



PRESS RELEASE
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BANQUE PRIVÉE EDMOND DE ROTHSCHILD GROUP CONSOLIDATED SEMI-ANNUAL RESULTS TO 30 JUNE 2011

Results to 30 June 2011

- ▶ **Net profit up 1.9% to** **CHF 71.8 million**
- ▶ **Net inflow of client funds gratifying at** **CHF 4.0 billion**
- ▶ **Assets under management steady at** **CHF 92.1 billion**
- ▶ **Solid capital base with a BIS Tier 1 ratio of 26.6%**

The Banque Privée Edmond de Rothschild Group posted higher earnings and continued to grow in the first half of 2011, bucking an environment marked by volatile markets, low interest rates and the negative impact of exchange rates.

Net profit up

Despite adverse economic developments, gyrating asset values and the weakness of the US dollar and euro, our consolidated net profit came to CHF 71.8 million, up 1.9% on the year-earlier period.

Gratifying increase in net fresh money

The Banque Privée Edmond de Rothschild Group continues to attract new clients. The inflow of fresh funds in the first half of 2011 amounted to CHF 4.0 billion, compared with CHF 4.1 billion at 30 June 2010. This ongoing growth reflects clients' confidence in the professionalism of our wealth management teams and in our Group's sound financial base.

Remarkably steady assets under management

Despite market declines and the negative impact of the US dollar and the euro, total client assets remained nearly flat and totalled CHF 92.1 billion at end-June 2011 (as against CHF 92.7 billion at 31 December 2010).



Roundup of first-half results

Profit and loss account

Net interest income was up 19.1% on the year-earlier figure. It came to CHF 30.3 million, compared with CHF 25.5 million at end-June 2010.

Net fees and commissions on services edged up to CHF 269.2 million from the year-earlier level of CHF 266 million.

Results of trading operations worked out to CHF 44.6 million, down 13.2% from CHF 51.3 million at end-June 2010. The fall was mainly due to dealing in securities.

Other ordinary income remained flat.

First-half 2011 operating income totalled CHF 359.3 million, compared with CHF 358 million for the same period in 2010.

Operating expenses edged up 2.3% to CHF 248.9 million.

Group operating profit for the first six months of 2011 came to CHF 110.3 million, marking a drop of CHF 4.3 million, or 3.8%, versus the year-earlier figure.

Balance sheet review

The consolidated balance sheet totalled CHF 11.7 billion at 30 June 2011, compared with CHF 12.3 billion at end-2010.

On the assets side, the value of readily negotiable assets remained very high at CHF 8.4 billion.

On the liabilities side, sums due to customers amounted to CHF 9.5 billion as against CHF 10.1 billion at 31 December 2010.

At 30 June 2011 eligible Group shareholders' equity stood at CHF 1.1 billion, compared with a capital adequacy requirement of CHF 332.5 million.

With a BIS Tier 1 ratio of 26.6%, the Banque Privée Edmond de Rothschild Group has a solid financial base and can face future developments confidently.

Outlook for the second half of 2011

Knowing that volatile asset prices and adverse exchange rates will weigh heavily on margins in the second half of 2011, we will maintain a prudent investment policy geared towards preserving clients' capital. But we will also be studying the trends in financial markets with a view to capturing opportunities as they arise.

We continue to extend our international network in all our traditional areas of operation, but particularly in Asia where we should receive the licence for our new branch in Hong Kong this autumn. The unit will spearhead our expansion in Asia, a region that in our view will be instrumental in our Group's growth and future success.

Banque Privée Edmond de Rothschild S.A.

18, rue de Hesse - 1204 Geneva
CP 5478 - 1211 Geneva 11 - Switzerland
T +41 58 818 91 11 - F +41 58 818 91 21

www.edmond-de-rothschild.ch

Press Officer: Valérie Boscat

Tel. +41 (0)58 818 94 62
Mob. +41 (0)79 301 32 88
vboscat@bper.ch