



BANQUE PRIVÉE
EDMOND DE ROTHSCHILD

FINANCIAL REPORT CONSOLIDATED ACCOUNTS
at 30 June 2011

BANQUE PRIVEE EDMOND DE ROTHSCHILD GROUP
CONSOLIDATED ACCOUNTS
AT 30 JUNE 2011

FINANCIAL REPORT

Key figures

Consolidated affiliates

Consolidated balance sheet

Consolidated profit and loss account

Consolidated cash flow statement

Notes to the consolidated financial statements

BANQUE PRIVEE EDMOND DE ROTHSCHILD GROUP
KEY FIGURES

| | 30.06.11 | S1 2010 | S2 2010 | Change S1 2010 (in CHF) in % | |
|--|------------------|------------------|------------------|------------------------------------|--------------|
| Consolidated profit and loss account (in thousands of CHF) | | | | | |
| Net interest income | 30'313 | 25'459 | 28'803 | 4'854 | 19.1 |
| Fee and commission income | 269'165 | 265'969 | 268'629 | 3'196 | 1.2 |
| Results of trading operations | 44'550 | 51'333 | 44'483 | (6'783) | (13.2) |
| Operating expenses (personnel costs and other overheads) | 248'942 | 243'329 | 256'691 | 5'613 | 2.3 |
| Group net income | 71'815 | 70'448 | 79'450 | 1'367 | 1.9 |
| Profitability (%) | | | | | |
| Return on equity net income / average shareholders' equity (2) | 11.5 | 11.7 | 12.8 | - | - |
| Return on assets net income / average assets | 1.2 | 1.1 | 1.3 | - | - |
| Shares (in CHF) | | | | | |
| Earnings per bearer share after deducting portion due to minority interests | 740 | 735 | 735 | 5 | 0.6 |
| Earnings per registered share after deducting portion due to minority interests | 148 | 147 | 147 | 1 | 0.7 |
| | 30.06.11 | 30.06.10 | 31.12.10 | Change 31.12.2010 (in CHF) in % | |
| Consolidated balance sheet (in thousands of CHF) | | | | | |
| Due from banks | 7'509'349 | 7'363'071 | 8'611'002 | (1'101'653) | (12.8) |
| Advances to customers | 1'718'757 | 1'445'809 | 1'651'949 | 66'808 | 4.0 |
| Due to banks | 274'912 | 389'564 | 245'708 | 29'204 | 11.9 |
| Customer deposits | 9'514'498 | 10'498'776 | 10'106'953 | (592'455) | (5.9) |
| Shareholders' equity (1) | 1'304'267 | 1'243'160 | 1'325'327 | (21'060) | (1.6) |
| Balance sheet total | 11'671'020 | 12'895'652 | 12'300'712 | (629'692) | (5.1) |
| Assets under management (in millions of CHF) | | | | | |
| Total assets under management (includes double reporting) | 92'111 | 93'341 | 92'715 | (603) | (0.7) |
| <i>of which: - double reporting</i> | <i>9'796</i> | <i>10'222</i> | <i>10'182</i> | <i>(386)</i> | <i>(3.8)</i> |
| <i>Net inflow of fresh funds</i> | <i>4'039</i> | <i>4'145</i> | <i>6'486</i> | <i>(106)</i> | <i>(2.6)</i> |
| Group personnel (number of employees) | | | | | |
| Average number of employees | 1'663 | 1'603 | 1'617 | 46 | 2.8 |
| - in Switzerland | 663 | 656 | 654 | 9 | 1.4 |
| - abroad | 1'000 | 947 | 963 | 37 | 3.8 |
| Total number of employees at year-end | 1'680 | 1'614 | 1'649 | 31 | 1.9 |
| Number of employees at year-end, converted into full-time jobs | 1'629 | 1'560 | 1'604 | 25 | 1.6 |

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

(2) Annualised

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

Fully consolidated entities of the Banque Privée Edmond de Rothschild Group

IN SWITZERLAND

Parent company

| | | | |
|--|-----|---------|----|
| Banque Privée Edmond de Rothschild S.A. Geneva | CHF | 45,000m | 2) |
|--|-----|---------|----|

Bank

| | | | | | |
|---|-------|----|-----|--------|----|
| Banca Privata Edmond de Rothschild Lugano S.A. Lugano | 100 % | 1) | CHF | 5,000m | 2) |
|---|-------|----|-----|--------|----|

Service companies

| | | | | | |
|--------------------------------------|-------|----|-----|--------|----|
| Privaco Family Office S.A. Geneva | 100 % | 1) | CHF | 2,100m | 2) |
|--------------------------------------|-------|----|-----|--------|----|

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|--|----|-------|----|-----|--------|----|
| Les Conseillers du Léman Associés S.A. Geneva | 5) | 100 % | 1) | CHF | 0,100m | 2) |
|--|----|-------|----|-----|--------|----|

Financial and asset management companies

| | | | | | |
|--|-------|----|-----|--------|----|
| Rouiller, Zurkinden & Cie Finance S.A. Fribourg | 100 % | 1) | CHF | 0,600m | 2) |
|--|-------|----|-----|--------|----|

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|-----------------------------------|----|-------|----|-----|--------|----|
| Cefeo Investimenti S.A. Lugano | 3) | 100 % | 1) | CHF | 0,100m | 2) |
|-----------------------------------|----|-------|----|-----|--------|----|

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|---------------------------|----|-------|----|-----|--------|----|
| Castinvest S.A. Geneva | 1) | 100 % | 1) | CHF | 0,100m | 2) |
|---------------------------|----|-------|----|-----|--------|----|

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|------------------------------------|----|-------|----|-----|--------|----|
| Priadvisory Holding S.A. Geneva | 4) | 100 % | 1) | CHF | 3,120m | 2) |
|------------------------------------|----|-------|----|-----|--------|----|

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 Family Office S.A., Genève

CONSOLIDATED AFFILIATES

AT 30 JUNE 2011

Fully consolidated entities of the Banque Privée Edmond de Rothschild Group**ABROAD****Banks**

| | | | |
|--|----------|-----|------------|
| Banque Privée Edmond de Rothschild Europe Luxembourg | 100 % 1) | EUR | 31,500m 2) |
|--|----------|-----|------------|

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|--|----------|-----|------------|
| Banque Privée Edmond de Rothschild Ltd, Nassau Bahamas | 100 % 1) | CHF | 15,000m 2) |
|--|----------|-----|------------|

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|---|-----------|-----|------------|
| Banque de Gestion Edmond de Rothschild - Monaco Monaco 3) | 54.80% 1) | EUR | 12,000m 2) |
|---|-----------|-----|------------|

Service and real estate companies

| | | | |
|------------------------------|----------|-----|-----------|
| COPRI III S.A. Luxembourg | 100 % 1) | EUR | 0,747m 2) |
|------------------------------|----------|-----|-----------|

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|---|----------|-----|-----------|
| Immobilière du 3 Joseph II Luxembourg 7) | 100 % 1) | EUR | 0,064m 2) |
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|---|----------|-----|-----------|
| Edmond de Rothschild Real Estate - Mediação Imobiliária, S.A. Portugal 8) | 100 % 1) | EUR | 0,050m 2) |
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|---|----------|-----|-----------|
| Privaco Family Office (HK) Limited Hong Kong | 100 % 1) | HKD | 2,400m 2) |
|---|----------|-----|-----------|

Trust and asset management companies

| | | | |
|---|---------|-----|-----------|
| LCF Edmond de Rothschild Asset Management Limited U.K. 4) | 80 % 1) | GBP | 0,250m 2) |
|---|---------|-----|-----------|

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|--|---------|-----|-----------|
| LCF Edmond de Rothschild Fund Management Ltd U.K. 4) | 80 % 1) | GBP | 0,250m 2) |
|--|---------|-----|-----------|

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|--|----------|-----|-----------|
| LCF Edmond de Rothschild Conseil S.A. Luxembourg 5) | 100 % 1) | EUR | 0,050m 2) |
|--|----------|-----|-----------|

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|--|---------|-----|-----------|
| LCF Edmond de Rothschild Asset Management (C.I.) Limited Guernsey 6) | 100% 1) | GBP | 0,100m 2) |
|--|---------|-----|-----------|

| | | | |
|---|----------|-----|-----------|
| Privaco Trust Limited New Zealand 9) | 100 % 1) | NZD | 0,050m 2) |
|---|----------|-----|-----------|

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|---|----------|-----|-----------|
| Edmond de Rothschild Corporate Finance Spain 10) | 100 % 1) | EUR | 1,000m 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 2,80% by Incentive Management SAM, Monaco
- 4) Wholly owned by Edmond de Rothschild Limited, London
- 5) Owned 99,99% by Banque Privée Edmond de Rothschild Europe, Luxembourg and 0,01% by Edmond de Rothschild Investment Advisors, 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
- 9) Wholly owned by Privaco Family Office S.A., Geneva
- 10) Owned 51% by Edmond de Rothschild Limited, London and 49% by Banque Privée Edmond de Rothschild Europe, Luxembourg

