



**BANQUE PRIVÉE**  
**EDMOND DE ROTHSCHILD S.A.**  

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**LCF ROTHSCHILD GROUP**



**PRESS RELEASE**  
**FINANCIAL YEAR 2007**







# Contents

## **Banque Privée Edmond de Rothschild Group**

Group operations and results	4
Group key figures	7
Consolidated balance sheet	8
Consolidated profit and loss account	10

## **Banque Privée Edmond de Rothschild S.A.**

Parent company results	11
Key figures	13
Balance sheet	14
Profit and loss account	16

# Press release

Geneva, 2 April 2008

**Banque Privée Edmond de Rothschild Group**  
**Consolidated annual results (to 31.12.2007)**

**Net profit up 27.9% to a new all-time record**

**Assets under management up 20.7%, past the CHF 100 billion mark**

**No subprime-related losses**

**Best fund of hedge funds manager prize for our Group at the 2007 InvestHedge Awards**

**Dividend substantially higher + anniversary dividend**

2007 marked the tenth anniversary of the death of our founder, Baron Edmond de Rothschild. Baron Edmond left a lasting imprint on our Group. As an entrepreneur and a man of vision, he allied himself with talented professionals, laying the basis of a private banking institution that would rise to the challenges before it. We all have fond memories of Baron Edmond. He was a distinguished and warm-hearted person to whom we are deeply indebted.

Last year also commemorated a decade since Baron Benjamin de Rothschild became our Chairman. Baron Benjamin had already long been involved in running segments of our business. Building on his father's heritage, he has turned our Group into a dynamic, state-of-the-art player steeped in his family's tradition. Under his guidance, we have posted consistently robust earnings growth throughout the past ten years.

## **Assets under management up 20.7%**

2007 ended on a particularly happy note for our Group. Thanks to the efforts made in recent years, client funds surged to CHF 100.3 billion at 31 Dec. 2007, up 20.7% on the year-earlier figure of CHF 83.1 billion. Fresh money totalled CHF 10.2 billion last year, more than twice the amount registered in 2006.

## **Net profit up sharply to a new all-time record**

For the third year in a row we have pleasure in reporting record earnings for the Banque Privée Edmond de Rothschild Group, which posted a gross

profit of CHF 364.4 million, up 23.2% on the 2006 figure (CHF 295.8 million). Consolidated net earnings came to CHF 246.4 million compared with CHF 192.7 million a year earlier, marking a gain of 27.9%.

These achievements came on the back of untiring efforts aimed at reinforcing our core business, improving our organisational structure, recruiting new wealth management teams and implementing expansion plans with a view to serving clients better.

## **LCF Edmond de Rothschild *Prifund***

Last year's hefty gains were driven to a large extent by our rapidly expanding Investment Funds Dept, whose in-house funds continued to perform well, underpinned by recognised quality. Our umbrella vehicle, LCF Edmond de Rothschild *Prifund*, enjoyed remarkable growth and now has more than CHF 9.6 billion of assets.

## **InvestHedge Awards 2007 – best fund of hedge funds manager**

The LCF Rothschild Group was declared best fund of hedge funds manager for 2007 at the sixth annual InvestHedge Awards in New York. Five of our Group's funds were nominated for best fund of hedge funds in their respective category, in a field of over 2500 alternative investment vehicles. TCH, one of the products managed by our London affiliate, won the Global Macro fund award.

### **No subprime-related losses**

Thanks to caution and top-quality management of our clients' accounts, our Group avoided the US subprime mortgage meltdown and its widespread impact on financial markets last year. We made no direct investments in this segment, either for ourselves or on behalf of clients.

### **Substantially higher dividend and anniversary dividend**

Against a background of steadily rising earnings, we propose an ordinary dividend of CHF 108 million, up sharply from the year-earlier level (CHF 81 million). We further propose an anniversary dividend, also amounting to CHF 108 million.

### **Roundup of 2007 results**

#### **Revenue**

Interest income totalled CHF 106.3 million, up 29.7% on the CHF 82 million reported at end-2006. The increase was mainly attributable to a higher volume of lending and to wider interest spreads.

Income from fees and commissions rose 20% to CHF 583.9 million from CHF 486.6 million the previous year, a gain made possible by the growth of client assets and by the expansion of our related wealth management operations.

