



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

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**LCF ROTHSCHILD GROUP**



**PRESS RELEASE**  
**FINANCIAL YEAR 2008**







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# PRESS RELEASE

Geneva, 2 April 2009

## Banque Privée Edmond de Rothschild Group Consolidated annual results at 31.12.2008

### 2008 results

- **Net profit:** CHF 201 million
- **Assets under management:** CHF 82.3 billion
- **Net inflow of fresh funds:** CHF 5.4 billion
- **Dividend:** CHF 108 million

2008 was marked by an extremely challenging economic and financial environment. Fallout from the US subprime mortgage debacle routed equity markets and pushed the international financial system to the brink.

Prudent risk management, the expertise of our staff and a large number of new account openings enabled our Group to weather this period of heavy turbulence and to keep our earnings at a high level.

### Net profit

At 31 Dec. 2008, the Banque Privée Edmond de Rothschild Group posted a net profit of CHF 201 million compared with CHF 246.4 million in 2007, marking a drop of 18.4%. This can be considered a good result in view of the economic and stockmarket context in the reporting year.

### Assets under management

Client funds at 31 Dec. 2008 totalled CHF 82.3 billion. Despite the appreciation of the Swiss franc and the particularly adverse market environment, assets under management were down only 17.9% on the end-2007 level of CHF 100.3 billion.

### Net inflow of fresh money

Thanks to dynamic business performance and to our Group's strategic focus on wealth management, the net inflow of client funds totalled CHF 5.4 billion in 2008.

### BIS ratio

The Banque Privée Edmond de Rothschild Group continues to boast a solid balance sheet with little leverage and a healthy financial condition. Our Tier-1 BIS ratio stands at 20.5%, well above the legal minimum.

### Dividend

Considering our Group's results and strong financial condition, the Board of Directors recommends a dividend payment totalling CHF 108 million at the same payout ratio as for the ordinary 2007 dividend.

### Growth momentum

Banque Privée Edmond de Rothschild S.A. pursued its determined growth strategy last year, making key additions to the staff. The Group workforce averaged 1,517 as against 1,375 in 2007, marking an increase of 142 employees, or 10.3%.

## Integration of an affiliate

In Dec. 2008 Banque Privée Edmond de Rothschild secured full ownership of its wealth management subsidiary Arbinter-Omnivalor S.A., Geneva.

On 1 March 2009 this company was merged with Banque Privée Edmond de Rothschild S.A. retroactive to 1 Jan. 2009.

## Roundup of 2008 results

### • Revenue

Interest income totalled CHF 111.3 million, up 4.6% on the CHF 106.3 million reported at end-2007. The increase was mainly attributable to a higher volume of lending.

Income from fees and commissions edged down by 3.8% to CHF 561.7 million from CHF 583.9 million the previous year. The drop in fees and commissions was partially counterbalanced by a decrease in commissions payable.

Results of trading operations amounted to CHF 116.5 million, down 9.6% on their 2007 level of CHF 128.9 million. The decline was largely due to a lower profit on securities transactions.

Other ordinary results totalled CHF 36.6 million, versus a year-earlier figure of CHF 46.9 million. This item chiefly comprised dividends deriving from non-consolidated holdings.

### • Expenses

The average number of staff employed by the Group last year was 1,517, up from 1,375 in 2007. Personnel expenses amounted to CHF 383.1 million, compared with the previous year's level of CHF 388.2 million.

Other operating expenses rose 10.4% to CHF 125.2 million from CHF 113.4 million in 2007.

Total operating expenses came to CHF 508.4 million, 1.3% higher than the year-earlier level.

### • Gross profit

Group gross profit was down 12.8% and totalled CHF 317.7 million, versus CHF 364.4 million in 2007.

Depreciation of fixed assets worked out to CHF 32.3 million, as against CHF 29.7 million the previous year.