CONSOLIDATED AFFILIATES

AT 30 JUNE 2011

Fully consolidated entities of the Banque Privée Edmond de Rothschild Group**ABROAD****Financial and brokerage firms**

| | | | |
|--|--------|-----|-----------|
| Edmond de Rothschild Limited London | 80% 1) | GBP | 1,000m 2) |
|--|--------|-----|-----------|

| | | | |
|---|----------|-----|-----------|
| La Compagnie Privée de Finance (Jersey) Jersey | 100 % 1) | GBP | 0,005m 2) |
|---|----------|-----|-----------|

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|---|--------------|-----|-----------|
| LCF Edmond de Rothschild Securities Limited U.K. | 3) 80% 1) | GBP | 1,000m 2) |
|---|--------------|-----|-----------|

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|---|---------------|-----|-----------|
| LCF Edmond de Rothschild (C.I.) Limited Guernsey | 5) 100% 1) | GBP | 0,300m 2) |
|---|---------------|-----|-----------|

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|---|------------------|-----|-----------|
| Edmond de Rothschild International Funds Ltd Bermuda | 4) 62,28 % 1) | USD | 0,400m 2) |
|---|------------------|-----|-----------|

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|---------------------------|----------------|-----|-----------|
| Testafid Anstalt Vaduz | 6) 100 % 1) | CHF | 0,020m 2) |
|---------------------------|----------------|-----|-----------|

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|--|----------------|-----|-----------|
| Edmond de Rothschild Investment Advisors Luxembourg | 9) 100 % 1) | EUR | 0,125m 2) |
|--|----------------|-----|-----------|

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|-----------------------------------|----------------|-----|-----------|
| Rhoninvest Establishment Vaduz | 1) 100 % 1) | CHF | 0,020m 2) |
|-----------------------------------|----------------|-----|-----------|

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|--|----------------|-----|-----------|
| LCF Edmond de Rothschild Holdings (C.I.) Limited Guernsey | 5) 100 % 1) | GBP | 0,040m 2) |
|--|----------------|-----|-----------|

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|------------------------------------|------------------|-----|-----------|
| Incentive Management SAM Monaco | 7) 54,69 % 1) | EUR | 0,150m 2) |
|------------------------------------|------------------|-----|-----------|

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|--|----------------|-----|-----------|
| Priglobal Advisory Limited Cayman islands | 8) 100 % 1) | EUR | 0,001m 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 and 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

Fully consolidated entities of the Banque Privée Edmond de Rothschild Group

ABROAD

Financial and brokerage firms

| | | |
|---|-----|-----------|
| <i>Pri</i> fund Conseil S.A. Luxembourg 3) 100 % 1) | EUR | 0,078m 2) |
|---|-----|-----------|

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|---|-----|-----------|
| E.C.H. Investments Ltd Cayman islands 4) 45,50 % 1) | EUR | 0,251m 2) |
|---|-----|-----------|

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| Representación B.P. Edmond de Rothschild S.A. Montevideo 100 % 1) | USD | 0,003m 2) |
|---|-----|-----------|

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|---|-----|-----------|
| Privaco (Uruguay) S.A. Montevideo 6) 100 % 1) | USD | 0,037m 2) |
|---|-----|-----------|

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|---------------------------------------|-----|------------|
| Priasia Limited B.V.I. 100 % 1) | USD | 0,0003m 2) |
|---------------------------------------|-----|------------|

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|---|-----|------------|
| Mizen Finance Corp. B.V.I. 100 % 1) | USD | 0,0005m 2) |
|---|-----|------------|

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|---|-----|-----------|
| Edmond de Rothschild Conseil & courtage d'assurances Monaco 8) 54,58% 1) | EUR | 0,150m 2) |
|---|-----|-----------|

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|--|-----|------------|
| Clancey Advisory Corp. B.V.I. 100 % 1) | USD | 0,0005m 2) |
|--|-----|------------|

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|--|-----|-----------|
| Iberian Renewable Energies GP, S.à.r.l. Luxembourg 9) 100 % 1) | EUR | 0,013m 2) |
|--|-----|-----------|

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|--|-----|-----------|
| LCF Fund Advisory Ltd Bermuda 5) 62,28% 1) | USD | 0,050m 2) |
|--|-----|-----------|

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|--|-----|-----------|
| <i>Pri</i> fund Conseil Bahamas S.A. Bahamas 100% 1) | EUR | 0,070m 2) |
|--|-----|-----------|

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|--|-----|-----------|
| Adjutoris Conseil Luxembourg 7) 100 % 1) | EUR | 0,031m 2) |
|--|-----|-----------|

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| Edmond de Rothschild Gestion Monaco - SAM Monaco 10) 54,47% 1) | EUR | 0,150m 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., Geneva
- 4) Owned 19,92% by Banque Privée Edmond de Rothschild S.A., Geneva, 3,98% by Edmond de Rothschild Limited Londres, 7,47% by Banque Privée Edmond de Rothschild Europe, Luxembourg and 14,13% by Edmond de Rothschild International Funds Ltd, Bermuda
- 5) Wholly owned by Edmond de Rothschild International Funds Ltd, Bermuda
- 6) Wholly owned by Privaco Family Office S.A., Geneva
- 7) Owned 99.68% by Banque Privée Edmond de Rothschild Europe, Luxembourg and 0.32% by Edmond de Rothschild Investment Advisors, Luxembourg
- 8) Owned 99,60% by Banque de Gestion Edmond de Rothschild-Monaco, Monaco
- 9) Wholly owned by Banque Privée Edmond de Rothschild Europe, Luxembourg
- 10) Owned 99,40% by Banque de Gestion Edmond de Rothschild-Monaco, Monaco

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2011

(in thousands of CHF)

| ASSETS | Notes | 30.06.11 | 31.12.10 | Change | |
|---|--------------------------|-------------------|-------------------|-----------------------|--------------|
| | | | | (in thousands of CHF) | in % |
| Cash and other liquid assets | 18 | 463'914 | 328'350 | 135'564 | 41.3 |
| Claims arising from money market paper | 1, 18 | 442'458 | 118'006 | 324'452 | 274.9 |
| Due from banks | 2, 18 | 7'509'349 | 8'611'002 | (1'101'653) | (12.8) |
| Due from customers | 3, 18 | 1'704'678 | 1'637'772 | 66'906 | 4.1 |
| Mortgage loans | 3, 18 | 14'079 | 14'177 | (98) | (0.7) |
| Total advances to customers | 4, 20 | 1'718'757 | 1'651'949 | 66'808 | 4.0 |
| Securities and precious metals trading portfolios | 5, 18 | 34'305 | 33'160 | 1'145 | 3.5 |
| Financial investments | 6, 18 | 799'013 | 798'673 | 340 | 0.0 |
| Non-consolidated holdings | 7, 8 | 89'607 | 90'990 | (1'383) | (1.5) |
| Fixed assets | 8 | 169'193 | 177'212 | (8'019) | (4.5) |
| Intangible assets | 8 | 14'286 | 16'204 | (1'918) | (11.8) |
| Accrued income and prepaid expenses | | 117'202 | 116'606 | 596 | 0.5 |
| Other assets | 9 | 312'936 | 358'560 | (45'624) | (12.7) |
| Total assets | 8, 19, 21, 22, 23 | 11'671'020 | 12'300'712 | (629'692) | (5.1) |
| Subordinated amounts receivable | | 2'298 | 2'498 | (200) | (8.0) |
| Due from non-consolidated Group companies and qualifying shareholders | 7, 14 | 37'102 | 37'638 | (536) | (1.4) |

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2011

(in thousands of CHF)

| LIABILITIES | Notes | 30.06.11 | 31.12.10 | Change | |
|---|-------------------|-------------------|-------------------|------------------------------|---------------|
| | | | | (in thousands of CHF) | in % |
| Liabilities arising from money market paper | 18 | 34 | 72 | (38) | (52.8) |
| Due to banks | 18 | 274'912 | 245'708 | 29'204 | 11.9 |
| Due to customers on savings or deposit accounts | 18 | 7'501 | 7'737 | (236) | (3.1) |
| Other amounts due to customers | 11, 18 | 9'506'997 | 10'099'216 | (592'219) | (5.9) |
| Total due to customers | | 9'514'498 | 10'106'953 | (592'455) | (5.9) |
| Loans from central mortgage bond institutions | | - | - | - | - |
| Accrued expenses and deferred income | | 176'283 | 176'706 | (423) | (0.2) |
| Other liabilities | 12 | 342'973 | 384'798 | (41'825) | (10.9) |
| Valuation adjustments and provisions | 13 | 58'053 | 61'148 | (3'095) | (5.1) |
| Reserves for general banking risks | 13 | 300'967 | 294'967 | 6'000 | 2.0 |
| Share capital | 14 | 45'000 | 45'000 | - | - |
| Additional paid-in capital and other reserves | | 93'623 | 93'220 | 403 | 0.4 |
| Retained earnings | 15 | 813'649 | 769'977 | 43'672 | 5.7 |
| Treasury stock | | (50'967) | (56'300) | 5'333 | (9.5) |
| Minority interests in shareholders' equity | 16 | 30'180 | 28'565 | 1'615 | 5.7 |
| Consolidated net income | | 71'815 | 149'898 | (78'083) | (52.1) |
| <i>of which: - minority interests</i> | | <i>6'830</i> | <i>14'123</i> | <i>(7'293)</i> | <i>(51.6)</i> |
| Total Group capital and reserves | 17 | 1'304'267 | 1'325'327 | (21'060) | (1.6) |
| Total liabilities | 19, 21, 23 | 11'671'020 | 12'300'712 | (629'692) | (5.1) |
| Subordinated liabilities | | - | - | - | - |
| Due to non-consolidated holdings and qualifying shareholders | | 45'763 | 21'396 | 24'367 | 113.9 |
| OFF-BALANCE SHEET TRANSACTIONS | | | | Change | |
| | Notes | 30.06.11 | 31.12.10 | (in thousands of CHF) | in % |
| Contingent liabilities | 4, 20, 24, 25 | 307'509 | 308'039 | (530) | (0.2) |
| Irrevocable liabilities | 4 | 59'404 | 56'538 | 2'866 | 5.1 |
| Liabilities for unpaid share capital and additional capital contributions | 4 | 2'500 | 2'590 | (90) | (3.5) |
| Guarantee loans | | - | - | - | - |
| Derivative instruments | 26 | | | | |
| Positive replacement values | | 285'692 | 327'990 | (42'298) | (12.9) |
| Negative replacement values | | 280'383 | 336'527 | (56'144) | (16.7) |
| Underlying values | | 24'924'240 | 22'942'462 | 1'981'778 | 8.6 |
| Fiduciary transactions | 27 | 6'335'704 | 6'232'861 | 102'843 | 1.7 |