Results of trading operations amounted to CHF 128.9 million, up 15.1% on their 2006 level of CHF 112 million. The increase was fuelled to a large extent by higher profits on securities transactions.

Other ordinary results totalled CHF 46.9 million, versus a year-earlier figure of CHF 33.4 million. This item chiefly comprises dividends collected on non-consolidated holdings.

#### **Expenses**

The average number of staff employed by the Group last year was 1375, up from 1277 in 2006. Personnel expenses amounted to CHF 388.2 million, compared with the previous year's level of CHF 321.3 million. The 20.8% increase reflects the growth of our workforce as well as an increase in performance-related remuneration.

Other operating expenses rose 17.1% to CHF 113.4 million from CHF 96.9 million in 2006.

Total operating expenses came to CHF 501.6 million, 20% higher than the year-earlier level.

#### **Gross profit**

Group gross profit was up 23.2% and totalled CHF 364.4 million, versus CHF 295.8 million in 2006.

Depreciation of fixed assets worked out to CHF 29.7 million, as against CHF 28.8 million the previous year.

Extraordinary income amounted to CHF 13.9 million, down by CHF 3.6 million on the 2006 figure. This item chiefly included the release of provisions no longer required for operating purposes.

Extraordinary expenses came to CHF 20.9 million, CHF 4.7 million less than the CHF 25.6 million reported the previous year. This line primarily contains the Group allocation to reserves for general banking risks.

Taxes came to CHF 61.5 million, up 18.5% on the year-earlier figure of CHF 51.9 million.

#### **Balance sheet review**

The consolidated balance sheet total stood at CHF 11.5 billion at end-2007, 36.9% higher than 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 10.4 billion. This marked a 38.5% increase compared with the previous year's figure of CHF 7.5 billion.

Financial investments amounted to CHF 235.2 million, practically unchanged from the CHF 236 million reported in 2006.

Fixed assets rose to CHF 194.7 million from CHF 174 million at end-2006.

Adjustment accounts totalled CHF 150.5 million, compared with CHF 95.5 million the previous year.

"Other assets" were sharply higher at CHF 334.3 million, mainly reflecting an increase in the positive replacement value of derivative instruments, which came to CHF 240.2 million at the close of the reporting year compared with CHF 166.4 million at end-2006.

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 9.4 billion, or 81.8% of the balance sheet total, versus CHF 6.6 billion the previous year. The rise mostly stemmed from the larger volume of client funds awaiting investment at end-2007.

"Other liabilities" were sharply higher at CHF 368 million, primarily reflecting an increase in the negative replacement value of derivative instruments which came to CHF 229.3 million at the close of the reporting year compared with CHF 165 million at end-2006.

Valuation adjustments and provisions totalled CHF 102 million, up from CHF 100.4 million in 2006.

Reserves for general banking risks were raised 9.7% to CHF 205.8 million from their year-earlier level of CHF 187.5 million.

Prior to the dividend payout, Group capital and reserves stand at CHF 1.3 billion, up by CHF 159.5 million on the 2006 level. They now represent 11.6%

of the balance sheet total. Return on equity worked out to 22.3% and the BIS ratio (in terms of basic shareholders' equity) came to 38.4%. Thus, the Group's capital and reserves exceed the BIS-recommended levels by a wide margin.

### Outlook for 2008

Thanks to a long-term strategy geared towards organic growth and our core business of wealth management, our Group has headed into 2008 brimming with confidence despite roiling financial markets. We will continue to press ahead with the plans and projects developed in previous years. Our ongoing efforts to win new clients will be focused, in particular, on Europe, Asia, the Middle East and Latin America.

We will also continue adding new professionals to our workforce and will invest considerably in premises as well as in IT equipment, knowing that these outlays will further enhance the quality of our customer service and ensure our future competitiveness. Our attitude remains guarded, however, in view of geopolitical, economic and market environments fraught with uncertainty.



