



## **PRESS RELEASE**

27 August 2007

### **Results first half year 2007 Insinger de Beaufort Holdings SA Assets Under Management rise to € 6.9 billion**

**Insinger de Beaufort Holdings SA ("Insinger de Beaufort") reports an operating profit of € 4.4 million for the first half year 2007 compared to € 3.1 million for the second half of 2006. Operating income increased by € 6.9 million (16%) to € 49.4 million. Both the Asset Management and Private Banking units continued to increase their operating income significantly. Again these units have realised good investment returns on the assets they manage for clients, have achieved a high level of new assets inflow and have earned above average investment performance related fees. The Asset Management and Private Banking units remain the key areas for the continued growth of the group.**

Net profit for the first half of 2007 increased to € 2.9 million compared to € 1.4 million for the second half of 2006.

The assets under management as at 30 June 2007 increased by 9% to € 6.9 billion compared to € 6.3 billion as at 31 December 2006. The increase resulted both from a net inflow of new assets from clients (3%) and market value appreciation (6%). The institutional assets under advisory – which are now disclosed separately - amounted to € 1.2 billion as at 30 June 2007.

The operating profit for the first half of 2007 increased by € 1.3 million to € 4.4 million compared to € 3.1 million in the second half of 2006. This increase was due to the increase in operating income which was partly offset by an increase in redundancy expenses of € 1.2 million and an increase in other operating expenses of € 2.8 million related to consultancy for assisting with important system changes (including setting up the UK branch) and compliance related projects (MiFID). Also included in other operating expenses is an increase of € 0.7 million that has been recorded in the accrued liability for the deferred consideration related to the acquisition of Monument Securities Ltd., due to better than expected revenues generated by this unit.

As was announced on the 25th July 2007 the board is reviewing strategic options for the group's corporate and institutional business with ING Corporate Finance as advisors. In line with this review the group is now seeking expressions of interest from potential acquirers of those operations in the United Kingdom. The intention of the group is to further focus on private banking and asset management. The expansion in investment advisory services for institutions will continue.

The group continues to maintain a highly liquid balance sheet and most of the assets are invested in cash or near cash and the loan assets have been collateralised by liquid securities. The capital resources increased from € 56.5 million to € 57.4 million, mainly due to the net result less the movement in treasury shares and dividend paid. Net of warrants held in treasury by the group, the number of outstanding warrants is 0.3 million as at 30 June 2007.



The Insinger de Beaufort group may from time to time take up Insinger de Beaufort shares and outstanding warrants 2008 from the market. This is executed on occasions when the group believes this to be opportune in terms of price, capital, or both. These shares will not be cancelled but could inter alia be made available to underpin the outstanding employee share options and compulsory convertible loan notes.

The financial markets are currently experiencing a period of turbulence and the developments on the equity markets are creating a great deal of uncertainty as to the level of performance fees the group may realise in the coming period. This, together with the developments in the institutional units, makes it difficult to predict the results for the second half of 2007.

#### CONSOLIDATED FINANCIALS (UNAUDITED)

Result in Euro

	Half year ended 30 June 2007	Half year ended 31 December 2006	Half year ended 30 June 2006
Operating income (million)	49.4	42.5	46.6
Operating profit (million)	4.4	3.1	7.8
Profit before tax (million)	4.4	3.1	7.8
Net profit (million)	2.9	1.4	5.9
<b>Per ordinary share</b>			
Earnings per share (in cents) (fully diluted)	20.3	9.3	40.9
Proposed dividends (in cents)	-	0.22	-
Net asset value	4.28	4.22	4.23
<b>Balance sheet</b>			
Shareholders' equity (million)	55.3	54.3	54.4
Number of ordinary shares of €2.00 each in issue (million) (less shares held in treasury)	12.9	12.9	12.8
Number of ordinary shares held in treasury (million)	0.5	0.5	0.6
Number of warrants 2008 in issue (million) (less warrants held in treasury)	0.3	0.3	0.3
<b>Other information</b>			
Assets under management (excluding fiduciary assets) (billion)	6.9	6.3	5.4
Institutional assets under investment advisory (billion)	1.2	0.9	0.4
Total assets under management and advisory	8.1	7.2	5.9
Number of staff employed (FTE's)	385	374	371