Extraordinary income amounted to CHF 23 million, up by CHF 9.1 million on the 2007 figure. This item chiefly included the release of provisions no longer required for operating purposes.

Extraordinary expenses totalled CHF 25.8 million, CHF 4.9 million more than the CHF 20.9 million reported the previous year. This line primarily contains the Group allocation to reserves for general banking risks.

Taxes came to CHF 47.4 million, down 22.9% on the year-earlier figure of CHF 61.5 million.

### • Balance sheet review

The consolidated balance sheet total stood at CHF 13 billion at end-2008, 13.4% 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 11.4 billion. This marked a 9.2% increase compared with the previous year's figure of CHF 10.4 billion.

Financial investments amounted to CHF 492.3 million, as against CHF 235.2 million in 2007. Most of this rise was attributable to the stock of precious metals used to cover our clients' metal accounts.

Fixed assets stood at CHF 194.1 million, practically unchanged versus the end-2007 level of CHF 194.7 million.

Adjustment accounts totalled CHF 145 million, compared with CHF 150.5 million the previous year.

“Other assets” were sharply higher at CHF 657.3 million, mainly reflecting an increase in the positive replacement value of forward contracts which came to CHF 602.7 million at the close of the reporting year as against CHF 240.2 million at end-2007.

On the liabilities side, borrowed funds comprised of debits on money market paper, medium-term bonds and sums due to banks and customers together amounted to CHF 10.7 billion, or 82.5% of the balance sheet total, versus CHF 9.4 billion the previous year. The rise mostly stemmed from the larger volume of clients’ deposits.

“Other liabilities” rose sharply to CHF 672.2 million, primarily as a consequence of the higher negative replacement value of forward contracts which came to CHF 597.5 million at the close of the reporting year compared with CHF 229.3 million at end-2007.

Valuation adjustments and provisions totalled CHF 115 million, up from CHF 102 million in 2007.

Reserves for general banking risks were raised 8.4% to CHF 223 million from their year-earlier level of CHF 205.8 million.

Prior to the dividend payout, Group capital and reserves stand at CHF 1.3 billion, representing 9.6% of the balance sheet total.

Return on equity worked out to 17.8%. Shareholders’ equity as required by the BIS (under Basel II) came to CHF 412 million. Eligible capital totalled CHF 1.1 billion. The BIS ratio (eligible capital in relation to shareholders’ equity required under Swiss law) was 20.5%, well above the legal minimum.

## Outlook for 2009

Our 2008 results should not allow us to forget that our operating environment has changed profoundly. 2009 will be much tougher from every standpoint. Regulatory pressure is bound to increase and the financial crisis will probably last a long time. The key to our success will be our ability to adapt to these new conditions and to meet the needs of our clients. We are convinced that our strategy will enable us to achieve these objectives.

