



M. M. WARBURG & CO

1798

Press release

Warburg Bank's consistently healthy financial figures

- *Annual pre-tax profit of € 65.6 million*
- *€ 15 million re-allocated as surplus reserve*
- *As a result, capital reserves boosted once again*
- *€ 50.6 million in profit transferred to parent company*
- *A very encouraging start to the new financial year*

Hamburg, April 06, 2011

In 2010 the independent private bank M.M.Warburg & CO KGaA achieved an annual pre-tax profit of € 65.6 million (previous year € 61.3 million). This included € 12 million from the dissolution of the General Banking Risks Fund. Of this operating profit, € 15 million was re-allocated as a surplus reserve in order to boost capital reserves. The remaining € 50.6 million was transferred as profit to the parent company M.M.Warburg & CO Gruppe (GmbH & Co.) KGaA (previous year € 60.9 million).

Dr. Christian Olearius, spokesperson for the individually liable shareholders:
“These excellent figures for the 2010 financial year once again demonstrate our consistency. During each year of the financial crisis we have generated attractive profits which we have utilised predominantly to consolidate our position. ”

In the difficult interest rate environment of the last year and especially in credit operations the Warburg Banking Group, with its six banks in Germany and one each in Luxembourg and Switzerland of the subsidiary M.M.Warburg & CO, has been deliberately cautious. As a result its overall balance sheet has been reduced to € 8,008.0 million (previous year: € 8,753.9 million).

The resulting interest surplus arising from the addition of the Group's individual results has been reduced correspondingly from € 105.2 million in the previous year to € 94.8 million. The net commission income increased from € 107.0 million in the previous year to € 131.0 million in 2010.



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Administrative expenses fell by € 1.9 million to € 147.1 million and the cost-income ratio has remained approximately the same at 62.30% (previous year 61.75%).

The Warburg Banking Group's capital reserves according to KWG increased by € 44 million to € 564 million in 2010.

The bank's overall capital ratio according to the Solvency provisions is 12.0 percent and the core capital ratio is 9.9 percent. The bank has now fulfilled all of the core capital requirements of Basel III.

Assets under management increased by € 3.8 billion to € 36.1 billion.

The number of employees of the Warburg Banking Group rose to 1,106 from 1,080 in the previous year.

The accounts were drawn up according to the German Commercial Code, waiving the exercise of options. The lower cost or market method was applied without exception allowing for the imparity of application. The adjustment to the new arrangements contained in the Accounting Law Reform Act took place without the requirement for the transfer of options. This led to increased provisions for pension benefit obligations, which have been deliberately booked to the full extent in 2010 already, thus excluding charges in the subsequent years.

The bank's securities portfolio was compiled conservatively. Risks due to dubious credit ratings of government securities are non-existent.

Outlook

The business profile of the Warburg Banking Group will be maintained. The first quarter of 2011 has been very promising. The requirements for another successful financial year generating satisfactory profits once more are in place.



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About M.M. Warburg & CO

M.M. Warburg & CO is one of the largest independent private banks in Germany and is available to private and business clients and institutional investors in its core business activities of Private Banking, Asset Management and Investment Banking.

The Warburg Banking Group which is active in the Financial Services Industry is a subsidiary of the holding company M.M. Warburg & CO Gruppe (GmbH & Co.) KGaA. It brings together operational activities and, as the intermediate holding company M.M. Warburg & CO, the subsidiary companies Bankhaus Hallbaum, Bankhaus Löbbecke, Bankhaus Plump, Marcard, Stein & Co, Warburg Hypothekbank, Warburg Invest, M.M. Warburg & CO Luxembourg and M.M. Warburg Bank Schweiz.

The Banking Group operates from numerous locations in ten German cities (Hamburg, Frankfurt, Cologne, Hannover, Osnabrück, Göttingen, Hildesheim, Berlin, Braunschweig and Bremen). Warburg is represented in Stuttgart by Schwäbische Bank AG. M.M. Warburg Bank Schweiz is based in Zurich and the subsidiary bank M.M. Warburg & CO Luxembourg operates in the Finanzplatz in Luxembourg.

Notes

The reported figures do not include the figures of Schwäbische Bank, Degussa Bank and companies of VIGOR Beteiligungsgesellschaft mbH belonging to the Warburg Network.

The annual report will be published in the second quarter of 2011 and will also be available to download.

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Appendix

M.M. Warburg & CO Gruppe (GmbH & Co.) KGaA overview

M.M. Warburg & CO Gruppe (GmbH & Co.) KGaA

M.M. Warburg & CO Kommanditgesellschaft auf Aktien

Bankhaus
Hallbaum AG

Bankhaus Carl F.
Plump & Co.

Bankhaus
Löbbecke AG

Marcard, Stein &
Co AG

M.M. Warburg & CO
Hypothekbank AG

Warburg Invest Kapital-
anlagegesellschaft mbH

M.M. Warburg Bank
(Schweiz) AG

M.M. Warburg & CO
Luxembourg S.A.

Schwäbische
Bank AG

Warburg Banking Group