# Key figures

## Banque Privée Edmond de Rothschild Group

	2007	2006	Change	
			(in CHF)	(in %)
<b>Consolidated profit and loss account</b> (in thousands of CHF)				
Net interest income	106,342	81,970	24,372	29.7
Fee and commission income	583,945	486,567	97,378	20.0
Results of trading operations	128,870	112,007	16,863	15.1
Operating expenses (personnel costs and other overheads)	501,636	418,149	83,487	20.0
Group net income	246,402	192,664	53,738	27.9
<b>Profitability (%)</b>				
Return on equity				
- net income/average shareholders' equity (2)	22.3	18.8	-	-
Return on assets				
- net income/average assets	2.5	2.4	-	-
<b>Shares</b> (in CHF)				
Earnings per bearer share after deducting portion due to minority interests	2,385	1,835	550	30.0
Earnings per registered share after deducting portion due to minority interests	477	367	110	30.0
<b>Consolidated balance sheet</b> (in thousands of CHF)				
Due from banks	8,250,863	5,717,487	2,533,376	44.3
Advances to customers	1,908,479	1,588,119	320,360	20.2
Due to banks	815,286	730,877	84,409	11.5
Customer deposits	8,559,640	5,876,796	2,682,844	45.7
Shareholders' equity (1)	1,333,081	1,173,616	159,465	13.6
Balance sheet total	11,458,132	8,368,540	3,089,592	36.9
<b>Assets under management</b> (in millions of CHF)				
Total assets under management (includes double reporting)	100,268	83,071	17,197	20.7
<i>of which: - double reporting</i>	<i>10,939</i>	<i>9,139</i>	<i>1,800</i>	<i>19.7</i>
<i>Net inflow of fresh funds</i>	<i>10,249</i>	<i>3,949</i>	<i>6,300</i>	<i>-</i>
<b>Group personnel</b> (number of employees)				
Average number of employees	1,375	1,277	98	7.7
- in Switzerland	563	537	26	4.8
- abroad	812	740	72	9.7
Total number of employees at year-end	1,438	1,307	131	10.0
Number of employees at year-end, converted into full-time jobs	1,402	1,269	133	10.5

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

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

# Consolidated balance sheet

at 31 December 2007 (in thousands of CHF)

<b>Assets</b>	<b>Notes</b>	<b>2007</b>	<b>2006</b>	<b>Change</b>	
				(in thousands of CHF) (in %)	
Cash and other liquid assets	17	215,001	181,773	33,228	18.3
Claims arising from money market paper	1, 17	20,261	25,476	(5,215)	(20.5)
Due from banks	17	8,250,863	5,717,487	2,533,376	44.3
Due from customers	2, 17	1,900,983	1,583,037	317,946	20.1
Mortgage loans	2, 17	7,496	5,082	2,414	47.5
Total advances to customers	3, 19	1,908,479	1,588,119	320,360	20.2
Securities and precious metals trading portfolios	4, 17	43,902	21,930	21,972	100.2
Financial investments	5, 17	235,181	235,967	(786)	(0.3)
Non-consolidated holdings	6, 7	89,481	81,458	8,023	9.8
Fixed assets	7	194,692	174,007	20,685	11.9
Intangible assets	7	15,545	14,522	1,023	7.0
Accrued income and prepaid expenses		150,457	95,481	54,976	57.6
Other assets	8	334,270	232,320	101,950	43.9
<b>Total assets</b>	<b>9, 18, 20, 21, 22</b>	<b>11,458,132</b>	<b>8,368,540</b>	<b>3,089,592</b>	<b>36.9</b>
Subordinated amounts receivable		3,144	3,413	(269)	(7.9)
Due from non-consolidated Group companies and qualifying shareholders	6, 13	555	530	25	4.7

# Consolidated balance sheet

at 31 December 2007 (in thousands of CHF)

<b>Liabilities</b>	<b>Notes</b>	<b>2007</b>	<b>2006</b>	<b>Change</b>	
					(in %)
					(in thousands of CHF)
Liabilities arising from money market paper	17	544	43	501	1'165.1
Due to banks	17	815,286	730,877	84,409	11.5
Due to customers on savings or deposit accounts	17	5,135	6,770	(1,635)	(24.1)
Other amounts due to customers	10, 17	8,554,505	5,870,026	2,684,479	45.7
Total due to customers		8,559,640	5,876,796	2,682,844	45.7
Accrued expenses and deferred income		279,581	225,789	53,792	23.8
Other liabilities	11	367,997	261,048	106,949	41.0
Valuation adjustments and provisions	12	102,003	100,371	1,632	1.6
Reserves for general banking risks	12	205,767	187,488	18,279	9.7
Share capital	13	45,000	45,000	-	-
Additional paid-in capital and other reserves		123,973	99,525	24,448	24.6
Retained earnings	14	706,915	635,308	71,607	11.3
Treasury stock		(46,977)	(35,654)	(11,323)	31.8
Minority interests in shareholders' equity	15	52,001	49,285	2,716	5.5
Consolidated net income		246,402	192,664	53,738	27.9
<i>of which: - minority interests</i>		37,369	31,936	5,433	17.0
Total Group capital and reserves	16	1,333,081	1,173,616	159,465	13.6
<b>Total liabilities</b>	<b>18, 20, 22</b>	<b>11,458,132</b>	<b>8,368,540</b>	<b>3,089,592</b>	<b>36.9</b>
Subordinated liabilities		-	-	-	-
Due to non-consolidated holdings and qualifying shareholders	6, 13	47,767	7,416	40,351	544.1