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

	2008	2007	Change	
			(in CHF)	(in %)
<b>Consolidated profit and loss account</b> (in thousands of CHF)				
Net interest income	111,283	106,342	4,941	4.6
Fee and commission income	561,718	583,945	(22,227)	(3.8)
Results of trading operations	116,524	128,870	(12,346)	(9.6)
Operating expenses (personnel costs and other overheads)	508,371	501,636	6,735	1.3
<b>Group net income</b>	<b>201,017</b>	<b>246,402</b>	<b>(45,385)</b>	<b>(18.4)</b>
<b>Profitability (%)</b>				
Return on equity				
- net income (2)/average shareholders' equity (3)	17.8	22.3	-	-
Return on assets				
- net income/average assets	1.6	2.5	-	-
<b>Shares</b> (in CHF)				
Earnings per bearer share after deducting portion due to minority interests	2,019	2,385	(365)	(15.3)
Earnings per registered share after deducting portion due to minority interests	404	477	(73)	(15.3)
<b>Consolidated balance sheet</b> (in thousands of CHF)				
Due from banks	5,746,762	8,250,863	(2,504,101)	(30.3)
Advances to customers	1,627,652	1,908,479	(280,826)	(14.7)
Due to banks	440,298	815,286	(374,989)	(46.0)
Customer deposits	10,271,650	8,559,640	1,712,010	20.0
<b>Shareholders' equity (1)</b>	<b>1,252,407</b>	<b>1,333,081</b>	<b>(80,675)</b>	<b>(6.1)</b>
Balance sheet total	12,989,491	11,458,132	1,531,359	13.4
<b>Assets under management</b> (in millions of CHF)				
Total assets under management (includes double reporting)	82,298	100,268	(17,970)	(17.9)
<i>of which: - double reporting</i>	<i>8,449</i>	<i>10,939</i>	<i>(2,490)</i>	<i>(22.8)</i>
<i>Net inflow of fresh funds</i>	<i>5,398</i>	<i>10,249</i>	<i>(1,769)</i>	<i>(24.7)</i>
<b>Group personnel</b> (number of employees)				
Average number of employees	1,517	1,375	142	10.3
- in Switzerland	607	563	44	7.8
- abroad	910	812	98	12.1
Total number of employees at year-end	1,587	1,438	149	10.4
Number of employees at year-end, converted into full-time jobs	1,555	1,402	153	10.9

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

(2) Annualised

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

# Consolidated balance sheet

at 31 December 2008 (in thousands of CHF)

<b>Assets</b>	<b>Notes</b>	<b>2008</b>	<b>2007</b>	<b>Change</b>	
			(in thousands of CHF)		(in %)
Cash and other liquid assets	<b>18</b>	3,904,096	215,001	3,689,095	1,715.8
Claims arising from money market paper	<b>1, 18</b>	37,519	20,261	17,258	85.2
Due from banks	<b>2, 18</b>	5,746,762	8,250,863	(2,504,101)	(30.3)
Due from customers	<b>3, 18</b>	1,619,008	1,900,983	(281,974)	(14.8)
Mortgage loans	<b>3, 18</b>	8,644	7,496	1,148	15.3
Total advances to customers	<b>4, 20</b>	1,627,652	1,908,479	(280,826)	(14.7)
Securities and precious metals trading portfolios	<b>5, 18</b>	78,570	43,902	34,668	79.0
Financial investments	<b>6, 18</b>	492,275	235,181	257,094	109.3
Non-consolidated holdings	<b>7, 8</b>	87,190	89,481	(2,291)	(2.6)
Fixed assets	<b>8</b>	194,133	194,692	(560)	(0.3)
Intangible assets	<b>8</b>	19,040	15,545	3,495	22.5
Accrued income and prepaid expenses		144,959	150,457	(5,498)	(3.7)
Other assets	<b>9</b>	657,295	334,270	323,025	96.6
<b>Total assets</b>	<b>8, 19, 21, 22, 23</b>	<b>12,989,491</b>	<b>11,458,132</b>	<b>1,531,359</b>	<b>13.4</b>
Subordinated amounts receivable		2,985	3,144	(159)	(5.1)
Due from non-consolidated Group companies and qualifying shareholders	<b>7, 14</b>	23	555	(532)	(95.8)

# Consolidated balance sheet

at 31 December 2008 (in thousands of CHF)