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#### **Not for publication**

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#### **Notes to editors**

*Insinger de Beaufort is an Anglo Dutch banking group with origins dating back to 1779. The group operates through three main business lines, focusing on Asset Management, Institutional & Corporate products and services and Private Banking. Besides the main offices in Amsterdam and London, Insinger de Beaufort also has offices in Eindhoven, The Hague, Luxembourg, Rome and Cape Town.*

*Insinger de Beaufort, as an independent group, offers its private clients a broad range of products and services, from integrated private banking, private equity and stockbroking to a full range of manager selection funds. The offering to institutional clients varies from asset management, equity, bond and derivative broking and research to mid market corporate finance services.*

*The group operates through Bank Insinger de Beaufort N.V. and its subsidiaries. Insinger de Beaufort Holdings S.A., the ultimate parent company, is listed on the Luxembourg Stock Exchange.*

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**Supplements:** Appendices – Condensed consolidated interim financial report

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## **APPENDICES**

INSINGER DE BEAUFORT HOLDINGS SA

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2007  
(UNAUDITED)

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## CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

### APPENDIX 1 GROUP PROFIT AND LOSS ACCOUNT

for the period ended 30 June 2007

	Unaudited	Unaudited	Unaudited	
	First	Second	First	Full year
	half year	half year	half year	2006
	2007	2006	2006	2006
	€000's	€000's	€000's	€000's
Interest income	9,270	8,073	7,518	15,592
Interest expense	(6,750)	(6,265)	(4,848)	(11,114)
<b>Net interest income</b>	<b>2,520</b>	<b>1,808</b>	<b>2,670</b>	<b>4,478</b>
Fee and commission income	59,441	49,577	55,076	104,653
Fee and commission expense	(18,657)	(14,120)	(16,165)	(30,285)
<b>Net fee and commission income</b>	<b>40,784</b>	<b>35,457</b>	<b>38,911</b>	<b>74,369</b>
Net trading income	1,581	706	(36)	670
Gains less losses from investment securities	-	-	-	-
Other operating income	4,546	4,514	5,067	9,581
<b>Operating income</b>	<b>49,431</b>	<b>42,485</b>	<b>46,612</b>	<b>89,097</b>
Personnel costs	(23,945)	(23,327)	(22,004)	(45,331)
Redundancy expense	(1,538)	(332)	(126)	(459)
Provisions	-	1,302	-	1,302
Impairment charges	-	(130)	-	(130)
Depreciation	(790)	(963)	(803)	(1,766)
Other operating expenses	(18,735)	(15,928)	(15,857)	(31,784)
<b>Operating profit</b>	<b>4,423</b>	<b>3,107</b>	<b>7,822</b>	<b>10,929</b>
Amortisation of intangible assets	(68)	-	-	-
Share of profits from associates	-	3	-	3
<b>Profit before taxation</b>	<b>4,355</b>	<b>3,110</b>	<b>7,822</b>	<b>10,932</b>
Taxation	(1,437)	(1,671)	(1,877)	(3,548)
<b>Net profit for the period</b>	<b>2,918</b>	<b>1,439</b>	<b>5,945</b>	<b>7,384</b>
<b>Attributable to:</b>				
Equity holders of the parent	2,918	1,345	5,948	7,293
Minority interest	(0)	94	(3)	91
<b>Net profit for the period</b>	<b>2,918</b>	<b>1,439</b>	<b>5,945</b>	<b>7,384</b>

### EARNINGS PER SHARE

Basic earnings per share	22.7	10.4	46.2	56.6
Diluted earnings per share	20.3	9.3	40.9	50.2



# CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

## APPENDIX 2 GROUP BALANCE SHEET

as at 30 June 2007

	<b>Unaudited</b>	
	<b>30 June</b>	<b>Dec 2006</b>
	<b>2007</b>	<b>2006</b>
	€000's	€000's
<b>Assets</b>		
Cash and balances with central banks	5,426	2,928
Treasury bills	37,435	57,634
Loans and advances to credit institutions	142,295	146,883
Trading securities	9,463	815
Derivative financial instruments	406	122
Investment securities:		
- available for sale	25,099	24,227
- held-to-maturity	40,015	94
Loans and advances to customers	130,118	124,786
Investments in Associates	312	303
Intangible fixed assets	25,336	23,340
Tangible fixed assets	6,166	6,549
Deferred tax assets	8,766	9,473
Current income tax receivable	97	103
Other assets	29,194	40,146
<b>Total assets</b>	<b>460,129</b>	<b>437,403</b>
<b>Liabilities</b>		
Amounts owed to credit institutions	8,994	865
Amounts owed to customers	336,511	323,090
Loan notes and other long term debt	7,666	7,690
Other liabilities	46,021	46,007
Current income tax liabilities	3,487	3,205
<b>Total liabilities</b>	<b>402,679</b>	<b>380,857</b>
<b>Capital resources</b>		
Shareholders' equity	55,273	54,366
Shareholders' compulsory convertible loan note	2,063	2,063
Minority interests	113	117
	<b>57,449</b>	<b>56,546</b>
<b>Total equity and liabilities</b>	<b>460,129</b>	<b>437,403</b>
Off-Balance sheet items: contingent assets	11,464	11,464
Off-Balance sheet items: contingent liabilities	6,413	6,332



## CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

### APPENDIX 3 SEGMENTAL INFORMATION (unaudited)

	<b>First half year 2007</b>	<b>Second half year 2006</b>	<b>First half year 2006</b>	<b>2006</b>
	€ 000's	€ 000's	€ 000's	€ 000's
<b>Segmentation of operating income</b>				
Private Banking	20,766	18,930	19,490	38,420
Asset Management	17,340	14,062	15,863	29,925
Institutional Clients	9,231	9,014	8,597	17,611
Ops & Support	(499)	(405)	(76)	(481)
Group	1,287	368	1,101	1,469
Other	1,306	516	1,637	2,153
	<b>49,431</b>	<b>42,485</b>	<b>46,612</b>	<b>89,097</b>

	<b>First half year 2007</b>	<b>Second half year 2006</b>	<b>First half year 2006</b>	<b>2006</b>
	€ 000's	€ 000's	€ 000's	€ 000's
<b>Segmentation of profit before tax</b>				
Private Banking	2,696	1,870	3,546	5,416
Asset Management	8,395	7,138	7,981	15,119
Institutional Clients	(827)	(1,442)	(771)	(2,213)
Ops & Support	(3,743)	(207)	(1,211)	(1,418)
Group	(887)	(2,058)	(1,179)	(3,237)
Other	(1,279)	(2,191)	(544)	(2,735)
	<b>4,355</b>	<b>3,110</b>	<b>7,822</b>	<b>10,932</b>

In 2007 the Group changed the classification of certain segment elements. Included under other, amongst others, is the Corporate Finance business in the Netherlands, which is in the process of being wound down.



# CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

## APPENDIX 4 GROUP STATEMENT OF CHANGES IN EQUITY for the period ended 30 June 2007 (unaudited)

	Attributable to shareholders					
	Share Capital € 000's	Share premium € 000's	Other reserves € 000's	Compulsory convertible loan note € 000's	Minority interest € 000's	Total € 000's
Balance at 1 January 2007	26,771	10,231	17,364	2,063	117	56,546
Dividend			(2,849)			(2,849)
Net gains from changes in fair value, net of tax			17			17
Employee share option plan:						
-equity settled share based payment plan, net of tax			241			241
-proceeds from options exercised			-			-
Translation adjustments and other movements, net of tax			(6)		(4)	(10)
Sale/(Purchases) of treasury shares			586			586
Net profit			2,918			2,918
Balance at 30 June 2007	<b>26,771</b>	<b>10,231</b>	<b>18,271</b>	<b>2,063</b>	<b>113</b>	<b>57,449</b>





## CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

### APPENDIX 4 GROUP STATEMENT OF CHANGES IN EQUITY for the half year period ended 31 December 2006 (unaudited)

	Attributable to shareholders				Minority interest	Total
	Share Capital	Share premium	Other reserves	Compulsory convertible loan note		
	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's
Balance at 30 June 2006	26,771	10,231	15,433	2,063	58	54,556
Dividend					(31)	(31)
Net gains from changes in fair value, net of tax			69			69
Employee share option plan:						
-equity settled share based payment plan, net of tax			292			292
-proceeds from options exercised			325			325
Translation adjustments and other movements, net of tax			316		(4)	312
Sale/(Purchases) of treasury shares			(416)			(416)
Net profit			1,345		94	1,439
<b>Balance at 31 December 2006</b>	<b>26,771</b>	<b>10,231</b>	<b>17,364</b>	<b>2,063</b>	<b>117</b>	<b>56,546</b>



# CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

## APPENDIX 5 GROUP STATEMENT OF CASH FLOWS

for the period ended 30 June 2007

	unaudited First half year 2007	unaudited Second half year 2006	unaudited First half year 2006	Full year 2006
	€000's	€000's	€000's	€000's
<b>Cash flows from operating activities</b>				
Net profit	2,918	1,439	5,945	7,384
Adjustment for:				
Taxation	1,437	1,671	1,877	3,548
Depreciation of tangible fixed assets	790	963	803	1,766
Amortisation of intangible assets	68			
Impairment charges		130	-	130
Income from associates	-	(3)	-	(3)
Provisions	-	(1,888)	(98)	(1,986)
Share-based compensation (IFRS 2)	241	292	164	456
	5,454	2,604	8,691	11,295
<b>Decrease/(increase) in operating assets:</b>				
Loans and advances to credit institutions	4,587	5,103	(3,315)	1,788
Loans and advances to customers	(5,332)	(8,948)	3,423	(5,525)
Purchase of trading securities	(8,930)	4,122	(4,139)	(17)
Other assets	10,951	(8,215)	1,326	(6,889)
<b>(Decrease)/Increase in operating liabilities:</b>				
Amounts owed to credit institutions	8,129	(43,773)	34,938	(8,835)
Amounts owed to customers	13,420	23,640	(1,620)	22,020
Other liabilities	7	5,266	718	5,984
<i>Net cash inflow/(outflow) from operating activities before payment of taxation</i>	28,288	(20,201)	40,022	19,821
Taxation received / (paid)	(434)	66	626	692
<i>Net cash inflow/(outflow) from operating activities after payment of taxation</i>	27,854	(20,135)	40,648	20,513



