounts due to customers".

12 Other liabilities

	Total	2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)
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Negative replacement value of derivative instruments		178,286	597,502	(70.2)
Other		57,801	74,660	(22.6)
	236,087	672,162		



Restoring a Thai Buddha

Notes to the consolidated financial statements

	Situation at end-2008	Uses and releases as designated	Changes in scope of consolidation *	Recoveries, interests at risk and forex differences	New provisions charged to profit and loss account	Releases reported in profit and loss account	Situation at end-2009
13 Valuation adjustments and provisions							
Reserves for general banking risks (in thousands of CHF)							
Provision for taxes and deferred taxes	53,247	-	(182)	212	3,517	(17,416)	39,378
Valuation adjustments and provisions for default and other risks:							
- valuation adjustments and provisions for default risks (credit and country risks)	18,937	(2,111)	-	459	2,509	(1,426)	18,369
- valuation adjustments and provisions for other operating risks		-	-	-	-	-	-
- other provisions	58,186	(11,984)	396	50	6,560	(4,501)	48,707
Subtotal	77,123	(14,095)	396	509	9,069	(5,926)	67,075
Total valuation adjustments and provisions	130,370	(14,095)	214	721	12,585	(23,342)	106,453
Less valuation adjustments deducted directly from assets:							
15,398	15,398						14,837
<i>of which: - customers</i>	<i>15,398</i>						<i>14,837</i>
Total valuation adjustments and provisions as per balance sheet	114,972						91,616
Reserves for general banking risks	222,983	-	(147)	71	41,029	(5,888)	258,048

* Includes figures of the merger by absorption of Arbinter-Omnivalor at 1 January 2009 by Banque Privée Edmond de Rothschild S.A.

Reflecting the Group's cautious stance, valuation adjustments and provisions are allocated on an individual basis to all discernible risks of loss. Valuation adjustments and provisions that become economically unnecessary during the course of a financial year are released and reported under the relevant heading in the profit and loss account. Individual valuation adjustments are deducted from the relevant balance sheet items. Deferred taxes mainly relate to temporary changes in reserves for general banking risks. They are calculated based on the average tax rate foreseen at the time the balance sheet is drawn up.

Reserves for general banking risks form part of consolidated shareholders' equity. The portion accruing to the Group minority shareholders is deducted from these reserves.

Notes to the consolidated financial statements

		2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)
14 Share capital	Total	45,000	45,000	-
200,000 fully paid registered shares with a par value of CHF 100.–		20,000	20,000	-
50,000 fully paid bearer shares with a par value of CHF 500.–		25,000	25,000	-
		45,000	45,000	
For treasury stock, see Note 17 .				
Amounts due to and from Edmond de Rothschild Holding S.A., the only shareholder with a qualifying interest in the parent company:				
Due from customers		-	-	
Total claims		-	-	-
Other amounts due to customers		2,535	19,853	
Total liabilities		2,535	19,853	(87.2)
15 Retained earnings and other reserves	Total	748,056	662,811	12.9
Retained earnings		767,663	675,958	13.6
Passive difference from consolidation and equity consolidation		7,232	9,295	(22.2)
Accrued currency translation differences		(26,839)	(22,442)	19.6
		748,056	662,811	
16 Minority interests in shareholders' equity	Total	33,505	29,945	11.9
Minority shareholders' share in retained earnings		39,063	36,968	5.7
Minority shareholders' share in accrued currency translation differences		(5,559)	(7,023)	(20.8)
		33,505	29,945	

Notes to the consolidated financial statements

	2009 (in thousands of CHF)	2008 (in thousands of CHF)
17 Statement of changes in shareholders' equity		
Share capital at beginning of year	45,000	45,000
Change	-	-
Share capital at year-end	45,000	45,000
Additional paid-in capital at beginning of year	133,197	123,973
Proceeds from sales of treasury stock	2,198	13,656
Change in treasury stock	(4,616)	(4,432)
Reclassification of treasury stock	-	-
Additional paid-in capital at year-end	130,779	133,197
Retained earnings at beginning of year	662,811	706,915
Group net income from previous year	201,017	246,402
Less minority interests' share in net income of previous year	(23,044)	(37,369)
Dividend	(108,000)	(216,000)
Reclassification of treasury stock	-	-
Effect of changes in scope of consolidation and/or equity consolidation	(7,966)	(3,344)
Change due to allocations to/releases from reserves	5,759	5,582
Effect of accrued currency translation adjustments	(4,399)	(33,301)
Depreciation of negative balances arising from first consolidation, equity consolidation and/or other factors	21,879	(6,075)
Net change during the reporting year	85,245	(44,105)
Retained earnings at year-end	748,056	662,811
Reserves for general banking risks at beginning of year	222,983	205,767
Change due to allocations to/releases from reserves	40,953	17,069
Minority interests' share in change in reserves for general banking risks	(5,888)	147
Net change during the reporting year	35,065	17,216
Reserves for general banking risks at year-end	258,048	222,983
Minority interests' share in shareholders' equity at beginning of year	29,945	52,001
Share in net income of previous period	23,044	37,369
Dividends	(22,400)	(35,960)
Effect of changes in scope of consolidation	(304)	(11,709)
Effect of accrued currency translation adjustments	1,464	(7,978)
Share in change in reserves for general banking risks	-	(147)
Other factors	1,756	(3,631)
Net change during the reporting year	3,560	(22,056)
Minority interests' share in shareholders' equity at year-end	33,505	29,945
Group net income for the period (including minority interests' share)	136,814	201,017
Treasury stock	(37,929)	(42,545)
Total Group shareholders' equity at year-end	1,314,273	1,252,407

The minority shareholders are considered as providers of funds to the Group. As a consequence, their interest is treated as Group equity. Similarly, net income attributable to minority interests is included in consolidated net income.

(Note 17 cont'd next page)

Notes to the consolidated financial statements

(Note 17 cont'd)

2009
(number of shares) 2008
(number of shares)

Own shares deducted from shareholders' equity**Treasury stock included in securities and precious metals trading portfolio**

- number of own shares at 1 Jan. 2008	115	92
- number of shares purchased during the reporting year	380	553
- number of shares sold during the reporting year	(359)	(530)
- number of own shares at 31 Dec. 2008	136	115

Treasury stock reported as financial investments

- number of own shares at 1 Jan. 2008	1,750	2,250
- number of shares purchased during the reporting year	300	1,000
- number of shares sold during the reporting year	(600)	(1,500)
- number of own shares at 31 Dec. 2008	1,450	1,750

	On demand	Callable	Within 3 months	In 3 to 12 months	In 12 months to 5 years	After 5 years	Total
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18 Maturity profile of current assets, financial investments and borrowed funds

(in thousands of CHF)

Current assets

Cash and other liquid assets	2,903,433	-	-	-	-	-	2,903,433
Claims arising from money market paper	4	-	1,566	21,408	-	-	22,978
Due from banks	772,225	114,721	6,133,347	54	-	-	7,020,347
Due from customers	-	1,002,701	95,993	136,825	36,896	157,053	1,429,468
Mortgage loans	-	11,569	-	-	-	-	11,569
Securities and precious metals held for trading purposes	54,917	-	-	-	-	-	54,917
Total 2009	3,730,579	1,128,991	6,230,906	158,287	36,896	157,053	11,442,712
2008	5,869,965	81,409	5,224,466	193,557	48,859	16,724	11,434,980

Financial investments

Total 2009	495,690	-	17,327	36,453	128,794	4,163	682,427
2008	288,231	-	15,676	43,014	137,237	8,118	492,275

Borrowed funds

Liabilities arising from money market paper	3,030	15	-	-	-	-	3,045
Due to banks	231,234	-	121,156	-	-	-	352,390
Due to customers on savings or deposit accounts	98	7,330	-	-	-	-	7,428
Other amounts due to customers	9,451,463	-	1,065,879	25,755	11	9,658	10,552,766
Total 2009	9,685,825	7,345	1,187,035	25,755	11	9,658	10,915,629
2008	7,962,148	2,949	2,629,816	112,196	-	4,901	10,712,009

Notes to the consolidated financial statements

	2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)
19 Due from and to affiliated companies			
Due from banks	51,267	253,212	
Due from customers	22	1,440	
Adjustment accounts	2,731	1,433	
Other assets	1,120	-	
Total claims	55,140	256,085	(78.5)
Due to banks	412	989	
Other amounts due to customers	7,239	1,842	
Adjustment accounts	616	748	
Other liabilities	1,987	417	
Total commitments	10,254	3,996	156.6

Affiliated companies include the majority holdings of Edmond de Rothschild Holding S.A., which are not part of the Banque Privée Edmond de Rothschild Group.