<b>Liabilities</b>	<b>Notes</b>	<b>2008</b>	<b>2007</b>	<b>Change</b>	
					(in %)
					(in thousands of CHF)
Liabilities arising from money market paper	<b>18</b>	61	544	(483)	(88.8)
Due to banks	<b>18</b>	440,298	815,286	(374,989)	(46.0)
Due to customers on savings or deposit accounts	<b>18</b>	8,488	5,135	3,353	65.3
Other amounts due to customers	<b>11, 18</b>	10,263,162	8,554,505	1,708,657	20.0
Medium-term bank bonds	<b>18</b>	-	-	-	-
Total due to customers		10,271,650	8,559,640	1,712,010	20.0
Loans from central mortgage bond institutions		-	-	-	-
Accrued expenses and deferred income		237,942	279,581	(41,639)	(14.9)
Other liabilities	<b>12</b>	672,162	367,997	304,165	82.7
Valuation adjustments and provisions	<b>13</b>	114,972	102,003	12,970	12.7
Reserves for general banking risks	<b>13</b>	222,983	205,767	17,216	8.4
Share capital	<b>14</b>	45,000	45,000	-	-
Additional paid-in capital and other reserves		133,197	123,973	9,224	7.4
Retained earnings	<b>15</b>	662,811	706,915	(44,104)	(6.2)
Treasury stock		(42,545)	(46,977)	4,432	(9.4)
Minority interests in shareholders' equity	<b>16</b>	29,945	52,001	(22,056)	(42.4)
Consolidated net income		201,017	246,402	(45,385)	(18.4)
<i>of which: - minority interests</i>		<i>23,044</i>	<i>37,369</i>	<i>(14,325)</i>	<i>(38.3)</i>
Total Group capital and reserves	<b>17</b>	1,252,407	1,333,081	(80,675)	(6.1)
<b>Total liabilities</b>	<b>19, 21, 23</b>	<b>12,989,491</b>	<b>11,458,132</b>	<b>1,531,359</b>	<b>13.4</b>
Subordinated liabilities		-	-	-	-
Due to non-consolidated holdings and qualifying shareholders	<b>7, 14</b>	41,652	47,767	(6,115)	(12.8)

<b>Off-balance sheet transactions</b>	<b>Notes</b>	<b>2008</b>	<b>2007</b>	<b>Variations</b>	
					(en %)
					(en milliers de CHF)
Contingent liabilities	<b>4, 20, 24, 25</b>	460'703	429'192	31'512	7.3
Irrevocable liabilities	<b>4</b>	64'148	93'677	(29'529)	(31.5)
Commitments to pay up shares and pay in additional capital	<b>4</b>	-	-	-	-
Guarantee credit facilities		-	-	-	-
Derivative instruments	<b>26</b>				
Positive replacement values		602'692	240'204	362'489	150.9
Negative replacement values		597'502	229'314	368'188	160.6
Underlying values		24'423'355	22'052'176	2'371'179	10.8
Fiduciary transactions	<b>27</b>	9'202'710	11'383'544	(2'180'834)	(19.2)

# Consolidated profit and loss account

for the year ended 31 December 2008 (in thousands of CHF)

