



Banque Privée Edmond de Rothschild Group Presentation of consolidated results at 31.12.2010

Continuing growth with higher earnings

- Net profit up 9.6% to CHF 149.9 million
- Net inflow of funds CHF 6.5 billion
- BIS Tier 1 ratio 24.9%

2010 featured a tough economic and stockmarket environment. It also brought continuing pressure on banking secrecy and heavier regulation of wealth management. These jarring changes in our framework conditions have forced many private banks to review their long-term strategy so they can adapt to the new paradigm.

The weakness of the dollar and euro against the Swiss franc weighed heavily on our revenues, the bulk of which are denominated in the former currencies whereas our overheads are mainly in francs.

Large inflow of fresh money

Despite this doubly negative matrix, we were able to continue growing thanks to a prudent investment policy and the dynamic business performance of our wealth management departments. Our net inflow of fresh funds totalled CHF 6.5 billion.

Owing to the adverse impact of dollar and euro weakness in relation to the Swiss franc, assets under management rose only slightly. These stood at CHF 92.7 billion at end-2010 as against CHF 92.2 billion the previous year.

Net profit up

The large inflow of new client funds helped to counterbalance the effects of exchange rates and the upheavals in our industry's operating conditions. We were therefore able to achieve a consolidated gross profit of CHF 223.7 million, up 5.6% on the 2009 figure (CHF 211.9 million). Group net profit came to CHF 149.9 million, marking a rise of 9.6% compared with CHF 136.8 million the previous year.

Continuing business development

Aided by our situation as a family-controlled wealth management company with a stable shareholder base, we are able to rise to the challenges ahead while further striving for excellence and adapting our organisational structure to the ongoing changes in our industry. Now more than ever before our strategic growth projects are geared entirely towards these objectives.

By opening a branch in **Hong Kong** we intend to grow a clientele in Asia, the part of the world where wealth creation is strongest. We expect to obtain the banking licence within the next few weeks.

Another strategic plan is being implemented in **Switzerland**, where we intend to expand our onshore clientele. Our building in rue Petitot is being freed up for this purpose.

We will also be making inroads in the Persian Gulf region through a representative office in **Dubai**, for which we have just received the operating licence.

At our Geneva headquarters, thanks to the professionalism of our Investment Fund Department we recently launched **Switzerland's first property fund in the form of a *société d'investissement à capital variable***, called Edmond de Rothschild Real Estate SICAV – Swiss. It is a powerful illustration of our Group's expertise and a marvellous promotional tool for our Bank's Swiss operations.

The quality of our alternative asset management was rewarded at the **InvestHedge Awards 2010**, where we were named Group of the Year for a second time for our line of funds of hedge funds. One of our vehicles, Edmond de Rothschild *Prifund* Alpha Traders, was moreover selected as best fund of hedge funds in the Global Macro category.

Capital ratio

The Banque Privée Edmond de Rothschild Group can continue to claim an extremely healthy, liquid balance sheet featuring very little leverage, conservative risk management and solid financial foundations, as illustrated by our BIS Tier 1 ratio of 24.9%.

Dividend

At the ordinary General Meeting on 28 April 2011 the Board of Directors will recommend a dividend payout totalling CHF 69,750,000.-, i.e. CHF 775.- per bearer share and CHF 155.- per registered share.

The 2010 annual report in French is available on our website www.groupeedr.ch in the section « [About Us/Documents/Annual Reports](#) ».

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