	2009 Loans	2009 Number of members	2008 Loans	2008 Number of members
20 Loans granted to the governing bodies of the Bank				
Guarantee commitments on behalf of the governing bodies of the Bank				
Remuneration paid to the governing bodies of the Bank				
Loans granted to the governing bodies (in thousands of CHF)				
- to members of boards of directors	2,399	2	2,449	4
- to members of executive committees	3,947	8	4,193	6
- to internal auditors	-	-	-	-
- to independent auditors	-	-	-	-
Total	6,346	10	6,642	10

	Commitments	Number of members	Commitments	Number of members
Guarantee commitments on behalf of: (in thousands of CHF)				
- members of boards of directors	280	3	301	5
- members of executive committees	537	8	580	8
- internal auditors	29	6	33	7
- independent auditors	-	-	-	-
Total	846	17	914	20

Notes to the consolidated financial statements

	2009	2009	2009	2008	2008	2008
	Swiss	Foreign	Total	Swiss	Foreign	Total
21 Breakdown of Swiss and foreign assets and liabilities						
(in thousands of CHF)						
Assets						
Cash and other liquid assets	2,292,303	611,130	2,903,433	1,087,729	2,816,367	3,904,096
Claims arising from money market paper	1,393	21,585	22,978	4,960	32,559	37,519
Due from banks	498,473	6,521,874	7,020,347	596,954	5,190,188	5,787,142
Due from customers	90,945	1,338,523	1,429,468	73,667	1,545,342	1,619,008
Mortgage loans	11,569	-	11,569	8,644	-	8,644
Securities and precious metals held for trading purposes	215	54,702	54,917	1,010	77,559	78,570
Financial investments	574,343	108,084	682,427	362,429	129,846	492,275
Non-consolidated holdings	78,822	10,847	89,669	76,670	10,520	87,190
Fixed assets	105,005	84,177	189,182	103,942	90,191	194,133
Intangible assets	10,902	9,912	20,814	7,504	11,536	19,040
Accrued income and prepaid expenses	6,655	110,832	117,487	24,087	120,872	144,959
Other assets	87,380	110,229	197,609	451,366	165,549	616,915
Total assets	3,758,005	8,981,895	12,739,900	2,798,963	10,190,528	12,989,491
Liabilities						
Liabilities arising from money market paper	3,045	-	3,045	61	-	61
Due to banks	18,532	333,858	352,390	37,575	402,723	440,298
Customer savings and deposit accounts	6,644	784	7,428	5,542	2,946	8,488
Other amounts due to customers	1,139,787	9,412,979	10,552,766	1,402,144	8,861,018	10,263,162
Accrued expenses and deferred income	70,159	112,136	182,295	90,690	147,252	237,942
Other liabilities	165,648	70,439	236,087	346,930	325,232	672,162
Valuation adjustments and provisions	65,154	26,462	91,616	89,764	25,208	114,972
Reserves for general banking risks	203,309	54,739	258,048	174,933	48,050	222,983
Share capital	45,000	-	45,000	45,000	-	45,000
Additional paid-in capital and other reserves	129,848	931	130,779	132,266	931	133,197
Retained earnings	539,747	208,309	748,056	474,933	187,878	662,811
Treasury stock	(37,929)	-	(37,929)	(42,545)	-	(42,545)
Minority interests' share in shareholders' equity	28	33,477	33,505	28	29,917	29,945
Consolidated net income	32,440	104,374	136,814	49,311	151,706	201,017
Total liabilities	2,381,412	10,358,488	12,739,900	2,806,632	10,182,860	12,989,491

The breakdown of Swiss and foreign origin is based on the location of the registered office of the debtor, creditor or the body issuing the shares or debt instruments. In the case of mortgage-backed securities, guarantees and liens, the place of the security interest applies.

Notes to the consolidated financial statements

	2009	2009	2008	2008
	Value	% share	Value	% share
22 Breakdown of consolidated assets by country/country group (in thousands of CHF)				
Assets				
Switzerland	3,758,005	29.5	2,798,963	21.5
Europe excluding Switzerland	8,320,586	65.3	9,390,016	72.3
North America	166,461	1.3	226,376	1.7
South America	45,081	0.4	78,810	0.6
Asia / Pacific	64,359	0.5	57,281	0.4
Caribbean	338,671	2.7	407,794	3.1
Africa Middle East	46,737	0.4	30,250	0.2
Total assets	12,739,900	100.0	12,989,491	100.0



Row of guns in the gun room

Notes to the consolidated financial statements

	CHF	USD	EURO	Other	Total
23 Breakdown of consolidated assets and liabilities by currency					
(in thousands of CHF)					
Assets					
Cash and other liquid assets	2,291,020	227	612,069	117	2,903,433
Claims arising from money market paper	3	1,368	21,604	3	22,978
Due from banks	314,537	2,288,318	4,041,537	375,955	7,020,347
Due from customers	84,613	319,368	947,786	77,701	1,429,468
Mortgage loans	10,976	-	593	-	11,569
Securities and precious metals held for trading purposes	3,009	15,549	14,485	21,874	54,917
Financial investments	183,470	13,422	18,001	467,534	682,427
Non-consolidated holdings	79,192	467	9,537	473	89,669
Fixed assets	112,987	420	75,293	482	189,182
Intangible assets	10,938	2	9,809	65	20,814
Accrued income and prepaid expenses	23,034	6,883	84,164	3,406	117,487
Other assets	177,900	899	18,772	38	197,609
Total positions reported as assets	3,291,680	2,646,923	5,853,650	947,648	12,739,900
Delivery claims arising from spot, forward and options transactions	1,713,898	7,854,941	7,036,584	1,964,059	18,569,482
Total assets 2008	5,005,578	10,501,865	12,890,233	2,911,708	31,309,383
Total assets 2007	4,336,209	14,068,394	16,816,547	1,969,078	37,190,228
Liabilities					
Liabilities arising from money market paper	3,045	-	-	-	3,045
Due to banks	1,060	252,524	64,902	33,905	352,390
Customer savings and deposit accounts	7,330	-	98	-	7,428
Other amounts due to customers	1,070,963	3,186,243	5,278,584	1,016,975	10,552,766
Accrued expenses and deferred income	70,218	1,934	90,606	19,537	182,295
Other liabilities	185,176	21	50,853	36	236,087
Valuation adjustments and provisions	65,162	182	26,272	-	91,616
Reserves for general banking risks	203,309	-	54,739	-	258,048
Share capital	45,000	-	-	-	45,000
Additional paid-in capital and other reserves	129,848	-	931	-	130,779
Retained earnings	563,553	3,032	141,899	39,572	748,056
Treasury stock	(37,929)	-	-	-	(37,929)
Minority interests' share in shareholders' equity	33	1,357	23,541	8,573	33,505
Consolidated net income	33,008	401	96,169	7,236	136,814
Total positions reported as liabilities	2,339,775	3,445,696	5,828,593	1,125,835	12,739,900
Delivery commitments arising from spot, forward and options transactions	2,766,003	7,022,819	6,986,676	1,793,985	18,569,482
Total liabilities 2008	5,105,777	10,468,515	12,815,269	2,919,820	31,309,382
Net position per currency	(100,200)	33,349	74,964	(8,113)	1
Total liabilities 2007	4,335,958	14,041,315	16,801,465	2,011,489	37,190,228

Notes to the consolidated financial statements

		2009 <small>(in thousands of CHF)</small>	2008 <small>(in thousands of CHF)</small>	Change <small>(in %)</small>
24	Contingent liabilities	408,974	460,703	(11.2)
	Irrevocable guarantees in the form of avals, sureties and guarantees (including guarantee commitments under irrevocable letters of credit), advance payment guarantees and endorsement obligations from rediscounting	344,391	408,813	(15.8)
	Performance bonds, bid bonds, letters of indemnity and other service guarantees (including service guarantees in the form of irrevocable letters of credit)	64,583	51,890	24.5
		408,974	460,703	
	For guarantee commitments made on behalf of the Bank's governing bodies, see Note 20 . These commitments are reported in "Off-balance sheet transactions" at their face value.			
25	Guarantee commitments for third parties	408,974	460,703	(11.2)
	Surety bonds	3,332	3,167	5.2
	Guarantees	405,642	457,536	(11.3)
		408,974	460,703	

Notes to the consolidated financial statements

	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Underlying values	Positive replacement values	Negative replacement values	Underlying values
26 Open interest in derivative instruments (in thousands of CHF)						
Interest rate products						
Forward contracts including FRAs	-	-	-	-	-	-
Swaps	1,433	724	67,178	-	-	-
Futures	-	-	-	-	-	-
OTC options	-	-	-	-	-	-
Traded options	-	-	-	-	-	-
Forward contracts						
Combined interest and currency swaps	120,690	163,576	13,750,652	-	-	-
Futures	53,370	10,243	4,258,481	-	-	-
OTC options	-	-	-	-	-	-
Traded options	2,333	2,323	326,266	-	-	-
Equity index products	-	-	-	-	-	-
Futures						
OTC options	-	-	-	-	-	-
Traded options	-	-	-	-	-	-
Other	1,423	1,420	41,542	-	-	-
Forward contracts	-	-	-	-	-	-
OTC options						
Traded options	-	-	-	-	-	-
Total before impact of netting agreements	-	-	-	-	-	-
Options (OTC)	-	-	-	-	-	-
Options (négociables)	-	-	-	-	-	-
Total before impact of netting agreements						
2009	179,249	178,286	18,444,119	-	-	-
2008	602,692	597,502	24,423,355	-	-	-
				Positive replacement values (accumulated)	Negative replacement values (accumulated)	
Total after impact of netting agreements						
2009			179,249		178,286	
2008			602,692		597,502	

Derivative instruments are reported at their fair value. The positive and negative replacement values represent the Bank's claims and obligations respectively, should the Bank enter into contracts identical to the initial ones with other counterparties. The positive and negative replacement values are shown in the balance sheet under "Other assets" and "Other liabilities" respectively, and in the profit and loss account under "Results of trading operations". The fair value is either the market price (if the instrument is traded on an efficient,

liquid market), the price quoted by market makers or the price determined using valuation models. The underlying value represents the net claim arising from trading in derivative instruments for own account or on behalf of customers (contract value).