<b>Off-balance sheet transactions</b>	<b>Notes</b>	<b>2007</b>	<b>2006</b>	<b>Change</b>	
					(in %)
					(in thousands of CHF)
Contingent liabilities	3, 19, 23, 24	429,192	370,164	59,028	15.9
Irrevocable liabilities	3	93,677	83,163	10,514	12.6
Derivative instruments	25				
Positive replacement values		240,204	166,396	73,808	44.4
Negative replacement values		229,314	164,969	64,345	39.0
Underlying values		22,052,176	13,146,352	8,905,824	67.7
Fiduciary transactions	26	11,383,544	8,306,717	3,076,827	37.0

# Consolidated profit and loss account

for the year ended 31 December 2007 (in thousands of CHF)

	Notes	2007	2006	Change	
					(in %)
					(in thousands of CHF)
Interest and discount income	28	371,070	257,510	113,560	44.1
Interest and dividend income on trading portfolios	28	911	796	115	14.4
Interest and dividend income on financial investments	28	5,054	5,119	(65)	(1.3)
Interest payable	29	270,693	181,455	89,238	49.2
Interest income, net		106,342	81,970	24,372	29.7
Commission income on lending activities		1,661	1,438	223	15.5
Commission income on securities and investment transactions	30	607,302	497,531	109,771	22.1
Commission income on other services	31	88,772	80,361	8,411	10.5
Commissions payable		113,790	92,763	21,027	22.7
Fee and commission income, net		583,945	486,567	97,378	20.0
Results of trading operations	32	128,870	112,007	16,863	15.1
Proceeds from the sale of financial investments		7,884	2,126	5,758	270.8
Income from holdings		30,719	24,135	6,584	27.3
<i>of which: - holdings reported using the equity method</i>		<i>11,557</i>	<i>6,073</i>	<i>5,484</i>	<i>90.3</i>
<i>- other non-consolidated holdings</i>		<i>19,162</i>	<i>18,062</i>	<i>1,100</i>	<i>6.1</i>
Real estate income		743	805	(62)	(7.7)
Other ordinary income	33	7,741	7,114	627	8.8
Other ordinary expenses		172	733	(561)	(76.5)
Other ordinary results		46,915	33,447	13,468	40.3
<b>Total operating income</b>		<b>866,072</b>	<b>713,991</b>	<b>152,081</b>	<b>21.3</b>
Personnel expenses	19, 34	388,197	321,261	66,936	20.8
Other operating expenses	19, 35	113,439	96,888	16,551	17.1
<b>Total operating expenses</b>		<b>501,636</b>	<b>418,149</b>	<b>83,487</b>	<b>20.0</b>
<b>Gross profit</b>		<b>364,436</b>	<b>295,842</b>	<b>68,594</b>	<b>23.2</b>
Depreciation of fixed assets	7, 36	29,685	28,772	913	3.2
Valuation adjustments, provisions and losses	37	19,791	14,392	5,399	37.5
<b>Result before extraordinary items and taxes</b>		<b>314,960</b>	<b>252,678</b>	<b>62,282</b>	<b>24.6</b>
Extraordinary income	38	13,858	17,477	(3,619)	(20.7)
Extraordinary expenses	38	20,936	25,619	(4,683)	(18.3)
Taxes	39	61,480	51,872	9,608	18.5
<b>Consolidated net income</b>	<b>40, 41, 42</b>	<b>246,402</b>	<b>192,664</b>	<b>53,738</b>	<b>27.9</b>
<i>of which: - minority interests' share in consolidated net income</i>		<i>37,369</i>	<i>31,936</i>	<i>5,433</i>	<i>17.0</i>

# Parent company results

At 31.12.2007

## Net profit up 32.4% to a new record

Banque Privée Edmond de Rothschild S.A. set a new all-time record for non-consolidated earnings last year. The Bank's net profit at 31 Dec. 2007 totalled CHF 162.4 million, marking a rise of 32.4% compared with the year-earlier figure of CHF 122.6 million.