CONSOLIDATED PROFIT AND LOSS ACCOUNT

AT 30 JUNE 2011

(in thousands of CHF)

| | Notes | 30.06.11 | 30.06.10 | Change (in thousands of CHF) | in % |
|---|-------------------|----------------|----------------|------------------------------------|--------------|
| Interest and discount income | 29 | 32'701 | 24'982 | 7'719 | 30.9 |
| Interest and dividend income on trading portfolios | 29 | 54 | 311 | (257) | (82.6) |
| Interest and dividend income on financial investments | 29 | 1'896 | 2'567 | (671) | (26.1) |
| Interest payable | 30 | 4'338 | 2'401 | 1'937 | 80.7 |
| Interest income, net | | 30'313 | 25'459 | 4'854 | 19.1 |
| Commission income on lending activities | | 812 | 994 | (182) | (18.3) |
| Commission income on securities and investment transactions | 31 | 300'126 | 286'729 | 13'397 | 4.7 |
| Commission income on other services | 32 | 35'135 | 38'700 | (3'565) | (9.2) |
| Commissions payable | | 66'908 | 60'454 | 6'454 | 10.7 |
| Fee and commission income, net | | 269'165 | 265'969 | 3'196 | 1.2 |
| Results of trading operations | 33 | 44'550 | 51'333 | (6'783) | (13.2) |
| Proceeds from the sale of financial investments | | 644 | 171 | 473 | 276.8 |
| Income from holdings | | 6'631 | 7'443 | (812) | (10.9) |
| of which: holdings reported using the equity method | | 4'988 | 5'957 | (969) | (16.3) |
| other Non-consolidated holdings | | 1'643 | 1'486 | 157 | 10.6 |
| Real estate income | | 754 | 630 | 124 | 19.7 |
| Other ordinary income | 34 | 8'436 | 7'503 | 933 | 12.4 |
| Other ordinary expenses | | 1'221 | 532 | 689 | 129.5 |
| Other ordinary results | | 15'244 | 15'215 | 29 | 0.2 |
| Total operating income | | 359'272 | 357'976 | 1'296 | 0.4 |
| Personnel expenses | 35 | 185'529 | 181'051 | 4'478 | 2.5 |
| Other operating expenses | 36 | 63'413 | 62'278 | 1'135 | 1.8 |
| Total operating expenses | | 248'942 | 243'329 | 5'613 | 2.3 |
| Gross profit | | 110'330 | 114'647 | (4'317) | (3.8) |
| Depreciation of fixed assets | 8,37 | 16'443 | 16'538 | (95) | (0.6) |
| Valuation adjustments, provisions and losses | 38 | 1'733 | 4'269 | (2'536) | (59.4) |
| Result before extraordinary items and taxes | | 92'154 | 93'840 | (1'686) | (1.8) |
| Extraordinary income | 39 | 3'185 | 1'589 | 1'596 | 100.4 |
| Extraordinary expenses | 39 | 6'320 | 6'297 | 23 | 0.4 |
| Taxes | 40 | 17'204 | 18'683 | (1'479) | (7.9) |
| Consolidated net income | 41, 42, 43 | 71'815 | 70'448 | 1'367 | 1.9 |
| <i>of which: - minority interests' share in consolidated net income</i> | | 6'830 | 5'907 | 923 | 15.6 |

CONSOLIDATED CASH FLOW STATEMENT

AT 30 JUNE 2011

(in thousands of CHF)

| | 30.06.11 | | | 31.12.10 | | |
|---|------------------|----------------------|------------------|------------------|----------------------|--------------------|
| | Source of funds | Application of funds | Balance | Source of funds | Application of funds | Balance |
| Consolidated net income | 71'815 | - | | 149'898 | - | |
| Depreciation of fixed assets | 16'443 | - | | 34'697 | - | |
| Accrued income and prepaid expenses | - | 596 | | 881 | - | |
| Accrued expenses and deferred income | 0 | 423 | | - | 5'589 | |
| Valuation adjustments and provisions | 0 | 3'095 | | - | 30'468 | |
| Reserves for general banking risks | 6'000 | - | | 36'919 | - | |
| Previous year's dividend | | 69'750 | | | 81'000 | |
| Other changes in reserves and minority interests | - | 29'528 | | - | 57'204 | |
| Net cash used in/provided by operating activities (results of operations) | 94'258 | 103'392 | (9'134) | 222'395 | 174'261 | 48'134 |
| Share capital | | | | | | |
| Additional paid-in capital | 403 | - | | - | 37'559 | |
| Net cash used in/provided by transactions involving shareholders equity | 403 | - | | - | 37'559 | |
| Non-consolidated holdings | 1'056 | 0 | | - | 2'791 | |
| Real estate | - | 0 | | - | - | |
| Other fixed assets | 0 | 7'167 | | - | 25'052 | |
| Intangible assets | 0 | 1'656 | | - | 6'214 | |
| Exchange rate changes | 2'644 | 0 | | 14'619 | - | |
| Net cash used in/provided by transactions involving financial investments and fixed assets | 3'700 | 8'823 | (5'123) | 14'619 | 34'057 | (19'438) |
| Claims arising from money market paper | - | 324'452 | | - | 95'028 | |
| Liabilities arising from money market paper | 0 | 38 | | - | 2'973 | |
| Money market transactions | - | 324'490 | (324'490) | - | 98'001 | (98'001) |
| Due from banks | 1'101'653 | 0 | | - | 1'590'655 | |
| Due to banks | 29'204 | - | | - | 106'682 | |
| Financial investments | - | 340 | | - | 116'246 | |
| Banking and trading activities | 1'130'857 | 340 | 1'130'517 | - | 1'813'583 | (1'813'583) |
| Due from customers | - | 66'906 | | - | 208'304 | |
| Mortgage loans | 98 | 0 | | - | 2'608 | |
| Savings and deposit accounts | 0 | 236 | | 309 | - | |
| Other amounts due to customers | 0 | 592'219 | | - | 453'550 | |
| Medium-term bank bonds | - | - | | - | - | |
| Transactions with customers | 98 | 659'361 | (659'263) | 309 | 664'462 | (664'153) |
| Other assets | 45'624 | 0 | | - | 160'951 | |
| Other liabilities | 0 | 41'825 | | 148'711 | - | |
| Other balance sheet items | 45'624 | 41'825 | 3'799 | 148'711 | 160'951 | (12'240) |
| Cash and other liquid assets | - | 135'564 | | 2'575'083 | - | |
| Securities and precious metals trading portfolios | - | 1'145 | | 21'757 | - | |
| Liquid assets | - | 136'709 | (136'709) | 2'596'840 | - | 2'596'840 |
| Net cash used in / provided by banking activities | 1'176'579 | 1'162'725 | 13'854 | 2'745'860 | 2'736'997 | 8'863 |
| Total cash flows | 1'274'940 | 1'274'940 | | 2'982'874 | 2'982'874 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | 30.06.11 | 31.12.10 | Change |
|----------|---|-----------------------|----------------|--------------|
| | | (in thousands of CHF) | | in % |
| 1 | Claims arising from money market paper | 442'458 | 118'006 | 274.9 |
| | Total | 442'458 | 118'006 | 274.9 |
| | Rescriptions and treasury bills | 442'452 | 118'006 | 274.9 |
| | Other bills and money market paper | 6 | - | - |
| | | 442'458 | 118'006 | |

| | | 30.06.11 | 31.12.10 | Change |
|----------|-----------------------|-----------------------|------------------|---------------|
| | | (in thousands of CHF) | | in % |
| 2 | Due from banks | 7'509'349 | 8'611'002 | (12.8) |
| | Total | 7'509'349 | 8'611'002 | (12.8) |
| | Due from banks | 1'587'095 | 2'489'889 | (36.3) |
| | Reverse repos | 5'922'254 | 6'121'113 | (3.2) |
| | | 7'509'349 | 8'611'002 | |

| | | 30.06.11 | 31.12.10 | Change |
|----------|---------------------------------|-----------------------|------------------|--------------|
| | | (in thousands of CHF) | | in % |
| 3 | Due from customers | 1'718'757 | 1'651'949 | 4.0 |
| | Total | 1'718'757 | 1'651'949 | 4.0 |
| | Current account overdrafts | 642'272 | 655'936 | (2.1) |
| | Advances and fixed term loans | 762'406 | 781'836 | (2.5) |
| | Reverse repos | 300'000 | 200'000 | 50.0 |
| | Public corporations | - | - | - |
| | Total due from customers | 1'704'678 | 1'637'772 | 4.1 |
| | Mortgage loans | 14'079 | 14'177 | (0.7) |
| | | 1'718'757 | 1'651'949 | |