(Note 26 cont'd next page)

Notes to the consolidated financial statements

(Note 26 cont'd)

	2009 Positive replacement values	2009 Negative replacement values	2009 Underlying values	2008 Positive replacement values	2008 Negative replacement values	2008 Underlying values
Open interest in derivative instruments (in thousands of CHF)						
Banks and derivatives exchanges						
- expiring in less than 1 year	91,495	154,295	11,189,031	432,911	334,837	14,355,389
- expiring in more than 1 year	-	-	-	-	-	-
Brokers	-	-	-	-	-	-
Secured customers	87,753	23,991	7,255,089	169,782	262,665	10,067,966
Unsecured customers	-	-	-	-	-	-
Total	179,249	178,286	18,444,119	602,692	597,502	24,423,355

	2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)	
27 Fiduciary transactions	Total	8,414,002	9,202,710	(8.6)
Fiduciary deposits with other banks	8,176,727	9,024,815	(9.4)	
Fiduciary loans	237,275	177,895	33.4	
	8,414,002	9,202,710		
28 Assets under management				
Assets invested in funds managed by the Bank	16,718,498	13,637,522	22.6	
Assets under discretionary management	20,377,753	18,309,677	11.3	
Other assets	55,107,884	50,349,393	9.5	
Total assets under management (incl. double reporting)	92,204,136	82,296,592	12.0	
<i>of which: - double reporting</i>	<i>10,078,172</i>	<i>8,449,163</i>	<i>19.3</i>	
<i>- net deposits/withdrawals of fresh money</i>	<i>5,633,280</i>	<i>5,398,259</i>	<i>4.4</i>	

Net entries/exits of fresh client funds includes account openings and closures as well as deposits and withdrawals by existing clients. Changes in assets due to performance (e.g. price variations, payments of interest and dividends and bank charges) are not considered as deposits/withdrawals.

29 Interest and discount income	Total	82,198	364,350	(77.4)
Due from banks	51,867	296,062	(82.5)	
<i>of which: - reverse repo interest</i>	<i>23,677</i>	<i>139,591</i>	<i>(83.0)</i>	
Claims arising from money market paper	258	1,123	(77.0)	
Advances to customers	30,073	67,165	(55.2)	
	82,198	364,350		
Interest and dividend income on trading portfolios	758	828	(8.5)	
Interest and dividend income on financial investments	4,708	5,335	(11.8)	

Notes to the consolidated financial statements

		2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)
30 Interest payable	Total	21,132	259,231	(91.8)
To banks		3,184	46,087	(93.1)
On customer deposits		17,948	213,143	(91.6)
		21,132	259,231	

31 Commission income on securities and investment transactions	Total	519,374	601,313	(13.6)
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This heading covers brokerage fees, custody fees, management fees, advisory fees and commissions on investment activities (fiduciary loans and deposits, gold, currency options, futures, investment trusts, securities transfers and new issues).

2008 contains a restatement of CHF 31.9m, thereby increasing "Commission income on securities and investment transactions" and "Commission payable".

32 Commission income on other service operations	Total	72,005	83,410	(13.7)
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Commissions on other services consist of administration fees charged to customers and commissions for safe rentals, money transfers, cheques and other services.

33 Results of trading operations	Total	102,275	116,524	(12.2)
Securities trading (including equity product and index derivatives)		46,741	47,791	(2.2)
Forex trading (including forex derivatives)		55,056	67,961	(19.0)
Precious metals (including precious metals derivatives)		478	772	(38.1)
		102,275	116,524	

Income and expenses arising from trading portfolios – profits and losses on trades, along with interest and dividends – are included in "Results of trading operations". The Group does not debit portfolio refinancing costs to these results. Results of securities lending and borrowing appear in "Interest income, net".

34 Other ordinary income	Total	14,977	11,259	33.0
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This heading mainly covers fees received, coupon collection income and VAT refunds.

Notes to the consolidated financial statements

		2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)
35 Personnel expenses	Total	349,376	383,135	(8.8)
Salaries		282,684	316,915	(10.8)
Employee benefits:				
- statutory social security		24,574	23,109	6.3
- contributions to pension funds		26,479	25,738	2.9
Other personnel expenses		15,639	17,374	(10.0)
		349,376	383,135	

“Salaries” covers the payroll of permanent and temporary staff, plus bonuses, fees paid to directors and supplementary allowances.

Personnel welfare plans

The staff of the parent company and of some affiliates are insured by the Personnel Welfare Foundation for the Staff of Banque Privée Edmond de Rothschild S.A. and Allied Companies (the “Joint Foundation”). Its purpose is to protect the staff of its member companies from the economic consequences of old age, disability and death. The Joint Foundation is semi-autonomous and operates on the basis of actual contributions (the “primacy of contributions” principle). Contribution rates increase with age. Employers pay in two-thirds of contributions and employees one-third. Death and disability coverage is financed by the Employers’ Personnel Welfare Foundation for the Staff of Banque Privée Edmond de Rothschild S.A. and Allied Companies (the “Employers’ Foundation”). Administrative overheads are covered by member employers. Employees are jointly liable in full within the Joint Foundation.

The Foundation’s latest audited financial statements showed a funding ratio of 89.8% at 31 Dec. 2008 (as against 116.2% at 31 Dec. 2007). Financial markets held up well in 2009, and this made it possible to reduce the underfunding. But even so the Foundation’s funding ratio will be less than 100% at 31 Dec. 2009. Accordingly, the Foundation Board resolved not to

index pensions in 2009 and to pay only 1.5% interest on capital savings accounts. It deems these measures adequate at this stage, given the estimated limited extent of underfunding at 31 Dec. 2009. The Board of Directors believes that any funding ratio surplus as defined in RPC 16 of the Swiss GAAP will be used for the benefit of employees and that, as a consequence, no profit will arise for the member companies.

The member companies whose staff are insured by the Joint Foundation also pay into the Employers’ Foundation. The purpose of the Employers’ Foundation is, for example, to provide additional benefits or relief allowances at its discretion. Such benefits are financed by the member companies’ voluntary contributions. The employers are jointly liable in full within the Employers’ Foundation.

The Employers’ Foundation’s latest audited financial statements showed a funding ratio of 827.6% at 31 Dec. 2008 (as against 891.5% at 31 Dec. 2007). The Board of Directors believes that this surplus will be used for the benefit of employees and that, as a consequence, no profit will arise for the member companies.

The employees of other Group entities belong to personnel welfare funds that also operate on the primacy of contributions principle.

At 31 Dec. 2009 there was no employer contributions reserve.

	2008 Funding surplus / deficit	2008 Entity's share	2007 Entity's share	Change v. previous year	Period- adjusted contributions	2008 Personnel welfare costs included in personnel expenses	2007 Personnel welfare costs included in personnel expenses
Economic benefits / commitments and personnel welfare expenses (in thousands of CHF)							
Employers’ funds / employers’ personal welfare institutions	13,796	-	-	-	4,582	4,582	3,745
Personnel welfare institutions with a surplus funding ratio	(29,640)	-	-	-	16,543	16,543	14,018
Personnel welfare institutions with no proprietary assets	-	-	-	-	4,613	4,613	6,025
Total	(15,844)	-	-	-	25,738	25,738	23,788

Economic benefits / commitments and personnel welfare expenses (in thousands of CHF)

(Note 35 cont'd next page)

Notes to the consolidated financial statements

(Note 35 cont'd)

	2009	2009	2009	2009	2008	2008	2008	2008
	CH	EU	Other country	Total	CH	EU	Other country	Total
Group personnel (number of employees)								
Average number of employees	643	911	44	1,598	607	875	35	1,517
Total number of employees at year-end	657	910	47	1,614	636	913	38	1,587
Number of employees at year-end, converted into full-time jobs	633	892	45	1,570	623	896	36	1,555

		2009	2008	Change
		(in thousands of CHF)	(in thousands of CHF)	(in %)
36 Other operating expenses	Total	118,650	125,235	(5.3)
Cost of premises		20,844	19,546	6.6
Equipment costs:				
- IT systems		21,763	20,866	4.3
- machines		454	624	(27.2)
- furniture		1,114	2,541	(56.2)
- vehicles		542	516	4.9
Other operating expenses:				
- office supplies		8,784	8,606	2.1
- communications costs		20,459	20,732	(1.3)
- professional fees and other expenses		44,690	51,804	(13.7)
		118,650	125,235	
37 Depreciation of non-current assets	Total	35,154	32,322	8.8
Fixed assets:				
- land and buildings		2,981	2,902	2.7
- office furniture, machines and equipment		22,397	21,248	5.4
Intangible assets		9,777	8,172	19.6
		35,154	32,322	

In the case of non-consolidated holdings shown at cost, only provisions for permanent capital depreciation are shown under this heading; see **Note 7**.