Following appropriation of net income, shareholders' equity will amount to CHF 484.5 million, or 18.5% of the balance sheet total. On that basis return on equity at end-2007 worked out to 31.8%, compared with 23.8% the previous year.

## Large dividend increase

The Board of Directors proposes that the dividend be raised by 33.3% to CHF 108 million for the reporting year, supplemented by an anniversary dividend also amounting to CHF 108 million. The payout will be CHF 480.- (2006: CHF 180.-) per registered share and CHF 2400.- (2006: CHF 900.-) per bearer share.

## Balance sheet review

At 31 Dec. 2007 the balance sheet total stood at CHF 2.6 billion, up by CHF 588 million compared with the year-earlier figure.

On the assets side, cash and claims arising from money market paper totalled CHF 77.6 million, up by CHF 20.9 million on the 2006 level of CHF 56.7 million. This increase stems from a jump in assets deposited with the Swiss National Bank, in response to heavy turbulence on financial markets at the end of the reporting year.

Funds due from banks rose by CHF 319.7 million to CHF 1.4 billion, including CHF 653.6 million held with correspondents under reverse repo agreements.

Cash, bank deposits and money market claims together came to CHF 1.5 billion, as against CHF 1.2 billion the previous year, and accounted for 57.6% of the balance sheet total.

Loans to customers amounted to CHF 418.8 million, or 44% more than at end-2006. They represented 16% of the balance sheet total.

Securities and precious metals held for trading purposes totalled CHF 22 million, up sharply on the previous year's level.

Financial investments totalled CHF 107.5 million, up CHF 10.4 million, or 10.7%, on the year-earlier figure.

Fixed assets came to CHF 79.5 million, practically unchanged.

Other assets amounted to CHF 221.1 million, up 58.3% on the 2006 total. The increase was mainly attributable to the higher replacement value of open forward currency contracts. This item is offset by the corresponding increase in negative replacement values included in "Other liabilities".

On the liabilities side, funds due to banks surged to CHF 483.7 million, chiefly reflecting cash management at the Group level.

At 31 Dec. 2007 customer deposits awaiting investment totalled CHF 929.6 million and accounted for 35.5% of the balance sheet total.

At CHF 231.9 million, other liabilities were up considerably as a result of the higher replacement value of open forward currency contracts at the end of the reporting period.

Valuation adjustments and provisions grew by CHF 14.5 million to CHF 138.6 million, mainly owing to the increase in "Other provisions".

Following appropriation of net income, shareholders' equity will amount to CHF 484.5 million, or 18.5% of the balance sheet total. On that basis return on equity at end-2007 worked out to 31.8%, compared with 23.8% the previous year.

### **Roundup of results**

The Bank's net profit at 31 Dec. 2007 totalled CHF 162.4 million, marking a leap of 32.4% compared with the year-earlier figure of CHF 122.6 million.

#### **Revenue**

Interest income rose 29.9% versus the 2006 level to CHF 37.3 million. This reflected larger business volume as well as wider interest spreads.

Income from fees and commissions amounted to CHF 179.4 million, compared with CHF 147.7 million in 2006. This 21.5% rise was made possible by a jump in assets under management and by buoyant conditions on equity markets during parts of the reporting period.

Results of trading operations came to CHF 34.2 million, up 24.7% from CHF 27.5 million the previous year. The increase mainly resulted from securities transactions.

Other ordinary results grew by 28.6% to CHF 146.4 million, thanks in particular to the higher dividends paid on our long-term holdings.

#### **Expenses**

Operating expenses totalled CHF 183.2 million, marking a 19.7% increase on the 2006 level. Personnel expenses were up by 23.8% and other operating costs up by 7.1%.

At CHF 214.2 million, gross profit was up 30% compared with the year-earlier figure (CHF 164.7 million).