Current account overdrafts, advances and fixed term loans and mortgage loans are shown at face value, less any required adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 4 | Schedule of collateral (in thousands of CHF) | Mortgage collateral | Other collateral | Unsecured | Total |
|---------------------------------------|--|---------------------|------------------|------------------|------------------|
| Loans | | | | | |
| | Due from customers | 11'944 | 1'564'150 | 128'584 | 1'704'678 |
| | Mortgage loans : | | | | |
| | - residential property | 14'079 | - | - | 14'079 |
| | Total | 30.06.11 | 26'023 | 1'564'150 | 1'718'757 |
| | 31.12.10 | 26'608 | 1'495'728 | 129'612 | 1'651'949 |
| Off-balance sheet transactions | | | | | |
| | Contingent liabilities | - | 292'866 | 14'643 | 307'509 |
| | Irrevocable liabilities | - | 57'524 | 1'880 | 59'404 |
| | Liabilities for unpaid-in capital | - | - | 2'500 | 2'500 |
| | Guarantee loans | - | - | - | - |
| | Total | 30.06.11 | - | 350'390 | 369'413 |
| | 31.12.10 | - | 338'108 | 29'059 | 367'167 |

| | Gross value | Estimated proceeds from sale of collateral | Net value | Individual valuation adjustments |
|--|---------------|--|---------------|----------------------------------|
| Nonperforming loans (in thousands of CHF) | | | | |
| 30.06.11 | 13'371 | - | 13'371 | 13'363 |
| 31.12.10 | 14'233 | - | 14'233 | 14'224 |

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".

| | Total | 30.06.11 (in thousands of CHF) | 31.12.10 | Change in % |
|--|-------|-----------------------------------|---------------|----------------|
| 5 Securities and precious metals trading portfolios | | 34'305 | 33'160 | 3.5 |
| Debt instruments | | 7'157 | 7'285 | (1.8) |
| <i>of which : - listed</i> | | 7'157 | 7'285 | (1.8) |
| Equity paper | | 27'148 | 25'875 | 4.9 |
| | | 34'305 | 33'160 | |

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**.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| 6 Financial investments | 30.06.11 | | 31.12.10 | Change |
|---|-----------------------|----------------|----------------|----------------|
| | (in thousands of CHF) | | | in % |
| Total | 799'013 | | 798'673 | 0.0 |
| | 30.06.11 | | 31.12.10 | |
| | Book value | Fair value | Book value | Fair value |
| Debt instruments | 260'294 | 262'135 | 239'000 | 241'512 |
| <i>of which : - intended to be held until maturity</i> | 152'500 | 153'611 | 160'042 | 161'281 |
| <i>- reported as per lowest valuation</i> | 107'794 | 108'524 | 78'958 | 80'231 |
| Equity paper | 28'660 | 37'343 | 27'725 | 35'244 |
| <i>of which : - qualifying equity stakes</i> | | | | |
| <i>(min. 10% of capital or votes)</i> | - | - | - | - |
| Precious metals | 510'059 | 510'059 | 531'948 | 531'948 |
| | 799'013 | 809'537 | 798'673 | 808'704 |
| <i>of which : - securities eligible for repo agreements</i> | | | | |
| <i>under liquidity</i> | 155'907 | - | 168'854 | - |

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

| | | 30.06.11 | 31.12.10 | Change |
|--|--------------|-----------------------|---------------|--------------|
| | | (in thousands of CHF) | | in % |
| 7 Non-consolidated holdings | Total | 89'607 | 90'990 | (1.5) |
| Holdings consolidated using the equity method | | 42'502 | 44'708 | (4.9) |
| Non-consolidated majority holdings excluded from consolidation | | 47'105 | 46'282 | 1.8 |
| <i>of which : - banks</i> | | - | - | |
| | | 89'607 | 90'990 | |

"Holdings consolidated using the equity method" includes significant interests owned by the Group (20-50% of the relevant company's share capital).

| | 30.06.11 | 31.12.10 |
|---|-----------------------|----------|
| | (in thousands of CHF) | |
| Differences arising from the first equity consolidation : | | |
| - positive, included under "Retained earnings" | 2'364 | 2'365 |
| - negative, shown under "Intangible assets" | - | - |

Companies consolidated on the balance sheet using the equity method :

- La Compagnie Benjamin de Rothschild S.A. - Meyrin, 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 (10%) and Edmond de Rothschild International Funds Ltd, Bermuda (1%)

Total share capital USD 87'590

- LCF EdR Nikko Cordial, Japon, owned by :

Banque Privée Edmond de Rothschild Europe, Luxembourg (50%),

Total share capital JPY 100'000'000

- L.C.H Investment NV, Antilles Néerlandaises owned by :

Banque Privée Edmond de Rothschild S.A. - Geneva (43 %),

Edmond de Rothschild Limited, London (0,5%) and Edmond de Rothschild International Funds Ltd, Bermuda (0,5%)

Total share capital USD 2'000

| | 30.06.11 | 31.12.10 | Change |
|--|-----------------------|---------------|---------------|
| | (in thousands of CHF) | | in % |
| Due from or to holdings consolidated using the equity method : | | | |
| Adjustments accounts | 183 | 203 | |
| Total assets | 183 | 203 | (9.9) |
| Other amounts due to customers | 2'246 | 18'591 | |
| Other liabilities | 1'200 | 119 | |
| Total liabilities | 3'446 | 18'710 | (81.6) |

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

| | 30.06.11 | 31.12.10 | Change |
|---|-----------------------|----------|----------|
| | (in thousands of CHF) | | in % |
| Due from and to majority holdings excluded from consolidation : | | | |
| Due from banks | - | - | |
| Total assets | - | - | - |
| Due to banks | - | - | |
| Total liabilities | - | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 Schedule of non-current assets (in thousands of CHF)

| | Acquisition value at 1 January 2011 | Accumulated depreciation at 1 January 2011 | Group value at 1 January 2011 |
|---|--|---|--|
| Holdings consolidated using the equity method | 44'708 | - | 44'708 |
| Other holdings | 46'729 | (447) | 46'282 |
| Non-consolidated holdings | 91'437 | (447) | 90'990 |
| Bank premises | 161'341 | (44'872) | 116'469 |
| Other buildings | 13'200 | (3'787) | 9'413 |
| Other fixed assets | 255'051 | (203'721) | 51'330 |
| Total fixed assets | 429'592 | (252'380) | 177'212 |
| Goodwill | 74'977 | (69'990) | 4'987 |
| Other intangible assets | 90'694 | (79'477) | 11'217 |
| Intangible assets | 165'671 | (149'467) | 16'204 |

| | Forex adjustments | Redesigna- -tions | Investments and newly consolidated assets | Divestitures and assets no longer consolidated | Depreciation including changes in scope of consolidation | Group value at 30 June 2011 |
|---|----------------------|----------------------|--|---|--|-----------------------------------|
| Holdings consolidated using the equity method | (49) | - | 38 | (2'195) | - | 42'502 |
| Other holdings | (278) | - | 1'101 | - | - | 47'105 |
| Non-consolidated holdings | (327) | - | 1'139 | (2'195) | - | 89'607 |
| Bank premises | (1'190) | - | - | - | (1'233) | 114'046 |
| Other buildings | - | - | - | - | (141) | 9'272 |
| Other fixed assets | (934) | - | 7'173 | (6) | (11'688) | 45'875 |
| Total fixed assets | (2'124) | - | 7'173 | (6) | (13'062) | 169'193 |
| Goodwill | - | - | - | - | (969) | 4'018 |
| Other intangible assets | (193) | - | 3'096 | (1'440) | (2'412) | 10'268 |
| Intangible assets | (193) | - | 3'096 | (1'440) | (3'381) | 14'286 |

30.06.11 31.12.10
(in thousands of CHF)

| | | |
|--|---------|---------|
| Fire insurance value of bank premises | 168'999 | 172'599 |
| Fire insurance value of other buildings | 13'257 | 13'207 |
| Fire insurance value of other fixed assets | 122'171 | 116'740 |
| 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 prede-termined 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.