Depreciation of fixed assets is set out in **Note 8**.

Notes to the consolidated financial statements

		2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)
38 Valuation adjustments, provisions and losses	Total	11,917	34,113	(65.1)
Valuation adjustments and provisions		9,069	26,753	(66.1)
Losses		2,848	7,359	(61.3)
		11,917	34,113	

The breakdown of funds allocated to valuation adjustments and provisions is shown in **Note 13**.

39 Extraordinary income and expenses				
Extraordinary income		46,310	22,957	101.7
Extraordinary expenses		41,494	25,843	60.6

“Extraordinary income” mainly includes a release of other provisions no longer required for operating purposes, including the release of CHF 14.8m of deferred taxes.

“Extraordinary expenses” mainly includes an allocation of CHF 41 million to reserves for general banking risks.

40 Taxes	Total	32,793	47,371	(30.8)
Current taxes		31,919	45,377	(29.7)
Deferred taxes		874	1,994	(56.2)
		32,793	47,371	

Corporate taxes are calculated on the basis of the financial statements of each individual Group company and charged to the accounting period in which they were incurred. Tax provisions are set out in **Note 13**.

41 Consolidated net income	Total	136,814	201,017	(31.9)
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The share of minority interests in net income is incorporated in consolidated net income based on the Group unity principle explained in **Note 17**.

		2009	2008
42 Earnings per share			
Group earnings after deduction of portion due to minority interests (in thousands of CHF)		124,439	177,973
Weighted average of number of shares outstanding			
Bearer shares (par value CHF 500.–)		50,000	50,000
Registered shares (par value CHF 100.–)		200,000	200,000
Weighted average of number of shares used to calculate earnings per share (with a par value of CHF 500.–) after deducting own shares held by the Bank (Treasury stock)		88,414	88,135
Earnings per bearer share (in CHF)		1,407.46	2,019.32
Earnings per registered share (in CHF)		281.49	403.86

Notes to the consolidated financial statements

	2009	2009	2009	2008	2008	2008
	Swiss	Foreign	Total	Swiss	Foreign	Total
43 Breakdown of Group results by Swiss and foreign origin (in thousands of CHF)						
Interest and discount income	23,102	59,096	82,198	45,902	318,448	364,350
Interest and dividend income on trading portfolios	44	714	758	40	788	828
Interest and dividend income on financial investments	4,114	594	4,708	4,223	1,112	5,335
Interest payable	1,666	19,466	21,132	9,766	249,465	259,231
Interest income, net	25,594	40,938	66,531	40,399	70,884	111,283
Commission income on lending activities	1,125	722	1,847	1,116	448	1,564
Commission income on trading operations and investments	239,660	279,714	519,374	269,266	332,048	601,314
Commission income on other services	29,300	42,705	72,005	25,422	57,988	83,410
Commissions payable	57,815	59,361	117,176	56,096	68,474	124,570
Fee and commission income, net	212,270	263,779	476,049	239,708	322,010	561,718
Results of trading operations	39,083	63,192	102,275	38,817	77,707	116,524
Proceeds from the sale of financial investments	(109)	56	(53)	(521)	(2,625)	(3,146)
Total income from holdings	16,740	2,856	19,596	22,855	5,872	28,727
Real estate income	780	401	1,181	735	-	735
Other ordinary income	9,719	5,258	14,977	9,222	2,037	11,259
Other ordinary expenses	42	628	670	1,013	6	1,019
Other ordinary results	27,088	7,943	35,031	31,278	5,277	36,556
Personnel expenses	171,330	178,046	349,376	181,315	201,820	383,135
Other operating expenses	52,995	65,655	118,650	53,240	71,996	125,236
Operating expenses	224,325	243,701	468,026	234,555	273,815	508,370
Gross profit	79,710	132,151	211,861	115,647	202,062	317,709
Depreciation of fixed assets	19,014	16,140	35,154	17,144	15,178	32,322
Valuation adjustments, provisions and losses	6,803	5,114	11,917	23,398	10,715	34,113
Result before extraordinary items and taxes	53,893	110,897	164,789	75,105	176,169	251,273
Extraordinary income	22,976	23,334	46,310	10,397	12,560	22,957
Extraordinary expenses	29,576	11,918	41,494	12,937	12,906	25,843
Taxes	14,854	17,939	32,793	23,255	24,116	47,371
Consolidated net income	32,440	104,374	136,814	49,311	151,706	201,017

This breakdown of results by Swiss and foreign origin is based on the location of business operations.

Financial report

Banque Privée Edmond
de Rothschild S.A., Geneva

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pleasure excellence

The art well being
of good living altruism

altruism elegance

hospitality attentive

comfort discretion



The art of good living

The Rothschild trademark is above all attentiveness to others. The art of hospitality is first and foremost the way in which somebody views you and prepares for your arrival. There are none of the uniformity or standard practices that you see in international luxury hospitality: what matters, above anything else, is a personal welcome. This emphasis on responsiveness and attentiveness, which springs from the Rothschild family ethos, permeates every aspect of the Rothschild world.

Key figures

of Banque Privée Edmond de Rothschild S.A., Geneva

	2009	2008	Change (in CHF)	Change (in %)
Balance sheet (in thousands of CHF)				
Due from banks	2,531,441	1,299,505	1,231,936	94.8
Advances to customers	487,284	480,973	6,311	1.3
Due to banks	387,202	247,775	139,427	56.3
Customer deposits	4,696,906	2,350,810	2,346,096	99.8
Shareholders' equity (after appropriation)	625,575	586,931	38,644	6.6
Balance sheet total	6,197,568	4,106,037	2,091,531	50.9
Profit and loss account (in thousands of CHF)				
Interest income, net	22,401	31,672	(9,271)	(29.3)
Fee and commission income, net	176,207	187,165	(10,958)	(5.9)
Results of trading operations	35,197	31,535	3,662	11.6
Operating expenses (personnel costs and overheads)	202,888	207,057	(4,169)	(2.0)
Net income	118,500	159,323	(40,823)	(25.6)
Staff (number of employees)				
Number of employees at year-end (converted into full-time jobs)	549	513	36	7.0
Profitability (%)				
Return on equity	19.5	28.4	-	-
<i>- net profit / average shareholders' equity after profit appropriation</i>				
Return on assets				
<i>- net profit / average assets</i>				
	2.3	4.7	-	-
Shares				
Dividend (in thousands of CHF)	81,000	108,000	(27,000)	(25.0)
Dividend (% of share capital)	180	240	(60)	(25.0)
Stock market capitalisation (in thousands of CHF)	2,109,450	2,173,000	(63,550)	(2.9)
Data per bearer share:				
- net income per share (CHF)	1,317	1,770	(454)	(25.6)
- dividend (CHF)	900	1,200	(300)	(25.0)
- quoted price at 31.12 (CHF)	25,725	26,500	(775)	(2.9)
- gross yield (%)	3.5	4.5	-	-

The Bank's registered shares are reported at their 31 Dec. 2009 value less 20%.

Report of the Directors

**to the shareholders of Banque Privée Edmond de Rothschild S.A.
at the ordinary general meeting on 29 April 2010**

Balance sheet review

At 31 Dec. 2009 the balance sheet total stood at CHF 6.2 billion, marking a jump of CHF 2.1 billion on the year-earlier figure.

As in 2008 the increase resulted from the financial crisis, which prompted clients to move into more liquid asset classes. In order to ensure maximum security, the Bank deposited funds with counterparties under existing reverse repo agreements and effected sight deposits directly with the Swiss National Bank.

On the assets side, cash and claims arising from money market paper totalled CHF 2.1 billion, double the 2008 level of CHF 1.1 billion.

Funds due from banks rose by CHF 1.2 billion to CHF 2.5 billion, including CHF 1.9 billion held with correspondents under reverse repo agreements.

Cash, bank deposits and money market claims together came to CHF 4.7 billion. This item accounts for 75.1% of the balance sheet total.

Loans to customers amounted to CHF 487.3 million, up 1.3% on the end-2008 level. They represent 7.9% of the balance sheet total.

Securities and precious metals held for trading purposes totalled CHF 19 million, down CHF 3.6 million on the previous year's level.

Financial investments totalled CHF 552 million, up CHF 201.4 million on the year-earlier figure. Most of this rise was attributable to the stock of precious metals used to cover our clients' metal accounts.

Long-term holdings amounted to CHF 222.7 million, down CHF 46.5 million on the 2008 level. The decrease stemmed primarily from the merger of Banque Privée Edmond de Rothschild SA and Arbinter-Omnivalor SA on 1 March 2009, retroactive to 1 Jan. 2009.

Fixed assets came to CHF 90.3 million, compared with CHF 83.4 million at end-Dec. 2008.

Other assets amounted to CHF 152.8 million, down sharply on the 2008 total. The decrease was mainly attributable to the lower positive replacement values of open forward currency contracts. This item is counter-balanced by the corresponding decrease in negative replacement values included in "Other liabilities".

On the liabilities side, funds due to banks rose by CHF 139.4 million to CHF 387.2 million, chiefly reflecting cash management at the Group level.

At 31 Dec. 2009 customer deposits totalled CHF 4.7 billion as against 2.4 billion a year earlier. They account for 75.8% of the balance sheet total.