	Notes	2008	2007	Change	
			(in thousands of CHF)		(in %)
Interest and discount income	29	364,350	371,070	(6,720)	(1.8)
Interest and dividend income on trading portfolios	29	828	911	(83)	(9.1)
Interest and dividend income on financial investments	29	5,335	5,054	281	5.6
Interest payable	30	259,231	270,693	(11,462)	(4.2)
Interest income, net		111,283	106,342	4,941	4.6
Commission income on lending activities		1,564	1,661	(97)	(5.9)
Commission income on securities and investment transactions	31	569,441	607,302	(37,861)	(6.2)
Commission income on other services	32	83,410	88,772	(5,362)	(6.0)
Commissions payable		92,697	113,790	(21,093)	(18.5)
Fee and commission income, net		561,718	583,945	(22,227)	(3.8)
Results of trading operations	33	116,524	128,870	(12,346)	(9.6)
Proceeds from the sale of financial investments		(3,146)	7,884	(11,030)	-
Income from holdings		28,727	30,719	(1,992)	(6.5)
<i>of which: - holdings reported using the equity method</i>		7,187	11,557	(4,370)	(37.8)
<i>- other non-consolidated holdings</i>		21,540	19,162	2,378	12.4
Real estate income		735	743	(8)	(1.1)
Other ordinary income	34	11,259	7,741	3,518	45.4
Other ordinary expenses		1,019	172	847	492.6
Other ordinary results		36,556	46,915	(10,359)	(22.1)
<b>Total operating income</b>		<b>826,080</b>	<b>866,072</b>	<b>(39,992)</b>	<b>(4.6)</b>
Personnel expenses	35	383,135	388,197	(5,062)	(1.3)
Other operating expenses	36	125,235	113,439	11,796	10.4
<b>Total operating expenses</b>		<b>508,371</b>	<b>501,636</b>	<b>6,735</b>	<b>1.3</b>
<b>Gross profit</b>		<b>317,709</b>	<b>364,436</b>	<b>(46,727)</b>	<b>(12.8)</b>
Depreciation of fixed assets	8, 37	32,322	29,685	2,637	8.9
Valuation adjustments, provisions and losses	38	34,113	19,791	14,322	72.4
<b>Result before extraordinary items and taxes</b>		<b>251,274</b>	<b>314,960</b>	<b>(63,686)</b>	<b>(20.2)</b>
Extraordinary income	39	22,957	13,858	9,099	65.7
Extraordinary expenses	39	25,843	20,936	4,907	23.4
Taxes	40	47,371	61,480	(14,109)	(22.9)
<b>Consolidated net income</b>	<b>41, 42, 43</b>	<b>201,017</b>	<b>246,402</b>	<b>(45,385)</b>	<b>(18.4)</b>
<i>of which: - minority interests' share in consolidated net income</i>		<i>23,044</i>	<i>37,369</i>	<i>(14,325)</i>	<i>(38.3)</i>

# Parent company results

at 31.12.2008

## Net profit

2008 non-consolidated net profit totalled CHF 159.3 million, down 1.9% on the 2007 level of CHF 162.3 million. This can be considered a good result in view of the economic and stockmarket context in the reporting year.

## Dividend maintained

Considering the Bank's results and strong financial condition, the Board of Directors recommends a dividend payment totalling CHF 108 million at the same payout ratio as for the ordinary 2007 dividend.

## Balance sheet review

At 31 Dec. 2008 the balance sheet total stood at CHF 4.1 billion, up sharply by CHF 1.5 billion compared with the year-earlier figure.

This increase was due to the financial crisis and stockmarket rout that prompted clients to sell investments and move into more liquid asset classes. In order to ensure maximum security, the Bank deposited funds with counterparties under existing reverse repo agreements and made sight deposits directly with the Swiss National Bank.

On the assets side, cash and claims arising from money market paper totalled CHF 1.0 billion, up by CHF 949 million on the 2007 level.

Funds due from banks fell by CHF 133 million to CHF 1.3 billion, including CHF 719.1 million held with correspondents under reverse repo agreements.

Cash, bank deposits and money market claims together came to CHF 2.3 billion, as against CHF 1.5 billion the previous year, and accounted for 56.7% of the balance sheet total.

Loans to customers amounted to CHF 481 million, or 15% more than at end-2007. They represented 11.7% of the balance sheet total.

Securities and precious metals held for trading purposes totalled CHF 22.6 million, up slightly on the previous year's level.

Financial investments totalled CHF 350.6 million, up CHF 243 million on the year-earlier figure. Most of this rise was attributable to the stock of precious metals used to cover our clients' metal accounts.

Holdings amounted to CHF 269.2 million, up CHF 32.5 million on the 2007 level. The increase stemmed primarily from the purchase of the remaining share capital of Arbinter-Omnivalor S.A., which we now fully control. On 1 March 2009 this subsidiary was merged with Banque Privée Edmond de Rothschild S.A. retroactive to 1 Jan. 2009.

Fixed assets came to CHF 83.4 million, compared with CHF 79.5 million at end-Dec. 2007.

Other assets amounted to CHF 551.5 million, up by CHF 330.4 million on the 2007 total. The increase was mainly attributable to the higher replacement value of open forward currency contracts. This item is counterbalanced by the corresponding increase in negative replacement values included in "Other liabilities".