Depreciation of fixed assets amounted to CHF 12.3 million, down slightly on the 2006 level.

Valuation adjustments, provisions and losses totalled CHF 25.1 million, up 46.8% on the previous year.

Extraordinary income came to CHF 6.7 million, unchanged compared with end-2006.

Taxes due on our 2007 earnings are estimated at CHF 21 million, up by CHF 1.9 million on the year-earlier level.

### **Outlook for 2008**

Thanks to a long-term strategy geared towards organic growth and our core business of wealth management, our Group has headed into 2008 brimming with confidence despite roiling financial markets. We will continue to press ahead with the plans and projects developed in previous years. Our ongoing efforts to win new clients will be focused, in particular, on Europe, Asia, the Middle East and Latin America.

We will also continue adding new professionals to our workforce and will invest considerably in premises as well as in IT equipment, knowing that these outlays will further enhance the quality of our customer service and ensure our future competitiveness. Our attitude remains guarded, however, in view of geopolitical, economic and market environments fraught with uncertainty.

# Key figures

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

	2007	2006	Change	
			(in CHF)	(in %)
<b>Balance sheet</b> (in thousands of CHF)				
Due from banks	1,432,461	1,112,742	319,719	28.7
Advances to customers	418,764	290,786	127,978	44.0
Due to banks	483,696	161,075	322,621	200.3
Customer deposits	929,637	853,060	76,577	9.0
Shareholders' equity (after appropriation)	484,459	536,854	(52,395)	(9.8)
Balance sheet total	2,620,327	2,032,277	588,050	28.9
<b>Profit and loss account</b> (in thousands of CHF)				
Interest income, net	37,313	28,727	8,586	29.9
Fee and commission income, net	179,411	147,715	31,696	21.5
Results of trading operations	34,246	27,457	6,789	24.7
Operating expenses (personnel costs and overheads)	183,160	152,984	30,176	19.7
Net income	162,350	122,601	39,749	32.4
<b>Staff</b> (number of employees)				
Number of employees at year-end (converted into full-time jobs)	457	421	36	8.6
<b>Profitability</b> (%)				
Return on equity				
- net profit/average shareholders' equity after profit appropriation	31.8	23.8	-	-
Return on assets				
- net profit/average assets	7.0	6.3	-	-
<b>Shares</b>				
Dividend (in thousands of CHF)	216,000	81,000	135,000	166.7
Dividend (% of share capital)	480	180	300	166.7
Stock market capitalisation (in thousands of CHF)	3,567,000	2,214,000	1,353,000	61.1
Data per bearer share:				
- net income per share (CHF)	1,804	1,362	442	32.4
- dividend (CHF)	2,400	900	1,500	166.7
- quoted price at 31.12 (CHF)	43,500	27,000	16,500	61.1
- gross yield (%)	5.5	3.3	-	-

The Bank's registered shares are reported at their 31 Dec. 2007 value less 20%.

# Balance sheet

before profit appropriation at 31 December 2007 (in thousands of CHF)