Other liabilities came to CHF 175 million, down markedly as a result of the lower negative replacement values of open forward currency contracts at the end of the reporting period.

Valuation adjustments and provisions grew by CHF 12 million to CHF 165.7 million, chiefly owing to the increase in "Other provisions".

Following appropriation of net income, shareholders' equity will amount to CHF 625.6 million, or 10.1% of the balance sheet total. On that basis return on equity at end-2009 worked out to 19.5%. Applying the BIS rules under Basel II, required shareholders' equity totalled CHF 110.3 million while eligible capital came to CHF 494.1 million. The BIS ratio stood at 35.8%.

Report of the Directors

Roundup of results

The Bank's net profit at 31 Dec. 2009 totalled CHF 118.5 million, marking a drop of 25.6% compared with the year-earlier figure of CHF 159.3 million.

Revenue

Interest income declined 29.3% versus the 2008 level to CHF 22.4 million. This reflects lower money market interest rates and our Bank's prudent investment of cash.

Income from fees and commissions amounted to CHF 176.2 million, compared with CHF 187.2 million in 2008.

Results of trading operations came to CHF 35.2 million, up CHF 3.7 million on the previous year. The increase was mainly attributable to the results of securities dealing.

Other ordinary results fell 22.7% to CHF 132.4 million. The drop was due, in particular, to the lower dividends collected on our long-term holdings and, to a lesser extent, to sales of financial investments.

Expenses

Operating expenses totalled CHF 202.9 million, down 2% on the 2008 level. Personnel expenses declined by 3.4%, while other operating costs edged up 2.6%.

At CHF 163.3 million, gross profit was down 23.9% compared with the year-earlier figure of CHF 214.7 million.

Depreciation of fixed assets totalled CHF 19.1 million, marking an increase of CHF 3.1 million on the previous year.

Valuation adjustments, provisions and losses fell by CHF 4.6 million from the end-2008 level to CHF 19.3 million.

Taxes due on our 2009 earnings are estimated at CHF 10.1 million, down by CHF 5.9 million on the year-earlier level.

Report of the Directors

Approval of the financial statements and proposed allocation

We hereby submit the financial statements for fiscal year 2009 for your approval, together with our proposal for the allocation of available income.

Proposal of the Board of Directors concerning the appropriation of earnings

Net income for 2009	CHF	118,500,142.–
Net income brought forward from previous year	CHF	7,546,639.–
Total	CHF	126,046,781.–
which we propose to appropriate as follows:		
Payment of a 180% ordinary dividend on 200,000 registered shares with a par value of CHF 100 CHF 20,000,000 at 180%	CHF	36,000,000.–
50,000 bearer shares with a par value of CHF 500 CHF 25,000,000 at 180%	CHF	45,000,000.–
Total ordinary dividend	CHF	81,000,000.–
Allocation to statutory general reserves		Nil
Allocation to other reserves	CHF	33,856,109.–
Net income carried forward	CHF	11,190,672.–
Total	CHF	126,046,781.–

Subject to your acceptance of our proposal, the dividend will be made payable via Coupon No. 23 from 4 May 2010 at all domestic counters of UBS, Credit Suisse, Rothschild Bank AG and Banque Privée Edmond de Rothschild S.A., at the rate of CHF 180 per registered share with a par value of CHF 100 and CHF 900 per bearer share with a par value of CHF 500, less 35% withholding tax.

Following the allocation of CHF 33,856,109 to other reserves, shareholders' equity will amount to CHF 625,575,673, or 10.1% of the balance sheet total.

Report of the Directors

Elections as per bylaws

The terms of E. Trevor Salathé, Manuel Dami and Jacques-André Reymond expire on the date of the 2009 Annual General Meeting. We propose that these Directors be re-elected for the periods prescribed in article 19 of the Bank's bylaws.

We further propose that a new Director, Klaus Jenny, be elected for the three-year term provided in the bylaws.

Finally, we propose that for 2010 Pricewaterhouse-Coopers SA be re-appointed as the Independent Auditors of the Bank and the Group.

Outlook for 2010

In 2010 the key to success will be our threefold ability to adapt to the new conditions shaping our business, to rise to the challenges ahead and to satisfy the expectations of our clients. We believe that the strategy we are pursuing will enable us to achieve these objectives.

We will continue adding new professionals to our workforce and will invest in new premises as well as in IT equipment. Our aim is not only to provide our clients with top-quality service but also to enhance our competitiveness.

We plan to go on extending our international network, in particular by opening a branch in Hong Kong that will give us better access to clients in Asia. In our view this region will be instrumental in our Group's development and future success.

Our attitude nevertheless remains guarded in view of geopolitical, economic and market environments fraught with uncertainty.

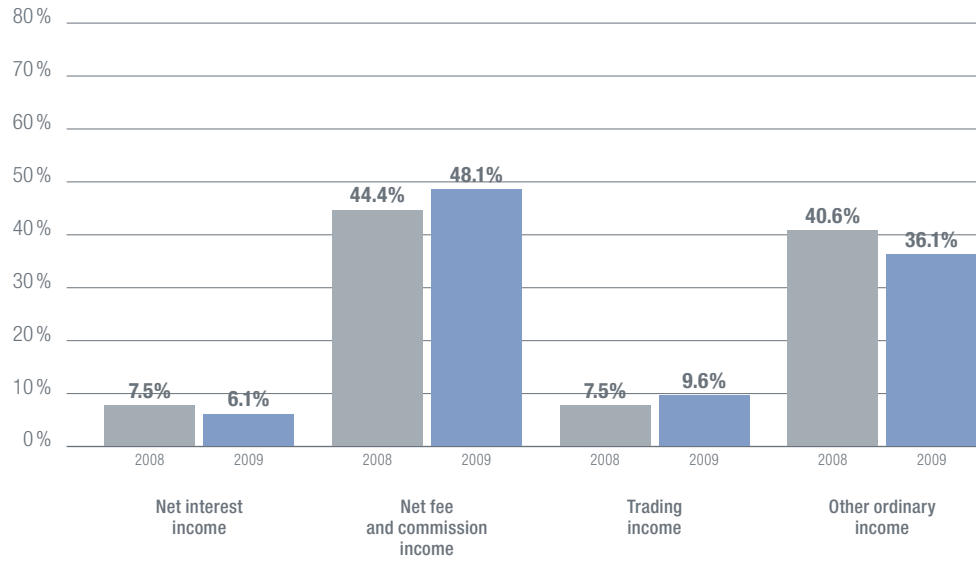
We cannot conclude this report without expressing gratitude to our shareholders and clients for their abiding trust.

Our thanks also go to our management and staff for their dedication and fine work.

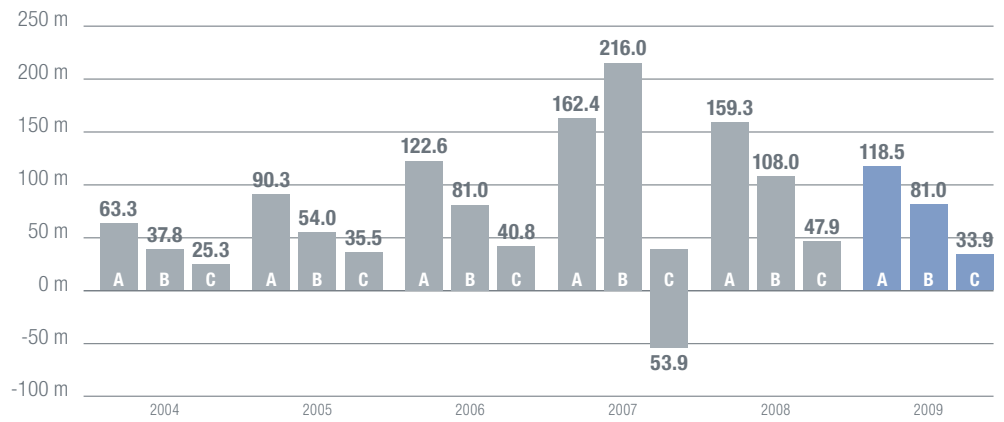
The Board of Directors

Report of the Directors

Breakdown of revenues
(% of total)



Allocation of profit
(in millions)



A Net profit
B Dividend
C Transfer to reserves

Report of the statutory auditor

to the general meeting of Banque Privée Edmond de Rothschild S.A., Geneva

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Banque Privée Edmond de Rothschild S.A., which comprise the balance sheet, income statement, statement of cash flows and notes (pages 106 to 121), for the year ended 31 December 2009.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2009 comply with Swiss law and the company's articles of incorporation.