	unaudited First half year 2007	unaudited Second half year 2006	unaudited First half year 2006	Full year 2006
	€000's	€000's	€000's	€000's
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, net of cash acquired	(2,000)	-	(7,396)	(7,396)
Purchase of investment securities	(120,798)	(45,384)	(322)	(45,706)
Proceeds from sale and redemption of investment securities	80,001	49,805	2,177	51,982
Proceeds from sale of shareholding in associates	(9)	-	3,588	3,588
Purchase of treasury bills	(59,801)	(80,112)	(78,626)	(158,738)
Proceeds from sale and redemption of treasury bills	80,000	85,000	52,000	137,000
Sale/(Purchase) of fixed assets	(421)	(849)	673	(176)
<i>Net cash inflow/(outflow) from investing activities</i>	<i>(23,028)</i>	<i>8,460</i>	<i>(27,906)</i>	<i>(19,446)</i>
<b>Cash flows from financing activities</b>				
Dividends paid	(2,849)	(31)	(2,324)	(2,355)
Option exercise	-	325	1,252	1,577
Treasury shares	586	(416)	(3,196)	(3,612)
Interest compulsory convertible loan note	(23)			
<i>Net cash (outflow) from financing activities</i>	<i>(2,286)</i>	<i>(122)</i>	<i>(4,268)</i>	<i>(4,390)</i>
Net increase/(decrease) in cash and cash equivalents	2,540	(11,797)	8,474	(3,323)
Cash and cash equivalents at beginning of year	2,928	14,846	6,445	6,445
Net (decrease) in cash and cash equivalents	2,540	(11,797)	8,474	(3,323)
Exchange differences	(42)	(121)	(73)	(194)
Cash and cash equivalents at end of year	5,426	2,928	14,846	2,928
* Cash flows from operating activities include:				
Interest received	8,463	7,266	6,711	13,977
Interest paid	(6,750)	(6,266)	(4,848)	(11,114)
Dividends received	-	-	-	-



## CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

### **APPENDIX 6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES**

for the period ended 30 June 2007

#### **General**

Insinger de Beaufort Holdings S.A. was incorporated on 30 November 1994 as a '1929' Holding Company' in the Grand Duchy of Luxembourg, and was listed on the Luxembourg Stock Exchange on 30 September 1997.

Together with its subsidiaries, Insinger de Beaufort Holdings S.A. ("the Group") operates in the fields of private banking, asset management, securities trading and corporate advisory.

The activities of the Group are not significantly impacted by seasonal influences.

The information in this condensed interim financial report is unaudited.

#### **Accounting Policies**

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The consolidated condensed interim financial report has been prepared in accordance with consolidation and accounting policies consistent with the consolidated financial statements as of December 31, 2006. As disclosed in Note 2 of Insinger de Beaufort Holdings S.A.'s consolidated financial statements for the year ended December 31, 2006, on January 1, 2007, several new IFRS pronouncements became effective. Management determined that none of the new pronouncements have a material impact on Insinger de Beaufort Holdings S.A.'s accounting principles.

#### **Financial position**

Equity increased by € 0.9 million to € 55.3 million, mainly because of net profit for the first half year of 2007 offset by the dividend paid of € 2.8 million in the first half-year of 2007.

#### **Accounting estimates**

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated. In the first half of 2007 an additional accrual has been recorded of € 0.7 million for the deferred consideration related to the acquisition of Monument Securities Ltd.

#### **Trading securities**

The trading securities comprises mainly bonds that are listed on main stock exchanges held for a short period by the bond desk to facilitate client trading.



## Business combinations and disposals

### Acquisition of Klein Haneveld Consulting BV

On 14 March 2007 the Group acquired 100% of Klein Haneveld Consulting BV. The acquired company contributed a net profit of € 0.2 million to the Group for the period from 14 March to 30 June 2007.

#### Fair value

At the acquisition date the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities at their fair values at that date. The customers related intangible assets have been measured and € 1,210,702 was attributed to these intangible assets in light of this acquisition. The difference between the purchase consideration and the fair values is recognised as goodwill. The goodwill is attributable to the anticipated future synergies that are expected to be created by the combined businesses.

The details of the fair value of the assets and liabilities acquired and goodwill arising are as follows:

	<u>€000's</u>
Intangible assets	1,211
Goodwill	<u>789</u>
Purchase consideration	<u>2,000</u>

### Post balance sheet date events

On 25 July 2007 the Group announced that the Board is reviewing strategic options for its corporate and institutional business. ING Corporate Finance have been appointed advisors to assist in this review. In line with this review the group is now seeking expressions of interest from potential acquirers of those operations in the United Kingdom. As at 30 June 2007 the criteria for classification as held for sale are not met and therefore the corporate and institutional business is not presented separately.