On the liabilities side, funds due to banks declined sharply to CHF 247.8 million, chiefly reflecting cash management at the Group level.

At 31 Dec. 2008 customer deposits totalled CHF 2.4 billion, as against CHF 930 million a year earlier, and accounted for 57.3% of the balance sheet total.

At CHF 578.1 million, other liabilities were up 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 15.1 million to CHF 153.7 million, mainly owing to the increase in "Other provisions".

Following appropriation of net income, shareholders' equity will amount to CHF 536.9 million, or 13.1% of the balance sheet total. On that basis return on equity at end-2008 worked out to 31.2%, compared with 31.8% the previous year. Applying the BIS rules under Basel II, required shareholders' equity totalled CHF 134.5 million while eligible capital came to CHF 401.5 million. The BIS ratio stood at 23.8%.

## Roundup of results

The Bank's net profit at 31 Dec. 2008 totalled CHF 159.3 million, marking a slight drop of 1.9% compared with the year-earlier figure of CHF 162.3 million.

## Revenue

Interest income declined 15.1% versus the 2007 level to CHF 31.7 million. This reflected lower money market interest rates.

Income from fees and commissions amounted to CHF 187.2 million, compared with CHF 179.4 million in 2007.

Results of trading operations came to CHF 31.5 million, versus CHF 34.2 million the previous year. The decrease was mainly attributable to the results of securities transactions, which were partially counterbalanced by an increase in profit on currency trading.

Other ordinary results grew by 17% to CHF 171.3 million, thanks in particular to the higher dividends collected on our long-term holdings and, to a lesser extent, to sales of financial investments.

## Expenses

Operating expenses totalled CHF 207.1 million, marking a 13% increase on the 2007 level. Personnel expenses were up by 10.5% and other operating costs up by 22.4%.

At CHF 214.7 million, gross profit was flat compared with the year-earlier figure (CHF 214.2 million).

Depreciation of fixed assets amounted to CHF 16 million, up by CHF 3.7 million on the previous year.

Valuation adjustments, provisions and losses fell 4.9% from the end-2007 level to CHF 23.9 million.

Taxes due on our 2008 earnings are estimated at CHF 16 million, down by CHF 5 million on the year-earlier level.

## Elections as per bylaws

The terms of Baron Benjamin de Rothschild, E. Trevor Salathé, John Alexander, Walter Blum Gentilomo, Manuel Dami, Jacques-André Reymond and Guy Wais expire on the date of the 2009 Annual General Meeting. We propose that these Directors be re-elected for the periods prescribed in article 19 of the Bank's bylaws.

We further propose that two new Directors, Baroness Benjamin de Rothschild and Veit de Maddalena, be elected for the three-year term provided in the bylaws.

## **Outlook for 2009**

Our 2008 results should not allow us to forget that our operating environment has changed profoundly. 2009 will be much tougher from every standpoint. Regulatory pressure is bound to increase and the financial crisis will probably last a long time. The key to our success will be our ability to adapt to these new conditions and to meet the needs of our clients. We are convinced that our strategy will enable us to achieve these objectives.