Report of the statutory auditor

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

<i>Philippe Bochud</i>	<i>Alain Lattafi</i>
<i>Audit Expert</i>	<i>Audit Expert</i>
<i>Auditor in charge</i>	

Geneva, 25 March 2010

Balance sheet

before profit appropriation at 31 December 2009 (in thousands of CHF)

	Notes	2009	2008	Change (in thousands of CHF)	Change (in %)
Assets					
Cash and other liquid assets		2,102,495	995,309	1,107,186	111.2
Claims arising from money market paper		22,065	31,508	(9,443)	(30.0)
Due from banks	1	2,531,441	1,299,505	1,231,936	94.8
Due from customers		476,719	473,357	3,362	0.7
Mortgage loans		10,565	7,616	2,949	38.7
Total advances to customers		487,284	480,973	6,311	1.3
Securities and precious metals held for trading purposes	2	18,993	22,621	(3,628)	(16.0)
Financial investments	3	551,971	350,584	201,387	57.4
Holdings	4	222,698	269,151	(46,453)	(17.3)
Fixed assets	5	90,278	83,375	6,903	8.3
Accrued income and prepaid expenses		17,536	21,500	(3,964)	(18.4)
Other assets	6	152,807	551,511	(398,704)	(72.3)
Total assets	7, 14	6,197,568	4,106,037	2,091,531	50.9
Subordinated amounts receivable		-	-	-	-
Amounts due from Group companies and qualifying shareholders	4, 11	355,274	262,639	92,635	35.3
Liabilities					
Liabilities arising from money market paper		3,030	46	2,984	6,487.0
Due to banks		387,202	247,775	139,427	56.3
Other amounts due to customers	8	4,696,906	2,350,810	2,346,096	99.8
Total due to customers		4,696,906	2,350,810	2,346,096	99.8
Accrued expenses and deferred income		63,225	80,756	(17,531)	(21.7)
Other liabilities	9	174,954	578,065	(403,111)	(69.7)
Valuation adjustments and provisions	10	165,676	153,654	12,022	7.8
Reserves for general banking risks	10	50,000	50,000	-	-
Share capital	11	45,000	45,000	-	-
General statutory reserve		119,385	119,385	-	-
Other reserves		366,143	317,149	48,994	15.4
<i>of which: - treasury stock</i>		<i>34,430</i>	<i>39,497</i>	<i>(5,067)</i>	<i>(12.8)</i>
Net profit brought forward		7,547	4,074	3,473	85.2
Net profit for the year		118,500	159,323	(40,823)	(25.6)
Total shareholders' equity before profit appropriation	11,12,13	706,575	694,931	11,644	1.7
Total liabilities	14	6,197,568	4,106,037	2,091,531	50.9
Subordinated liabilities		-	-	-	-
Due to Group companies and qualifying shareholders	4, 11	383,036	536,432	(153,396)	(28.6)

Balance sheet

at 31 December 2009 (in thousands of CHF)

	Notes	2009	2008	Change (in thousands of CHF)	Change (in %)
Off-balance sheet transactions					
Contingent liabilities	16	207,301	212,400	(5,099)	(2.4)
Irrevocable liabilities		10,352	5,586	4,766	85.3
Derivative instruments:					
- positive replacement values		152,090	550,444	(398,354)	(72.4)
- negative replacement values		153,738	550,282	(396,544)	(72.1)
- underlying values		16,408,016	21,164,041	(4,756,025)	(22.5)
Fiduciary transactions	17	3,640,626	5,015,334	(1,374,708)	(27.4)



The table is laid, Château Clarke dining room

Profit and loss account

for the year ended 31 December 2009 (in thousands of CHF)

	Notes	2009	2008	Change (in thousands of CHF)	Change (in %)
Interest and discount income		23,879	49,991	(26,112)	(52.2)
Interest and dividend income on trading portfolios		44	40	4	10.0
Interest and dividend income on financial investments		1,454	1,176	278	23.6
Interest payable		2,976	19,535	(16,559)	(84.8)
Interest income, net		22,401	31,672	(9,271)	(29.3)
Commission income on lending activities		1,100	1,072	28	2.6
Commission income on securities and investment transactions		211,094	226,149	(15,055)	(6.7)
Commission income on other services		25,124	21,547	3,577	16.6
Commissions payable		61,111	61,603	(492)	(0.8)
Fee and commission income, net		176,207	187,165	(10,958)	(5.9)
Results of trading operations	18	35,197	31,535	3,662	11.6
Proceeds from the sale of financial investments		2,044	16,653	(14,609)	(87.7)
Income from holdings		123,142	148,382	(25,240)	(17.0)
Proceeds from real estate		165	62	103	166.1
Other ordinary income		7,063	6,736	327	4.9
Other ordinary expenses		44	498	(454)	(91.2)
Other ordinary results		132,370	171,335	(38,965)	(22.7)
Personnel expenses		152,866	158,326	(5,460)	(3.4)
Other operating expenses		50,022	48,731	1,291	2.6
Operating expenses		202,888	207,057	(4,169)	(2.0)
Gross profit		163,287	214,650	(51,363)	(23.9)
Depreciation of fixed assets		19,088	15,988	3,100	19.4
Valuation adjustments, provisions and losses		19,343	23,899	(4,556)	(19.1)
Result before extraordinary items and taxes		124,856	174,763	(49,907)	(28.6)
Extraordinary income	19	3,734	565	3,169	560.9
Extraordinary expenses	19	8	28	(20)	(71.4)
Taxes		10,082	15,977	(5,895)	(36.9)
Net income for the reporting year		118,500	159,323	(40,823)	(25.6)

Notes to the financial statements

Overview of accounting policies

The financial statements of Banque Privée Edmond de Rothschild S.A., Geneva have been prepared in accordance with the provisions of the Swiss Code of Obligations, the Federal Law on Banks and Savings Banks and its implementing ordinance (OB) as revised on 1 February 1995, and the guidelines issued by FINMA (the Swiss Financial Market Supervisory Authority). The Bank's separate financial statements provide as true a picture as possible of its assets, financial situation and earnings.

Hidden ("latent") reserves are included in the profit and loss account under the headings "Depreciation of fixed assets", "Valuation adjustments, provisions and losses" and "Extraordinary expenses". Released hidden reserves are included in "Extraordinary income".

Description of the Bank's operations and staff size

Banque Privée Edmond de Rothschild S.A. is a full-service bank specialising in wealth management for private and institutional clients. It is a member of the Swiss Exchange and became an accredited dealer in transferable securities on 3 April 1998.

Converted to full-time jobs, the number of staff employed by Banque Privée Edmond de Rothschild S.A. stood at 549 at end-2009 versus 513 a year earlier.

Through its network of branches and subsidiaries in Switzerland and abroad, the Bank conducts on its clients' behalf all the operations customarily provided by private banking institutions. Fee and commission business for the account of clients mainly includes portfolio management, fiduciary deposits and payment transactions, along with trading in securities, precious metals and derivative instruments.

The Bank also actively deals in debt instruments, equities, currencies, precious metals and derivatives on a proprietary basis, but does not engage in commodity trading.

The Bank does not outsource its services.

Notes to the financial statements

Accounting and valuation principles

The financial statements of the parent company have been drawn up in accordance with the accounting principles of the Banque Privée Edmond de Rothschild Group, with the exception of the following items:

“Holdings”

This item comprises of interests in associated establishments of either a long-term or infrastructural nature (regardless of the percentage stake). These holdings are stated, at most, at their acquisition value.

“Fixed assets”

This item includes Bank premises, other buildings, furniture, machines and equipment, as well as intangible assets.

Fixed assets are evaluated at their acquisition cost, less the relevant depreciation for each fixed asset category.

Risk management

The principles adopted by the Group regarding control of market, credit, interest rate and country risks also apply to the parent company.



Chalet Alice in the evening light

Notes to the financial statements

		2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)	
1	Due from banks	Total	2,531,441	1,299,505	94.8
	Due from banks on		649,807	580,380	12.0
	reverse repos		1,881,634	719,125	161.7
			2,531,441	1,299,505	

2	Securities and precious metals portfolios held for trading purposes	Total	18,993	22,621	(16.0)
	Swiss shares and other securities:				
	- banks		3,499	3,048	14.8
	<i>of which: - treasury stock</i>		<i>3,499</i>	<i>3,048</i>	
	Foreign shares and other securities		15,494	19,573	(20.8)
	Precious metals		-	-	-
			18,993	22,621	

		2009 (number of shares)	2008 (number of shares)	Change (in %)	
	Treasury stock owned by Banque Privée Edmond de Rothschild S.A., Geneva at 31 December	Total	136	115	18.3

Treasury stock transactions are reported at the market price on the trade date and are carried out as part of the Bank's customary trading operations.