8 Schedule of non-current assets (in thousands of CHF)

Land, buildings and other fixed assets comprising furniture, equipment and fixtures (including renovations) are depreciated on the basis of their residual book value over their useful life, in accordance with the legislation of the country where the company is incorporated.

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 their useful life. 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

| | | 30.06.11 | 31.12.10 | Change |
|-----------------------|--|-----------------------|----------------|---------------|
| | | (in thousands of CHF) | | in % |
| 9 Other assets | Total | 312'936 | 358'560 | (12.7) |
| | Positive replacement value of derivative instruments | 287'282 | 330'647 | (13.1) |
| | Other | 25'654 | 27'913 | (8.1) |
| | | 312'936 | 358'560 | |

| | 30.06.11 | | 31.12.10 | |
|--|-------------------------|-----------------------------|-------------------------|-----------------------------|
| | Book value of assets | Actual encum- -brance | Book value of assets | Actual encum- -brance |
| 10 Assets pledged or assigned to cover own liabilities and assets subject to reservation of ownership | | | | |
| (in thousands of CHF) | | | | |
| | 16'835 | - | 17'451 | - |
| Securities pledged to a Stock Exchange to cover settlements | | | | |
| | - | - | - | - |
| Mortgage notes pledged to cover Bank premises | | | | |
| | 7'869 | - | 7'864 | - |
| Other | | | | |
| Assets pledged or assigned to cover own liabilities | 24'704 | - | 25'315 | - |
| Assets subject to reservation of ownership | - | - | - | - |
| Total encumbrances covering own liabilities | 24'704 | - | 25'315 | - |

| | 30.06.11 | 31.12.10 |
|--|-----------|-----------|
| Securities lending and repurchase agreements | | |
| Claims arising from cash pledged as collateral under securities borrowing and reverse repo agreements | 6'222'254 | 6'321'113 |
| 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 | 5'853'534 | 6'453'090 |
| <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

| | | 30.06.11 | 31.12.10 | Change |
|--|--------------|-----------------------|---------------|--------------|
| | | (in thousands of CHF) | | in % |
| 11 Disclosure of commitments to own pension plans | Total | 37'610 | 40'627 | (7.4) |

Commitments to own pension plans (joint and employer foundations alike) are stated under "Other amounts due to customers".

| | | 30.06.11 | 31.12.10 | Change |
|-----------------------------|--|-----------------------|----------------|---------------|
| | | (in thousands of CHF) | | in % |
| 12 Other liabilities | Total | 342'973 | 384'798 | (10.9) |
| | Negative replacement value of derivative instruments | 280'383 | 336'527 | (16.7) |
| | Other | 62'590 | 48'271 | 29.7 |
| | | 342'973 | 384'798 | |

13 Valuation adjustments and provisions

Reserves for general banking risks (in thousands of CHF)

| | Situation at end 2010 | Uses and releases as designated | Changes in scope of conso- -lidation | 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 of June 2011 |
|---|-----------------------------|---------------------------------------|---|---|--|--|--|
| Provision for taxes and deferred taxes | 36'568 | - | - | (310) | 4 | - | 36'262 |
| Valuation adjustments and provisions for default and other risks: | | | | | | | |
| - valuation adjustments and provisions for default risks (credit and country risks) | 17'729 | (787) | - | (124) | 100 | (47) | 16'871 |
| - valuation adjustments and provisions for other operating risks | - | - | - | - | - | - | - |
| - other provisions | 21'074 | (1'730) | - | (566) | 339 | (834) | 18'283 |
| Subtotal | 38'803 | (2'517) | - | (690) | 439 | (881) | 35'154 |
| Total valuation adjustment and provisions | 75'371 | (2'517) | - | (1'000) | 443 | (881) | 71'416 |
| Less valuation adjustments deducted directly from assets: | 14'224 | | | | | | 13'363 |
| <i>of which :</i> | | | | | | | |
| - <i>customers</i> | 14'224 | | | | | | 13'363 |
| Total valuation adjustments and provisions as per balance sheet | 61'148 | | | | | | 58'053 |
| Reserves for general banking risks | 294'967 | - | - | - | 6'000 | - | 300'967 |

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

| | | 30.06.11 | 31.12.10 | Change |
|--|--------------|-----------------------|---------------|----------------|
| | | (in thousands of CHF) | | 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 | | 36'919 | 37'435 | |
| Total claims | | 36'919 | 37'435 | (1.4) |
| Other amounts due to customers | | 42'317 | 2'686 | |
| Total liabilities | | 42'317 | 2'686 | 1'475.5 |

| | | 30.06.11 | 31.12.10 | Change |
|--|--------------|-----------------------|-----------------|--------------|
| | | (in thousands of CHF) | | in % |
| 15 Retained earnings and other reserves | Total | 813'649 | 769'977 | 5.7 |
| Retained earnings | | 906'372 | 847'966 | 6.9 |
| Passive difference from consolidation and equity consolidation | | 7'224 | 7'225 | (0.0) |
| Accrued currency translation differences | | (99'947) | (85'214) | 17.3 |
| | | 813'649 | 769'977 | |

| | | 30.06.11 | 31.12.10 | Change |
|--|--------------|-----------------------|-----------------|------------|
| | | (in thousands of CHF) | | in % |
| 16 Minority interests in shareholders' equity | Total | 30'180 | 28'565 | 5.7 |
| Minority shareholders' share in retained earnings | | 42'343 | 39'807 | 6.4 |
| Minority shareholders' share in accrued currency translation differences | | (12'163) | (11'242) | 8.2 |
| | | 30'180 | 28'565 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | 30.06.11 | 31.12.10 |
|--|-------------------|------------------|
| | (en milliers CHF) | |
| 17 Statement of changes in shareholders' equity | | |
| Share capital at beginning of year | | |
| Share capital | 45'000 | 45'000 |
| Additional paid-in capital | 93'220 | 130'779 |
| Retained earnings at beginning of year (including minority interests' share in shareholders' equity) | 798'542 | 781'561 |
| <i>of which : currency translation differences</i> | <i>(96'456)</i> | <i>(32'398)</i> |
| Reserves for general banking risks | 294'967 | 258'048 |
| Group net income | 149'898 | 136'814 |
| Treasury stock | <i>(56'300)</i> | <i>(37'929)</i> |
| Total shareholders' equity at beginning of the reporting period | 1'325'327 | 1'314'273 |
| Capital increase / decrease | - | - |
| Other allocations to / releases from reserves for general banking risks | 6'000 | 36'919 |
| Allocations to / releases from additional paid-in capital | - | <i>(37'929)</i> |
| Dividend | <i>(69'750)</i> | <i>(81'000)</i> |
| Other allocations to / releases from retained earnings | <i>(19'207)</i> | 25'226 |
| Net income | 71'815 | 149'898 |
| Treasury stock buybacks (at purchase price) | <i>(3'005)</i> | <i>(18'819)</i> |
| Sales of treasury stock (at purchase price) | 8'338 | 448 |
| Profit or loss on sales of treasury stock | 403 | 370 |
| Currency translation differences | <i>(15'654)</i> | <i>(64'059)</i> |
| Total shareholders' equity at end of the reporting period | 1'304'267 | 1'325'327 |
| of which : - share capital | 45'000 | 45'000 |
| - additional paid-in capital | 93'623 | 93'220 |
| - retained earnings (including minority interests' share in shareholders' equity) | 843'829 | 798'542 |
| <i>of which : - currency translation differences</i> | <i>(112'110)</i> | <i>(96'456)</i> |
| - reserves for general banking risks | 300'967 | 294'967 |
| - Group net income | 71'815 | 149'898 |
| <i>of which : - minority interests' share in net income</i> | <i>6'830</i> | <i>14'123</i> |
| - Treasury stock | <i>(50'967)</i> | <i>(56'300)</i> |

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.