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

	2008	2007	Change	
			(in CHF)	(in %)
<b>Balance sheet</b> (in thousands of CHF)				
Due from banks	1,299,505	1,432,461	(132,956)	(9.3)
Advances to customers	480,973	418,764	62,209	14.9
Due to banks	247,775	483,696	(235,921)	(48.8)
Customer deposits	2,350,810	929,637	1,421,173	152.9
Shareholders' equity (after appropriation)	536,931	484,459	52,472	10.8
Balance sheet total	4,106,037	2,620,327	1,485,710	56.7
<b>Profit and loss account</b> (in thousands of CHF)				
Interest income, net	31,672	37,313	(5,641)	(15.1)
Fee and commission income, net	187,165	179,411	7,754	4.3
Results of trading operations	31,535	34,246	(2,711)	(7.9)
Operating expenses (personnel costs and overheads)	207,057	183,160	23,897	13.0
Net income	159,323	162,350	(3,027)	(1.9)
<b>Staff</b> (number of employees)				
Number of employees at year-end (converted into full-time jobs)	513	457	56	12.3
<b>Profitability</b> (%)				
Return on equity				
- net profit / average shareholders' equity after profit appropriation	31.2	31.8	-	-
Return on assets				
- net profit / average assets	4.7	7.0	-	-
<b>Shares</b>				
Dividend (in thousands of CHF)	108,000	216,000	(108,000)	(50.0)
Dividend (% of share capital)	240	480	(240)	(50.0)
Stock market capitalisation (in thousands of CHF)	2,173,000	3,567,000	(1,394,000)	(39.1)
Data per bearer share:				
- net income per share (CHF)	1,770	1,804	(34)	(1.9)
- dividend (CHF)	1,200	2,400	(1,200)	(50.0)
- quoted price at 31.12 (CHF)	26,500	43,500	(17,000)	(39.1)
- gross yield (%)	4.5	5.5	-	-

The Bank's registered shares are reported at their 31 Dec. 2008 value less 20%.



## Balance sheet

before profit appropriation at 31 December 2008 (in thousands of CHF)

<b>Assets</b>	<b>Notes</b>	<b>2008</b>	<b>2007</b>	<b>Change</b>	
			(in thousands of CHF)		(in %)
Cash and other liquid assets		995,309	58,532	936,777	1,600.5
Claims arising from money market paper		31,508	19,078	12,430	65.2
Due from banks	<b>1</b>	1,299,505	1,432,461	(132,956)	(9.3)
Due from customers		473,357	412,342	61,015	14.8
Mortgage loans		7,616	6,422	1,194	18.6
Total advances to customers		480,973	418,764	62,209	14.9
Securities and precious metals held for trading purposes	<b>2</b>	22,621	21,980	641	2.9
Financial investments	<b>3</b>	350,584	107,540	243,044	226.0
Holdings	<b>4</b>	269,151	236,677	32,474	13.7
Fixed assets	<b>5</b>	83,375	79,519	3,856	4.8
Accrued income and prepaid expenses		21,500	24,674	(3,174)	(12.9)
Other assets	<b>6</b>	551,511	221,102	330,409	149.4
<b>Total assets</b>	<b>7, 14</b>	<b>4,106,037</b>	<b>2,620,327</b>	<b>1,485,710</b>	<b>56.7</b>
Subordinated amounts receivable		-	-	-	-
Amounts due from Group companies and qualifying shareholders	<b>4, 11</b>	262,639	378,047	(115,408)	(30.5)

## Liabilities

Liabilities arising from money market paper		46	529	(483)	(91.3)
Due to banks		247,775	483,696	(235,921)	(48.8)
Other amounts due to customers	<b>8</b>	2,350,810	929,637	1,421,173	152.9
Total due to customers		2,350,810	929,637	1,421,173	152.9
Accrued expenses and deferred income		80,756	85,561	(4,805)	(5.6)
Other liabilities	<b>9</b>	578,065	231,878	346,187	149.3
Valuation adjustments and provisions	<b>10</b>	153,654	138,567	15,087	10.9
Reserves for general banking risks	<b>10</b>	50,000	50,000	-	-
Share capital	<b>11</b>	45,000	45,000	-	-
General statutory reserve		119,385	98,010	21,375	21.8
Other reserves		317,149	391,254	(74,105)	(18.9)
<i>of which: - treasury stock</i>		<i>42,545</i>	<i>46,977</i>	<i>(4,432)</i>	<i>(9.4)</i>
Net profit brought forward		4,074	3,845	229	6.0
Net profit for the year		159,323	162,350	(3,027)	(1.9)
Total shareholders' equity before profit appropriation	<b>11, 12, 13</b>	644,931	700,459	(55,528)	(7.9)
<b>Total liabilities</b>	<b>14</b>	<b>4,106,037</b>	<b>2,620,327</b>	<b>1,485,710</b>	<b>56.7</b>
Subordinated liabilities		-	-	-	-
Due to Group companies and qualifying shareholders	<b>4, 11</b>	536,432	455,095	81,337	17.9