		2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)	
3	Financial investments	Total	551,971	350,584	57.4
	Swiss bonds:				
	- Federal Government		8,422	14,122	
	- cantons and municipalities		559	559	
	- banks		6,802	4,240	
	- financial services companies		897	298	
	- industrial enterprises		3,584	1,446	
			20,264	20,665	(1.9)
	Swiss shares and other securities:				
	- banks		34,430	39,497	
	<i>of which treasury stock</i>		<i>34,430</i>	<i>39,497</i>	
			34,430	39,497	(12.8)
	Foreign bonds:				
	- public corporations		6,034	5,531	
	- other		25,767	26,752	
			31,801	32,283	(1.5)
	Precious metals		453,774	243,938	86.0
	Units of investment trusts		11,702	14,201	(17.6)
			551,971	350,584	

(Note 3 cont'd next page)

Notes to the financial statements

(Note 3 cont'd)

	2009 (number of shares)	2008 (number of shares)	Change (in %)
Treasury stock owned by Banque Privée Edmond de Rothschild S.A., Geneva at 31 December	1,450	1,750	(17.1)

	2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)	
4 Holdings	Total	222,698	269,151	(17.3)
Swiss shares and other securities:				
- banks	94,748	94,748		
- financial companies	45,572	92,215		
- real estate companies	483	483		
	140,803	187,446		(24.9)
Foreign shares and other securities:				
- banks	78,001	78,001		
- financial companies	1,557	1,367		
- real estate companies	2,337	2,337		
	81,895	81,705		0.2

	2009 Share capital (in millions)	2009 Per cent stake	2008 Per cent stake
Details of significant holdings			
Banks:			
Banca Privata Edmond de Rothschild Lugano S.A., Lugano	CHF 5.0	99.8%	99.8%
Banque Privée Edmond de Rothschild Ltd, Nassau, Bahamas	CHF 15.0	100%	100%
Banque Privée Edmond de Rothschild Europe, Luxembourg	EUR 31.5	100%	100%
Banque de Gestion Edmond de Rothschild - Monaco, Monaco	EUR 12.0	34%	34%
Financial and asset management companies:			
Edmond de Rothschild Limited, London	GBP 1.0	80%	80%
Privaco Trust S.A., Geneva	CHF 2.1	100%	100%
Arbinter-Omnivalor S.A., Geneva *	-	-	100%
Rouiller, Zurkinden & Cie Finance S.A., Fribourg	CHF 0.6	100%	100%
Real estate companies:			
Copri III S.A., Luxembourg	EUR 0.7	100%	100%

* Merger by absorption of Arbinter-Omnivalor at 1 January 2009 by Banque Privée Edmond de Rothschild S.A.

(Note 4 cont'd next page)

Notes to the financial statements

(Note 4 cont'd)

2009 2008 Change
(in thousands of CHF) (in thousands of CHF) (in %)

Amounts due to and from companies in which the Bank has a majority interest (fully consolidated and non-consolidated holdings for Group accounting purposes):				
Due from banks		258,637	122,020	
Due from customers		1	2	
Accrued income and prepaid expenses		2,349	4,518	
Other assets		94,287	136,099	
Total assets		355,274	262,639	35.3
Due to banks		353,802	167,292	
Other amounts due to customers		7,068	111,575	
Accrued expenses and deferred income		511	362	
Other liabilities		19,120	237,350	
Total liabilities		380,501	516,579	(26.3)
5 Fire insurance value of fixed assets				
Bank premises		94,609	92,971	1.8
Furniture, machines and equipment		82,595	77,595	6.4
6 Other assets				
	Total	152,807	551,511	(72.3)
Positive replacement value of derivative instruments		152,090	550,444	(72.4)
Other		717	1,067	(32.8)
		152,807	551,511	
7 Own liabilities subject to reservation of ownership (in thousands of CHF)				
	2009	2009	2008	2008
	Book value of assets	Actual encumbrance	Book value of assets	Actual encumbrance
Securities pledged to a Stock Exchange to cover settlements and as collateral for payment transactions	22,065	-	31,508	-
Other	5,848	-	3,737	-
Assets pledged or assigned to cover own liabilities	27,913	-	35,245	-
Total assets pledged or assigned and subject to reservation of ownership for own commitments	27,913	-	35,245	-

Notes to the financial statements

		2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)	
8	Commitments to own pension plans	Total	22,170	31,387	(29.4)
9	Other liabilities	Total	174,954	578,065	(69.7)
	Negative replacement value of derivative instruments		153,738	550,282	(72.1)
	Other		21,216	27,783	(23.6)
			174,954	578,065	

	Situation at end-2008	Uses and releases as designated	Redesi- gnations (transfers) *	Recoveries, interests at risk and currency differences	New provisions charged to profit and loss account	Releases reported in profit and loss account	Situation at end-2009	
10	Valuation adjustments and provisions							
	Reserves for general banking risks (in thousands of CHF)							
	Valuation adjustments and provisions for default and other risks:							
	- valuation adjustments and provisions for default risks (credit and country risks)	12,939	(79)	-	-	1,563	(665)	13,758
	- valuation adjustments and provisions for other operating risks	-	-	-	-	-	-	-
	- other provisions	150,154	(3,182)	627	-	17,079	(2,502)	162,176
	Subtotal	163,093	(3,261)	627	-	18,642	(3,167)	175,934
	Total valuation adjustments and provisions	163,093	(3,261)	627	-	18,642	(3,167)	175,934
	Less valuation adjustments set off directly against assets:	9,439						10,258
	<i>of which: - customers</i>	9,439						10,258
	Total valuation adjustments and provisions as per balance sheet	153,654						165,676
	Reserves for general banking risks	50,000	-	-	-	-	-	50,000

Reserves for general banking risks are not taxed.

*Includes figures of the merger by absorption of Arbinter-Omnivalor at a January 2009 by Banque Privée Edmond de Rothschild S.A.

	2009 Par value (in thousands of CHF)	2009 Number of shares	2009 Capital ranking for dividend (in thousands of CHF)	2008 Par value (in thousands of CHF)	2008 Number of shares	2008 Capital ranking for dividend (in thousands of CHF)
11	Share capital					
	Fully paid registered shares at CHF 100.– par value	20,000	200,000	20,000	200,000	20,000
	Fully paid bearer shares at CHF 500.– par value	25,000	50,000	25,000	50,000	25,000
	Total share capital	45,000		45,000		

See Notes 1 and 2 for treasury stock.

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Notes to the financial statements

(Note 11 cont'd)

	2009 Par value (in thousands of CHF)	2009 Percentage of capital (in %)	2009 Percentage of voting rights (in %)	2008 Par value (in thousands of CHF)	2008 Percentage of capital (in %)	2008 Percentage of voting rights (in %)
Major shareholders						
Edmond de Rothschild Holding S.A. (1)	36,019.5	80.0	86.4	35,299.5	78.4	85.8
Rothschild Holding AG, Zurich (2)	3,799.5	8.4	9.4	3,799.5	8.4	9.4

(1) The entire share capital of Edmond de Rothschild Holding S.A. is directly or indirectly controlled by members of the de Rothschild family. 17% of the company's share capital (representing 6.77% of voting rights) is owned by Baroness Edmond de Rothschild and 66.33% (representing 89.84% of voting rights) by Baron Benjamin de Rothschild.

(2) Rothschild Holding AG is indirectly controlled by a group consisting of: Eric de Rothschild, Paris; David de Rothschild, Paris; Alexandre de Rothschild, London; Stéphanie de Rothschild, London; Louise de Rothschild, Paris; Financière de Tournon, Paris; Financière de Reux, Paris; Bero, Paris; Ponthieu Rabelais, Paris; Integritas B.V., Amsterdam; Rothschild Trust (Schweiz) AG, Zurich. Rothschild Holding AG holds 20,000 registered shares and 3,600 bearer shares of Banque Privée Edmond de Rothschild S.A., Geneva, representing 8.4% of the total share capital and 9.4% of voting rights.

	2009 Number of shares held	2009 Per cent stake in share capital (in %)	2009 Per cent of total voting rights (in %)	2008 Number of shares held	2008 Per cent stake in share capital (in %)	2008 Per cent of total voting rights (in %)
Cross-holdings						
Rothschild Holding AG, Zurich	10,161	9.5	9.5	10,161	9.5	9.5

	2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)
Due to and from qualifying shareholders			
Due to and from Edmond de Rothschild Holding S.A., the only shareholder with a qualifying interest in the parent company:			
Due from customers	-	-	
Total claims	-	-	-
Other amounts due to customers	2,535	19,853	(87.2)
Total liabilities	2,535	19,853	(87.2)

Notes to the financial statements

	2009 (in thousands of CHF)	2008 (in thousands of CHF)	2007 (in thousands of CHF)	Change (in %)
12 Schedule of shareholders' equity before appropriation of available earnings				
Shareholders' equity at beginning of the reporting period:				
- share capital	45,000	45,000	45,000	0.0
- general statutory reserve	119,385	98,010	90,135	21.8
- reserves for general banking risks	50,000	50,000	50,000	0.0
- other reserves	317,149	391,254	357,113	(18.9)
<i>of which: - treasury stock</i>	<i>39,497</i>	<i>42,975</i>	<i>31,982</i>	<i>(8.1)</i>
Reported profit	163,397	166,195	125,606	(1.7)
Total shareholders' equity at beginning of the reporting period (before appropriation of available earnings)	694,931	750,459	667,854	(7.4)
Allocated to / released from reserves	1,145	1,150	1,255	(0.4)
Less dividend deducted from net income of previous year	(108,000)	(216,000)	(81,000)	(50.0)
Net income	118,500	159,323	162,350	(25.6)
Total shareholders' equity at end of the reporting period (before appropriation of available earnings)	706,575	694,931	750,459	1.7
<i>of which: - share capital</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>	
<i>- general statutory reserve</i>	<i>119,385</i>	<i>119,385</i>	<i>98,010</i>	
<i>- reserves for general banking risks</i>	<i>50,000</i>	<i>50,000</i>	<i>50,000</i>	
<i>- other reserves</i>	<i>366,143</i>	<i>317,149</i>	<i>391,254</i>	
<i>of which: - treasury stock</i>	<i>34,430</i>	<i>39,497</i>	<i>42,975</i>	
<i>- reported profit</i>	<i>126,047</i>	<i>163,397</i>	<i>166,195</i>	

As of this year reserves for general banking risks are included in shareholders' equity, and the treasury stock is now calculated only under financial investments. The 2007 and 2008 figures have been restated.