17 Statement of changes in shareholders' equity

Own shares deducted from shareholders' equity

Treasury stock included in securities and precious metals trading portfolio

| | 30.06.11 | 31.12.10 |
|--|--------------------|------------|
| | (number of shares) | |
| - number of own shares at 1 January | 113 | 136 |
| - number of shares purchased during the reporting year | 191 | 485 |
| - number of shares sold during the reporting year | (45) | (508) |
| - number of own shares at 30 June | 259 | 113 |

Treasury stock reported as financial investments

| | 30.06.11 | 31.12.10 |
|--|--------------------|--------------|
| | (number of shares) | |
| - number of own shares at 1 January | 2'191 | 1'450 |
| - number of shares purchased during the reporting year | - | 741 |
| - number of shares sold during the reporting year | (300) | - |
| - number of own shares at 30 June | 1'891 | 2'191 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 Maturity profile of current assets, financial investments and borrowed funds (in thousands of CHF)

| | On demand | Callable | Within 3 months | In 3 to 12 months | In 12 months to 5 years | After 5 years | Total |
|--|-----------------|------------------|------------------|-------------------|-------------------------|----------------|-------------------|
| Current assets | | | | | | | |
| Cash and other liquid assets | 463'914 | - | - | - | - | - | 463'914 |
| Claims arising from money market paper | 6 | - | 424'992 | 17'460 | - | - | 442'458 |
| Due from banks | 805'362 | 47'996 | 2'824'719 | 3'831'272 | - | - | 7'509'349 |
| Due from customers | 0 | 1'044'463 | 361'445 | 240'190 | 10'105 | 48'475 | 1'704'678 |
| Mortgage loans | - | 14'079 | - | - | - | - | 14'079 |
| Securities and precious metals held for trading purposes | 34'305 | - | - | - | - | - | 34'305 |
| Financial investments | 543'922 | - | 1'944 | 73'658 | 141'441 | 38'048 | 799'013 |
| Total | 30.06.11 | 1'847'509 | 1'106'538 | 3'613'100 | 4'162'580 | 151'546 | 10'967'796 |
| | 31.12.10 | 1'768'129 | 1'416'338 | 7'674'824 | 404'482 | 214'044 | 11'541'140 |
| Borrowed funds | | | | | | | |
| Liabilities arising from money market paper | 34 | - | - | - | - | - | 34 |
| Due to banks | 173'337 | - | 101'575 | - | - | - | 274'912 |
| Due to customers on savings or deposit accounts et de placements | - | 7'501 | - | - | - | - | 7'501 |
| Other amounts due to customers | 8'567'256 | - | 726'378 | 201'667 | - | 11'696 | 9'506'997 |
| Total | 30.06.11 | 8'740'627 | 7'501 | 827'953 | 201'667 | 0 | 9'789'444 |
| | 31.12.10 | 9'430'014 | 7'752 | 864'259 | 40'295 | 5 | 10'352'733 |

| | 30.06.11 (in thousands of CHF) | 31.12.10 | Change in % |
|--|-----------------------------------|---------------|----------------|
| 19 Due from and to affiliated companies | | | |
| Due from banks | 8'860 | 54'153 | |
| Due from customers | 13 | 20 | |
| Adjustment accounts | 3'850 | 2'979 | |
| Other assets | 5'304 | 15'888 | |
| Total claims | 18'027 | 73'040 | (75.3) |
| Due to banks | 979 | 306 | |
| Other amounts due to customers | 39'774 | 5'047 | |
| Adjustment accounts | 490 | 560 | |
| Other liabilities | 6'144 | 18'747 | |
| Total commitments | 47'387 | 24'660 | 92.2 |

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.

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

| | 30.06.11 | | 31.12.10 | |
|--|---------------|-------------------|---------------|-------------------|
| | Loans | Number of members | Loans | Number of members |
| Loans granted to the governing bodies : (in thousands of CHF) | | | | |
| - to members of boards of directors | 37'799 | 5 | 41'209 | 7 |
| - to members of executive committees | 3'463 | 8 | 2'797 | 9 |
| - to internal auditors | - | - | - | - |
| - to independent auditors | - | - | - | - |
| Total | 41'262 | 13 | 44'006 | 16 |

| | 30.06.11 | | 31.12.10 | |
|---|--------------|-------------------|--------------|-------------------|
| | Commitments | Number of members | Commitments | Number of members |
| Guarantee commitments on behalf of : (in thousands of CHF) | | | | |
| - to members of boards of directors | 315 | 5 | 307 | 4 |
| - to members of executive committees | 903 | 10 | 969 | 8 |
| - to internal auditors | 38 | 5 | 30 | 5 |
| - to independent auditors | - | - | - | - |
| Total | 1'256 | 20 | 1'306 | 17 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 Breakdown of Swiss and foreign assets and liabilities (in thousands of CHF)

| | 30.06.11 | | | 31.12.10 | | |
|---|------------------|------------------|-------------------|------------------|------------------|-------------------|
| | Swiss | Foreign | Total | Swiss | Foreign | Total |
| Assets | | | | | | |
| Cash and other liquid assets | 226'113 | 237'801 | 463'914 | 210'434 | 117'916 | 328'350 |
| Claims arising from money market paper | 424'997 | 17'461 | 442'458 | 99'994 | 18'012 | 118'006 |
| Due from banks | 1'117'566 | 6'391'783 | 7'509'349 | 1'697'426 | 6'913'576 | 8'611'002 |
| Due from customers | 396'408 | 1'308'270 | 1'704'678 | 278'239 | 1'359'533 | 1'637'772 |
| Mortgage loans | 14'079 | - | 14'079 | 14'177 | - | 14'177 |
| Securities and precious metals trading portfolios | 3'302 | 31'003 | 34'305 | 308 | 32'852 | 33'160 |
| Financial investments | 650'800 | 148'213 | 799'013 | 672'047 | 126'626 | 798'673 |
| Non-consolidated holdings | 80'845 | 8'762 | 89'607 | 81'937 | 9'053 | 90'990 |
| Fixed assets | 103'512 | 65'681 | 169'193 | 107'639 | 69'573 | 177'212 |
| Intangible assets | 8'509 | 5'777 | 14'286 | 8'657 | 7'547 | 16'204 |
| Accrued income and prepaid expenses | 43'448 | 73'754 | 117'202 | 20'268 | 96'338 | 116'606 |
| Other assets | 203'825 | 109'111 | 312'936 | 163'812 | 194'748 | 358'560 |
| Total assets | 3'273'404 | 8'397'616 | 11'671'020 | 3'354'938 | 8'945'774 | 12'300'712 |
| Liabilities | | | | | | |
| Liabilities arising from money market paper | 34 | - | 34 | 72 | - | 72 |
| Due to banks | 10'047 | 264'865 | 274'912 | 7'964 | 237'744 | 245'708 |
| Due to customers on savings or deposit accounts | 6'980 | 521 | 7'501 | 7'071 | 666 | 7'737 |
| Other amounts due to customers | 1'081'379 | 8'425'618 | 9'506'997 | 1'072'897 | 9'026'319 | 10'099'216 |
| Accrued expenses and deferred income | 69'681 | 106'602 | 176'283 | 73'656 | 103'050 | 176'706 |
| Other liabilities | 160'234 | 182'739 | 342'973 | 242'241 | 142'557 | 384'798 |
| Valuation adjustments and provisions | 33'614 | 24'439 | 58'053 | 35'798 | 25'350 | 61'148 |
| Reserves for general banking risks | 247'078 | 53'889 | 300'967 | 241'078 | 53'889 | 294'967 |
| Share capital | 45'000 | - | 45'000 | 45'000 | - | 45'000 |
| Additional paid-in capital and other reserves | 92'692 | 931 | 93'623 | 92'289 | 931 | 93'220 |
| Retained earnings | 609'988 | 203'661 | 813'649 | 606'986 | 162'991 | 769'977 |
| Treasury stock | (50'967) | - | (50'967) | (56'300) | - | (56'300) |
| Minority interests in shareholders' equity | 28 | 30'152 | 30'180 | 28 | 28'537 | 28'565 |
| Consolidated net income | 170 | 71'645 | 71'815 | 19'095 | 130'803 | 149'898 |
| Total liabilities | 2'305'958 | 9'365'062 | 11'671'020 | 2'387'875 | 9'912'837 | 12'300'712 |

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.

22 Breakdown of consolidated assets by country/country group (in thousands of CHF)

| | 30.06.11 | | 31.12.10 | |
|------------------------------|-------------------|--------------|-------------------|--------------|
| | Value | % share | Value | % share |
| Assets | | | | |
| Switzerland | 3'273'404 | 28.0 | 3'354'938 | 27.3 |
| Europe excluding Switzerland | 7'715'308 | 66.1 | 8'251'327 | 67.1 |
| North America | 131'353 | 1.1 | 165'392 | 1.3 |
| South America | 33'765 | 0.3 | 50'522 | 0.4 |
| Asia / Pacific | 213'555 | 1.8 | 150'707 | 1.2 |
| Caribbean | 257'912 | 2.2 | 288'485 | 2.3 |
| Africa Middle East | 45'723 | 0.4 | 39'341 | 0.3 |
| Total assets | 11'671'020 | 100.0 | 12'300'712 | 100.0 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 Breakdown of consolidated assets and liabilities by currency (in thousands of CHF)