## Balance sheet

at 31 December 2008 (in thousands of CHF)

<b>Off-balance sheet transactions</b>	<b>Notes</b>	<b>2008</b>	<b>2007</b>	<b>Change</b>	
				(in thousands of CHF)	(in %)
Contingent liabilities	<b>16</b>	212,400	233,425	(21,025)	(9.0)
Irrevocable liabilities		5,586	3,706	1,880	50.7
Derivative instruments:					
- positive replacement values		550,444	220,284	330,160	149.9
- negative replacement values		550,282	213,691	336,591	157.5
- underlying values		21,164,041	20,284,500	879,541	4.3
Fiduciary transactions	<b>17</b>	5,015,334	7,402,583	(2,387,249)	(32.2)

# Profit and loss account

for the year ended 31 December 2008 (in thousands of CHF)

	Notes	2008	2007	Change	
			(in thousands of CHF)		(in %)
Interest and discount income		49,991	48,620	1,371	2.8
Interest and dividend income on trading portfolios		40	82	(42)	(51.2)
Interest and dividend income on financial investments		1,176	1,228	(52)	(4.2)
Interest payable		19,535	12,617	6,918	54.8
Interest income, net		31,672	37,313	(5,641)	(15.1)
Commission income on lending activities		1,072	1,117	(45)	(4.0)
Commission income on securities and investment transactions		226,149	211,402	14,747	7.0
Commission income on other services		21,547	21,836	(289)	(1.3)
Commissions payable		61,603	54,944	6,659	12.1
Fee and commission income, net		187,165	179,411	7,754	4.3
Results of trading operations	<b>18</b>	31,535	34,246	(2,711)	(7.9)
Proceeds from the sale of financial investments		16,653	10,730	5,923	55.2
Income from holdings		148,382	130,130	18,252	14.0
Proceeds from real estate		62	57	5	8.8
Other ordinary income		6,736	5,603	1,133	20.2
Other ordinary expenses		498	136	362	266.2
Other ordinary results		171,335	146,384	24,951	17.0
Personnel expenses		158,326	143,334	14,992	10.5
Other operating expenses		48,731	39,826	8,905	22.4
Operating expenses		207,057	183,160	23,897	13.0
Gross profit		214,650	214,194	456	0.2
Depreciation of fixed assets		15,988	12,338	3,650	29.6
Valuation adjustments, provisions and losses		23,899	25,133	(1,234)	(4.9)
Result before extraordinary items and taxes		174,763	176,723	(1,960)	(1.1)
Extraordinary income	<b>19</b>	565	6,725	(6,160)	(91.6)
Extraordinary expenses	<b>19</b>	28	130	(102)	(78.5)
Taxes		15,977	20,968	(4,991)	(23.8)
<b>Net income for the reporting year</b>		<b>159,323</b>	<b>162,350</b>	<b>(3,027)</b>	<b>(1.9)</b>

**Geneva**

18, rue de Hesse - CH-1204 Geneva

Phone +41 58 818 91 11 - Fax +41 58 818 91 21

**Fribourg**

11, rue de Morat - CH-1700 Fribourg

Phone +41 26 347 24 24 - Fax +41 26 347 24 20

**Lausanne**

2, avenue Agassiz - CH-1003 Lausanne

Phone +41 21 318 88 88 - Fax +41 21 323 29 22

Website: [www.lcf-rothschild.ch](http://www.lcf-rothschild.ch)