13 Shareholders' equity after appropriation of available earnings				
Shareholders' equity before appropriation of net income	706,575	694,931	750,459	1.7
Less dividend	(81,000)	(108,000)	(216,000)	(25.0)
Total shareholders' equity after appropriation of available earnings	625,575	586,931	534,459	6.6
<i>of which: - share capital</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>	
<i>- general statutory reserve</i>	<i>119,385</i>	<i>119,385</i>	<i>119,385</i>	
<i>- reserves for general banking risks</i>	<i>50,000</i>	<i>50,000</i>	<i>50,000</i>	
<i>- other reserves</i>	<i>399,999</i>	<i>365,000</i>	<i>316,000</i>	
<i>of which: - treasury stock</i>	<i>34,430</i>	<i>39,497</i>	<i>42,975</i>	
<i>- reported profit</i>	<i>11,191</i>	<i>7,546</i>	<i>4,074</i>	

14 Due to and from affiliated companies				
Due from banks	3,906	238,010		
Accrued income and prepaid expenses	1,277	1,118		
Total claims	5,183	239,128		(97.8)
Other amounts due to customers	2,692	862		
Accrued expenses and deferred income	30	95		
Total liabilities	2,722	1,374		98.1

Affiliated companies are companies in which Edmond de Rothschild Holding S.A. has a majority stake and that are not part of the Banque Privée Edmond de Rothschild Group.

Notes to the financial statements

	2009	2009	2008	2008
	Loans granted to the Bank's governing bodies	Guarantee commitments on behalf of the Bank's governing bodies	Loans granted to the Bank's governing bodies	Guarantee commitments on behalf of the Bank's governing bodies
15 Loans granted to the Bank's governing bodies				
Guarantee commitments on behalf of the Bank's governing bodies				
Remuneration paid to the Bank's governing bodies				
(in thousands of CHF)				
Board of Directors	396	13	440	13
Baron Benjamin de Rothschild <i>Chairman</i>	-	-	-	-
E. Trevor Salathé <i>Vice-Chairman</i>	-	-	-	-
Manuel Dami <i>Secretary</i>	396	-	440	-
Baroness Benjamin de Rothschild	-	-	-	-
John Alexander	-	-	-	-
Luc J. Argand	-	13	-	13
Walter Blum Gentilomo	-	-	-	-
Michel Cicurel	-	-	-	-
François Hottinger	-	-	-	-
Veit de Maddalena	-	-	-	-
Jacques-André Reymond	-	-	-	-
Daniel Yves Trèves	-	-	-	-
Guy Wais	-	-	-	-
Executive Committee	1,225	53	1,092	49
Philippe Currat	625	11	625	11
Internal Auditors	-	29	-	33
Independent Auditors	-	-	-	-
Total	1,621	94	1,532	95

These facilities are lombard loans, secured by pledged securities, and floating-rate mortgages.

Mortgage interest is charged at the usual market rates. However, as in the case of loans granted to Bank employees, members of the governing bodies receive a 25% rebate on the applicable interest rate up to a maximum amount of CHF 750,000 per borrower.

At 31 Dec. 2008, the relevant mortgage rates ranged from 2% to 3% and the interest rates charged on lombard loans from 1.5% to 3.5%. The value of loans granted to members of the Executive Committee and related persons totalled 1,225 (in thousands of CHF). The value of loans granted to non-executive members of the Board of Directors amounted to 396 (in thousands of CHF).

(Note 15 cont'd next page)

Notes to the financial statements

(Note 15 cont'd)

	2009	2009	2009	2009	2008	2008	2008	2008
	Fixed fees	Fixed fees	Bonus	Bonus	Fixed fees	Fixed fees	Bonus	Bonus
	Cash	Number of shares	Cash	Number of shares	Cash	Number of shares	Cash	Number of shares
Remuneration paid to members:								
(In thousands of CHF)								
Board of Directors	2,134	0	3,078	0	1,950	-	4,294	-
Baron Benjamin de Rothschild <i>Chairman</i>	-	-	-	-	-	-	-	-
E. Trevor Salathé <i>Vice-Chairman</i>	405	-	535	-	356	-	560	-
Manuel Dami <i>Secretary</i>	208	-	-	-	156	-	-	-
Baroness Benjamin de Rothschild	-	-	-	-	-	-	-	-
John Alexander	634	-	2,543	-	711	-	3,734	-
Luc J. Argand	64	-	-	-	64	-	-	-
Walter Blum Gentilomo	187	-	-	-	187	-	-	-
Michel Cicurel	120	-	-	-	122	-	-	-
François Hottinger	62	-	-	-	63	-	-	-
Veit de Maddalena	60	-	-	-	-	-	-	-
Jacques-André Reymond	140	-	-	-	88	-	-	-
Daniel Yves Trèves	139	-	-	-	143	-	-	-
Guy Wais	115	-	-	-	60	-	-	-
Executive Committee	4,771	0	12,156	-	4,361	-	16,124	-
Claude Messulam <i>General Manager</i>	851	-	5,065	-	760	-	6,803	-
Total	6,905	0	15,234	0	6,311	-	20,418	-

(Note 15 cont'd next page)

Notes to the financial statements

(Note 15 cont'd)

	2009 Employee welfare expenses	2009 Total	2008 Employee welfare expenses	2008 Total
Remuneration paid to members: (in thousands of CHF)				
Board of Directors	0	5,212	0	6,244
Baron Benjamin de Rothschild <i>Chairman</i>	-	-	-	-
E. Trevor Salathé <i>Vice-Chairman</i>	-	940	-	916
Manuel Dami <i>Secretary</i>	-	208	-	156
Baroness Benjamin de Rothschild	-	-	-	-
John Alexander	-	3,177	0	4,445
Luc J.Argand	-	64	-	64
Walter Blum Gentilomo	-	187	-	187
Michel Cicurel	-	120	-	122
François Hottinger	-	62	-	63
Veit de Maddalena	-	60	-	-
Jacques-André Reymond	-	140	-	88
Daniel Yves Trèves	-	139	-	143
Guy Wais	-	115	-	60
Executive Committee	855	17,782	846	21,331
Claude Messulam <i>General Manager</i>	123	6,039	119	7,682
Total	855	22,994	846	27,575

Since the fees paid to each individual are decided after the closing date of the annual financial statements, the above-mentioned fees are stated as per the accrual method.

(Note 15 cont'd next page)

Notes to the financial statements

(Note 15 cont'd)

	2009	2009	2008	2008
	Number of bearer shares	Number of registered shares	Number of bearer shares	Number of registered shares
Ownership of shares in BPER S.A., Geneva:				
Board of Directors and related persons				
Baron Benjamin de Rothschild <i>Chairman</i>	186	-	186	-
E. Trevor Salathé <i>Vice-Chairman</i>	270	1	270	1
Manuel Dami <i>Secretary</i>	40	-	40	-
Baroness Benjamin de Rothschild	-	1	-	-
John Alexander	-	1	-	1
Luc J.Argand	67	1	67	1
Walter Blum Gentilomo	197	1	197	1
Michel Cicurel	-	1	-	1
François Hottinger	10	1	10	1
Veit de Maddalena	1	-	-	-
Jacques-André Reymond	5	-	5	-
Daniel Yves Trèves	-	1	-	1
Guy Wais	1	-	-	-
Executive Committee and related persons				
Claude Messulam <i>General Manager</i>	1,075	-	1,075	-
Sylvain Roditi <i>Deputy General Manager</i>	88	-	85	-
Jean-Pierre Pieren <i>Deputy General Manager</i>	5	-	5	-
Luc Baatard	2	-	-	-
Philippe Currat	-	-	-	-
Michel Lusa	-	-	-	-
Bernard Schaub	5	-	5	-
Patrick Ségal	-	-	-	-
Total	1,952	8	1,945	7

Notes to the financial statements

		2009 (in thousands of CHF)	2008 (in thousands of CHF)	Change (in %)	
16	Guarantees to third parties	Total	207,301	212,400	(2.4)
	Surety bonds		3,318	3,167	4.8
	Guarantees		203,983	209,233	(2.5)
			207,301	212,400	
17	Fiduciary transactions	Total	3,640,626	5,015,334	(27.4)
	Fiduciary deposits with banks outside the Group		3,600,417	4,513,479	(20.2)
	Fiduciary deposits with Group banks		36,531	498,423	(92.7)
	Fiduciary loans		3,678	3,432	7.2
			3,640,626	5,015,334	
18	Results of trading operations	Total	35,197	31,535	11.6
	Securities trading (including equity product and index derivatives)		3,240	(3,410)	-
	Forex trading (including forex derivatives)		31,464	34,235	(8.1)
	Precious metals (including precious metals derivatives)		493	710	(30.6)
			35,197	31,535	
19	Extraordinary income and expenses				
	Extraordinary income		3,734	565	560.9
	Extraordinary expenses		8	28	(71.4)

"Extraordinary income" mainly includes a release of other provisions no longer required for operating purposes totalling CHF 3.2 million.

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