| Assets | CHF | USD | EUR | Other | Total | |
|---|-----------------|------------------|-------------------|------------------|------------------|-------------------|
| Cash and other liquid assets | 225'073 | 211 | 238'438 | 192 | 463'914 | |
| Claims arising from money market paper | 424'997 | 626 | 16'835 | - | 442'458 | |
| Due from banks | 833'625 | 2'944'700 | 3'182'517 | 548'507 | 7'509'349 | |
| Due from customers | 406'874 | 237'079 | 947'231 | 113'494 | 1'704'678 | |
| Mortgage loans | 14'079 | - | - | - | 14'079 | |
| Securities and precious metals trading portfolios | 3'501 | 6'839 | 15'561 | 8'404 | 34'305 | |
| Financial investments | 258'800 | 9'022 | 20'974 | 510'217 | 799'013 | |
| Non-consolidated holdings | 81'302 | 139 | 7'759 | 407 | 89'607 | |
| Fixed assets | 108'482 | 6'038 | 52'447 | 2'226 | 169'193 | |
| Intangible assets | 8'535 | 4 | 5'735 | 12 | 14'286 | |
| Accrued income and prepaid expenses | 51'805 | 8'696 | 55'736 | 965 | 117'202 | |
| Other assets | 269'012 | 3'195 | 38'825 | 1'904 | 312'936 | |
| Total positions reported as assets | 2'686'085 | 3'216'549 | 4'582'058 | 1'186'328 | 11'671'020 | |
| Delivery claims arising from spot, forward and options transactions | 1'925'244 | 15'930'332 | 4'937'134 | 2'006'778 | 24'799'488 | |
| Total assets | 30.06.11 | 4'611'329 | 19'146'881 | 9'519'192 | 3'193'106 | 36'470'508 |
| Total assets | 31.12.10 | 5'119'883 | 11'894'719 | 14'073'540 | 4'073'485 | 35'161'627 |
| Liabilities | | | | | | |
| Liabilities arising from money market paper | 34 | - | - | - | 34 | |
| Due to banks | 901 | 142'029 | 74'029 | 57'953 | 274'912 | |
| Due to customers on savings or deposit accounts | 7'501 | - | - | - | 7'501 | |
| Other amounts due to customers | 1'185'490 | 3'264'580 | 3'846'463 | 1'210'464 | 9'506'997 | |
| Accrued expenses and deferred income | 69'856 | 976 | 99'627 | 5'824 | 176'283 | |
| Other liabilities | 282'813 | 373 | 59'371 | 416 | 342'973 | |
| Valuation adjustments and provisions | 45'348 | - | 12'705 | - | 58'053 | |
| Reserves for general banking risks | 247'078 | - | 53'889 | - | 300'967 | |
| Share capital | 45'000 | - | - | - | 45'000 | |
| Additional paid-in capital and other reserves | 92'692 | - | 931 | - | 93'623 | |
| Retained earnings | 640'432 | 2'009 | 138'913 | 32'295 | 813'649 | |
| Treasury stock | (50'967) | - | - | - | (50'967) | |
| Minority interests in shareholders' equity | 33 | 1'137 | 21'865 | 7'145 | 30'180 | |
| Consolidated net income | 1'864 | 1'326 | 68'430 | 195 | 71'815 | |
| Total positions reported as liabilities | 2'568'075 | 3'412'430 | 4'376'223 | 1'314'292 | 11'671'020 | |
| Delivery commitments arising from spot, forward and options | 1'982'520 | 15'721'773 | 5'145'149 | 1'950'046 | 24'799'488 | |
| Total liabilities | 30.06.11 | 4'550'595 | 19'134'203 | 9'521'372 | 3'264'338 | 36'470'508 |
| Net position per currency | | 60'734 | 12'678 | (2'180) | (71'232) | - |
| Total liabilities | 31.12.10 | 5'232'015 | 11'883'970 | 13'946'330 | 4'099'312 | 35'161'627 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | 30.06.11 | 31.12.10 | Change |
|---|--------------|-----------------------|----------------|--------------|
| | | (in thousands of CHF) | | in % |
| 24 Contingent liabilities | Total | 307'509 | 308'039 | (0.2) |
| 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 | | 253'718 | 249'345 | 1.8 |
| Performance bonds, bid bonds, letters of indemnity and other service guarantees (including service guarantees in the form of irrevocable letters of credit) | | 53'791 | 58'694 | (8.4) |
| | | 307'509 | 308'039 | |

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. For the predictable risks, the Group constitutes provisions in the liabilities of the balance sheet.

| | | 30.06.11 | 31.12.10 | Change |
|---|--------------|-----------------------|----------------|--------------|
| | | (in thousands of CHF) | | in % |
| 25 Guarantee commitments for third parties | Total | 307'509 | 308'039 | (0.2) |
| Surety bonds | | 3'762 | 4'784 | (21.4) |
| Guarantees | | 303'747 | 303'255 | 0.2 |
| | | 307'509 | 308'039 | |

26 Open interest in derivative instruments (in thousands of CHF)

| | TRADING INSTRUMENTS | | | HEDGING INSTRUMENTS | | |
|--|---|---|--|---|--|----------------------|
| | Positive replace- -ment values | Negative replace- -ment values | Underlying values | Positive replace- -ment values | Negative replace- -ment values | Underlying values |
| Interest rate products | | | | | | |
| Forward contracts including FRAs | - | - | - | - | - | - |
| Swaps | 158 | 86 | 23'702 | - | - | - |
| Futures | - | - | - | - | - | - |
| Options (OTC) | - | - | - | - | - | - |
| Traded options | - | - | - | - | - | - |
| Foreign exchange / precious metals | | | | | | |
| Forward contracts | 240'432 | 251'442 | 19'378'935 | - | - | - |
| Combined interest and currency swaps | 35'794 | 21'982 | 5'052'738 | - | - | - |
| Futures | - | - | - | - | - | - |
| Options (OTC) | 5'324 | 2'889 | 414'843 | - | - | - |
| Traded options | - | - | - | - | - | - |
| Equity / indices | | | | | | |
| Forward contracts | - | - | - | - | - | - |
| Futures | - | - | - | - | - | - |
| Options (OTC) | 3'984 | 3'984 | 54'022 | - | - | - |
| Traded options | - | - | - | - | - | - |
| Other | | | | | | |
| Forward contracts | - | - | - | - | - | - |
| Futures | - | - | - | - | - | - |
| Options (OTC) | - | - | - | - | - | - |
| Traded options | - | - | - | - | - | - |
| Total before impact of netting agreements : | 30.06.11 | 285'692 | 280'383 | 24'924'240 | - | - |
| | 31.12.10 | 327'990 | 336'527 | 22'942'462 | - | - |
| Total after impact of netting agreements : | | | | | | |
| | | | Positive replacement values (accumulated) | | Negative replacement values (accumulated) | |
| 30.06.11 | | | 285'692 | | 280'383 | |
| 31.12.10 | | | 327'990 | | 336'527 | |

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).

26 Open interest in derivative instruments (in thousands of CHF)

| | 30.06.11 | | | 31.12.10 | | |
|---|---|---|----------------------|---|---|----------------------|
| | Positive replace- -ment values | Negative replace- -ment values | Underlying values | Positive replace- -ment values | Negative replace- -ment values | Underlying values |
| Open interest in derivative instruments (in thousands of CHF) | | | | | | |
| Banks and derivatives exchanges | | | | | | |
| - expiring in less than 1 year | 227'888 | 209'615 | 15'828'528 | 186'657 | 250'097 | 14'296'657 |
| - expiring in more than 1 year | - | 107 | 2'172 | - | - | - |
| Brokers | - | - | - | - | - | - |
| Secured customers | 57'804 | 70'661 | 9'093'540 | 141'333 | 86'430 | 8'645'805 |
| Unsecured customers | - | - | - | - | - | - |
| Total | 285'692 | 280'383 | 24'924'240 | 327'990 | 336'527 | 22'942'462 |

| | 30.06.11 | 31.12.10 | Change |
|-------------------------------------|-----------------------|------------------|------------|
| | (in thousands of CHF) | | in % |
| 27 Fiduciary transactions | 6'335'704 | 6'232'861 | 1.7 |
| Fiduciary deposits with other banks | 6'133'708 | 6'020'434 | 1.9 |
| Fiduciary loans | 201'996 | 212'427 | (4.9) |
| | 6'335'704 | 6'232'861 | |

| | 30.06.11 | 31.12.10 | Change |
|---|-----------------------|-------------------|--------------|
| | (in thousands of CHF) | | in % |
| 28 Assets under management | | | |
| Assets invested in funds managed by the Bank | 17'570'900 | 17'335'933 | 1.4 |
| Assets under discretionary management | 19'484'334 | 19'740'594 | (1.3) |
| Other assets | 55'055'922 | 55'638'121 | (1.0) |
| Total assets under management (incl. double reporting) | 92'111'156 | 92'714'648 | (0.7) |
| <i>of which : - double reporting</i> | <i>9'796'109</i> | <i>10'182'499</i> | <i>(3.8)</i> |
| <i>Net deposits / withdrawals of fresh money</i> | <i>4'038'601</i> | <i>6'485'659</i> | <i>-</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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | 30.06.11 | 30.06.10 | Change |
|---|--------------|-----------------------|---------------|---------------|
| | | (in thousands of CHF) | | in % |
| 29 Interest and discount income | Total | 32'701 | 24'982 | 30.9 |
| Due from banks | | 20'477 | 13'869 | 47.6 |
| <i>of which : - reverse repo interest</i> | | 15'851 | 7'853 | 101.8 |
| Claims arising from money market paper | | 173 | 88 | 96.6 |
| Advances to customers | | 12'051 | 11'025 | 9.3 |
| | | 32'701 | 24'982 | |
| Interest and dividend income on trading portfolios | | 54 | 311 | (82.6) |
| Interest and dividend income on financial investments | | 1'896 | 2'567 | (26.1) |

| | | 30.06.11 | 30.06.10 | Change |
|----------------------------|--------------|-----------------------|--------------|-------------|
| | | (in thousands of CHF) | | in % |
| 30 Interest payable | Total | 4'338 | 2'401 | 80.7 |
| To banks | | 4'308 | 805 | 435.2 |
| On customer deposits | | 30 | 1'596 | (98.1) |
| | | 4'338 | 2'401 | |

| | | 30.06.11 | 30.06.10 | Change |
|---|--------------|-----------------------|----------------|------------|
| | | (in thousands of CHF) | | in % |
| 31 Commission income on securities and investment transactions | Total | 300'126 | 286'729 | 4.7 |