<b>Assets</b>	<b>Notes</b>	<b>2007</b>	<b>2006</b>	<b>Change</b>	
					(in thousands of CHF) (in %)
Cash and other liquid assets		58,532	35,629	22,903	64.3
Claims arising from money market paper		19,078	21,086	(2,008)	(9.5)
Due from banks		1,432,461	1,112,742	319,719	28.7
Due from customers		412,342	286,974	125,368	43.7
Mortgage loans		6,422	3,812	2,610	68.5
Total advances to customers	<b>13</b>	418,764	290,786	127,978	44.0
Securities and precious metals held for trading purposes	<b>1</b>	21,980	5,280	16,700	316.3
Financial investments	<b>2</b>	107,540	97,118	10,422	10.7
Holdings	<b>3</b>	236,677	236,897	(220)	(0.1)
Fixed assets	<b>4</b>	79,519	80,373	(854)	(1.1)
Accrued income and prepaid expenses		24,674	12,692	11,982	94.4
Other assets	<b>5</b>	221,102	139,674	81,428	58.3
<b>Total assets</b>	<b>6, 13</b>	<b>2,620,327</b>	<b>2,032,277</b>	<b>588,050</b>	<b>28.9</b>
Subordinated amounts receivable		-	-	-	-
Amounts due from Group companies and qualifying shareholders	<b>3, 10</b>	378,047	241,802	136,245	56.3
<b>Liabilities</b>					
Liabilities arising from money market paper		529	42	487	1,159.5
Due to banks		483,696	161,075	322,621	200.3
Other amounts due to customers	<b>7</b>	929,637	853,060	76,577	9.0
Total due to customers		929,637	853,060	76,577	9.0
Accrued expenses and deferred income		85,561	72,535	13,026	18.0
Other liabilities	<b>8</b>	231,878	153,686	78,192	50.9
Valuation adjustments and provisions	<b>9</b>	138,567	124,025	14,542	11.7
Reserves for general banking risks	<b>9</b>	50,000	50,000	-	-
Share capital	<b>10</b>	45,000	45,000	-	-
General statutory reserve		98,010	90,135	7,875	8.7
Other reserves		391,254	357,113	34,141	9.6
<i>of which: - treasury stock</i>		46,977	35,654	11,323	31.8
Net profit brought forward		3,845	3,005	840	28.0
Net profit for the year		162,350	122,601	39,749	32.4
Total shareholders' equity before profit appropriation	<b>10, 11, 12</b>	700,459	617,854	82,605	13.4
<b>Total liabilities</b>		<b>2,620,327</b>	<b>2,032,277</b>	<b>588,050</b>	<b>28.9</b>
Subordinated liabilities		-	-	-	-
Due to Group companies and qualifying shareholders	<b>3, 10</b>	455,095	208,271	246,824	118.5



# Balance sheet

at 31 December 2007 (in thousands of CHF)

<b>Off-balance sheet transactions</b>	<b>Notes</b>	<b>2007</b>	<b>2006</b>	<b>Change</b>	
				(in thousands of CHF)	(in %)
Contingent liabilities	<b>15</b>	233,425	230,040	3,385	1.5
Irrevocable liabilities		3,706	4,612	(906)	(19.6)
Derivative instruments:					
- positive replacement values		220,284	138,710	81,574	58.8
- negative replacement values		213,691	138,294	75,397	54.5
- underlying values		20,284,500	12,174,113	8,110,387	66.6
Fiduciary transactions	<b>16</b>	7,402,583	6,889,802	512,781	7.4

# Profit and loss account

for the year ended 31 December 2007 (in thousands of CHF)

	Notes	2007	2006	Change	
			(in thousands of CHF)		(in %)
Interest and discount income		48,620	30,840	17,780	57.7
Interest and dividend income on trading portfolios		82	86	(4)	(4.7)
Interest and dividend income on financial investments		1,228	1,407	(179)	(12.7)
Interest payable		12,617	3,606	9,011	249.9
Interest income, net		37,313	28,727	8,586	29.9
Commission income on lending activities		1,117	940	177	18.8
Commission income on securities and investment transactions		211,402	177,044	34,358	19.4
Commission income on other services		21,836	20,348	1,488	7.3
Commissions payable		54,944	50,617	4,327	8.5
Fee and commission income, net		179,411	147,715	31,696	21.5
Results of trading operations	17	34,246	27,457	6,789	24.7
Proceeds from the sale of financial investments		10,730	9,244	1,486	16.1
Income from holdings		130,130	99,879	30,251	30.3
Proceeds from real estate		57	57	-	-
Other ordinary income		5,603	5,196	407	7.8
Other ordinary expenses		136	577	(441)	(76.4)
Other ordinary results		146,384	113,799	32,585	28.6
Personnel expenses		143,334	115,792	27,542	23.8
Other operating expenses		39,826	37,192	2,634	7.1
Operating expenses		183,160	152,984	30,176	19.7
Gross profit		214,194	164,714	49,480	30.0
Depreciation of fixed assets		12,338	12,596	(258)	(2.0)
Valuation adjustments, provisions and losses		25,133	17,117	8,016	46.8
Result before extraordinary items and taxes		176,723	135,001	41,722	30.9
Extraordinary income	18	6,725	6,709	16	0.2
Extraordinary expenses	18	130	2	128	-
Taxes		20,968	19,107	1,861	9.7
<b>Net income for the reporting year</b>		<b>162,350</b>	<b>122,601</b>	<b>39,749</b>	<b>32.4</b>

In 2006 CHF 1.3 million was reclassified from "Other ordinary income" to "Interest and dividend income from financial investments".



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