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).

| | | 30.06.11 | 30.06.10 | Change |
|---|--------------|-----------------------|---------------|--------------|
| | | (in thousands of CHF) | | in % |
| 32 Commission income on other service operations | Total | 35'135 | 38'700 | (9.2) |

Commissions on other services consist of administration fees charged to customers and commissions for safe rentals, money transfers, cheques and other services.

| | | 30.06.11 | 30.06.10 | Change |
|---|--------------|-----------------------|---------------|---------------|
| | | (in thousands of CHF) | | in % |
| 33 Results of trading operations | Total | 44'550 | 51'333 | (13.2) |
| Securities trading (including equity product and index derivatives) | | 10'000 | 16'273 | (38.5) |
| Forex trading (including forex derivatives) | | 34'207 | 34'723 | (1.5) |
| Precious metals (including precious metals derivatives) | | 343 | 337 | 1.8 |
| | | 44'550 | 51'333 | |

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".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | 30.06.11 | 30.06.10 | Change |
|---------------------------------|--------------|-----------------------|--------------|-------------|
| | | (in thousands of CHF) | | in % |
| 34 Other ordinary income | Total | 8'436 | 7'503 | 12.4 |

This heading mainly covers fees received, coupon collection income and VAT refunds.

| | | 30.06.11 | 30.06.10 | Change |
|----------------------------------|--------------|-----------------------|----------------|------------|
| | | (in thousands of CHF) | | in % |
| 35 Personnel expenses | Total | 185'529 | 181'051 | 2.5 |
| Salaries | | 152'259 | 147'651 | 3.1 |
| Employee benefits : | | | | |
| - statutory social security | | 11'948 | 11'756 | 1.6 |
| - contributions to pension funds | | 13'477 | 13'796 | (2.3) |
| Other personnel expenses | | 7'845 | 7'848 | (0.0) |
| | | 185'529 | 181'051 | |

| | | 30.06.11 | 30.06.10 | Change |
|--|--------------|-----------------------|---------------|------------|
| | | (in thousands of CHF) | | in % |
| 36 Other operating expenses | Total | 63'413 | 62'278 | 1.8 |
| Cost of premises | | 10'173 | 9'957 | 2.2 |
| Equipment costs : | | | | |
| - IT systems | | 12'423 | 12'694 | (2.1) |
| - machines | | 256 | 237 | 8.0 |
| - furniture | | 434 | 362 | 19.9 |
| - vehicles | | 235 | 270 | (13.0) |
| Other operating expenses : | | | | |
| - office supplies | | 4'622 | 4'641 | (0.4) |
| - communications costs | | 10'120 | 10'584 | (4.4) |
| - professional fees and other expenses | | 25'150 | 23'532 | 6.9 |
| | | 63'413 | 62'278 | |

| | | 30.06.11 | 30.06.10 | Change |
|--|--------------|-----------------------|---------------|--------------|
| | | (in thousands of CHF) | | in % |
| 37 Depreciation of non-current assets | Total | 16'443 | 16'538 | (0.6) |
| Fixed assets : | | | | |
| - land and buildings | | 1'374 | 1'456 | (5.6) |
| - office furniture, machines and equipment | | 11'688 | 11'288 | 3.5 |
| Intangible assets | | 3'381 | 3'795 | (10.9) |
| | | 16'443 | 16'538 | |

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

| | | 30.06.11 | 30.06.10 | Change |
|--|--------------|-----------------------|--------------|---------------|
| | | (in thousands of CHF) | | in % |
| 38 Valuation adjustments, provisions and losses | Total | 1'733 | 4'269 | (59.4) |
| Valuation adjustments and provisions | | 439 | 2'744 | (84.0) |
| Losses | | 1'294 | 1'525 | (15.1) |
| | | 1'733 | 4'269 | |

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

| | | 30.06.11 | 30.06.10 | Change |
|---|--|-----------------------|----------|--------|
| | | (in thousands of CHF) | | in % |
| 39 Extraordinary income and expenses | | | | |
| Extraordinary income | | 3'185 | 1'589 | 100.4 |
| Extraordinary expenses | | 6'320 | 6'297 | 0.4 |

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

"Extraordinary expenses" mainly includes an allocation of CHF 6m to reserves for general banking risks.

| | | 30.06.11 | 30.06.10 | Change |
|-----------------|--------------|-----------------------|---------------|--------------|
| | | (in thousands of CHF) | | in % |
| 40 Taxes | Total | 17'204 | 18'683 | (7.9) |
| Current taxes | | 17'200 | 18'683 | (7.9) |
| Deferred taxes | | 4 | - | - |
| | | 17'204 | 18'683 | |

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**.

| | | 30.06.11 | 30.06.10 | Change |
|-----------------------------------|--------------|-----------------------|---------------|------------|
| | | (in thousands of CHF) | | in % |
| 41 Consolidated net income | Total | 71'815 | 70'448 | 1.9 |

The share of minority interests in net income is incorporated in consolidated net income based on the Group unity principle explained in **note 17**.

| | | 30.06.11 | 30.06.10 |
|--|--|----------|----------|
| 42 Earnings per share | | | |
| Group earnings after deduction of portion due to minority interests (in thousands of CHF) | | 64'985 | 64'542 |
| 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) | | 87'850 | 87'807 |
| Earnings per bearer share (in CHF) | | 739.73 | 735.04 |
| Earnings per registered share (in CHF) | | 147.95 | 147.01 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | 30.06.11 | | | 30.06.10 | | |
|--|------------|---------------|---------------|--------------|---------------|---------------|
| | Swiss | Foreign | Total | Swiss | Foreign | Total |
| 43 Breakdown of Group results by Swiss and foreign origin (in thousands of CHF) | | | | | | |
| Interest and discount income | 12'722 | 19'979 | 32'701 | 10'762 | 14'220 | 24'982 |
| Interest and dividend income on trading portfolios | 27 | 27 | 54 | 18 | 293 | 311 |
| Interest and dividend income on financial investments | 1'783 | 113 | 1'896 | 2'413 | 154 | 2'567 |
| Interest payable | 775 | 3'563 | 4'338 | 544 | 1'857 | 2'401 |
| Interest income, net | 13'757 | 16'556 | 30'313 | 12'649 | 12'810 | 25'459 |
| Commission income on lending activities | 393 | 419 | 812 | 516 | 478 | 994 |
| Commission income on trading operations and investments | 117'579 | 182'547 | 300'126 | 114'702 | 172'027 | 286'729 |
| Commission income on other services | 13'408 | 21'727 | 35'135 | 14'815 | 23'885 | 38'700 |
| Commissions payable | 24'766 | 42'142 | 66'908 | 22'832 | 37'622 | 60'454 |
| Fee and commission income, net | 106'614 | 162'551 | 269'165 | 107'201 | 158'768 | 265'969 |
| Results of trading operations | 22'036 | 22'514 | 44'550 | 22'494 | 28'839 | 51'333 |
| Proceeds from the sale of financial investments | 368 | 276 | 644 | (476) | 647 | 171 |
| Total income from holdings | 5'087 | 1'544 | 6'631 | 5'055 | 2'388 | 7'443 |
| Real estate income | 469 | 285 | 754 | 363 | 267 | 630 |
| Other ordinary income | 5'092 | 3'344 | 8'436 | 5'223 | 2'280 | 7'503 |
| Other ordinary expenses | 1'216 | 5 | 1'221 | 532 | - | 532 |
| Other ordinary results | 9'800 | 5'444 | 15'244 | 9'633 | 5'582 | 15'215 |
| Personnel expenses | 95'633 | 89'896 | 185'529 | 90'919 | 90'132 | 181'051 |
| Other operating expenses | 31'954 | 31'459 | 63'413 | 28'170 | 34'108 | 62'278 |
| Operating expenses | 127'587 | 121'355 | 248'942 | 119'089 | 124'240 | 243'329 |
| Gross profit | 24'620 | 85'710 | 110'330 | 32'888 | 81'759 | 114'647 |
| Depreciation of fixed assets | 10'885 | 5'558 | 16'443 | 9'870 | 6'668 | 16'538 |
| Valuation adjustments, provisions and losses | 943 | 790 | 1'733 | 3'100 | 1'169 | 4'269 |
| Result before extraordinary items and taxes | 12'792 | 79'362 | 92'154 | 19'918 | 73'922 | 93'840 |
| Extraordinary income | 1'142 | 2'043 | 3'185 | 128 | 1'461 | 1'589 |
| Extraordinary expenses | 6'192 | 128 | 6'320 | 6'121 | 176 | 6'297 |
| Taxes | 7'572 | 9'632 | 17'204 | 8'936 | 9'747 | 18'683 |
| Consolidated net income | 170 | 71'645 | 71'815 | 4'989 | 65'460 | 70'448 |

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