

PRESS RELEASE

15 March 2006

significant growth

net profit € 9.1 million
operational result⁽¹⁾ up 82% to € 10.4 million
assets under management € 5.3 billion

Insinger de Beaufort Holdings SA ("Insinger de Beaufort") is pleased to report a net profit of € 9.1 million for 2005 compared to € 2.7 million for 2004.

Gross income increased by € 6.5million (9%) to € 81.9 million, despite the loss of income attributable to the operations in Jersey, which were sold at the end of the third quarter. The increase in gross income reflects the underlying growth of the core business units combined with improved market conditions.

The operational result, which is the profit before tax for the year 2005 excluding non-recurring items such as the result on disposals, redundancy expenses and provisions, amounted to € 10.4 million, which is up 82% from the comparative profit for 2004 of € 5.7 million. The growth in operational profit was attributable to the increase in income combined with the containment of costs in Private Banking and Asset Management.

Extra provisions were made for a pre acquisition unresolved legal dispute in Italy to the amount of € 3.9 million and € 2.0 million for rental commitments on the vacated previously occupied premises in London.

From the beginning of 2005, the Company has implemented accounting standard IFRS 2 (Stock Based Compensation). The impact of this on the profit and loss account is not material. The 2004 comparative figures have been adjusted accordingly.

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 € 49.3 million to € 53.0 million, mainly due to the net result less the movement in treasury shares. The employee options that were exercised during the year have been fully covered by shares held and taken in treasury. Net of warrants held in treasury by the group the number of outstanding warrants is 0.3 million as at 31 December 2005.

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 assets under management as at 31 December 2005 amounted to € 5.3 billion (2004: € 4.9 billion). The increase was due to both a net inflow of new assets from clients and market value appreciation. The consequence of the sale of the Jersey asset management business is a

(1) Operational profit is defined as profit before tax and non recurring items



reduction in assets under management of € 0.5 billion. Adjusted for this the real growth of assets under management was € 0.9 billion (21%) for the year.

Main operating developments in 2005

Chief Executive Officer Ian Kantor said: 'the group's operations showed again a considerable improvement over the previous year. This was mainly attributable to increased revenue while costs were contained. In particular Asset Management and Private Banking showed significantly improved results. It is a remarkable achievement that the assets under management, adjusted for the sale of the Jersey asset management business, showed a growth of 21% for the year to € 5.3 billion. Of this amount, 12% resulted from market appreciation. During the year Asset Management earned considerable performance fees. At the same time the annuity based income continued to increase, providing a sound core of recurring income. The group's operational result of € 10.4 million compared to 2004 operational result of € 5.7 million illustrates the important improvement in the results of the group.

The Asset Management division again had a strong year with good net inflows of assets under management, especially in the United Kingdom and South Africa. The very disciplined investment process supporting both our direct European equity products and the manager selection products has underpinned sustainable outperformance, and generated substantial performance fees for the unit during the year.

The Private Banking activities of the Group continued to grow in terms of income generated and operating profit. This success is demonstrated by a strong net inflow of assets under management during the year. The unit operates a quality investment process that has delivered consistently good investment returns for clients. The unit has also been proactive in the construction and successful distribution of structured products for clients. The placing of specially selected real estate partnerships (CV's) continued during the year as part of the range of alternative investment offerings.

Our Institutional units in the UK and Amsterdam produced lower income in 2005. The Amsterdam Equity Sales Research and Trading unit has stabilised its income and reduced its costs. Both in London and Amsterdam we continue to invest in the development of new Research and investment advisory products. It is anticipated that the acquisition of Monument Securities at the beginning of 2006 will have a positive impact on the performance of our Institutional Broking business.

The outsourcing of our back office processes and IT systems to Ordina in the third quarter of 2005 will result in substantial ongoing cost efficiencies. In addition it will allow us to develop a single platform for the group whereby we can achieve greater leverage from our investment and processing capacities.

Mainly as a consequence of the sale of the Jersey operations and the Ordina outsourcing contract our staff numbers decreased from 436 to 340.

The Group continues to pursue growth through the further development of the current core businesses, while retaining a tight control on costs. This growth can be accelerated through acquisitions as is demonstrated by the acquisition of Monument Securities Ltd in January 2006.

The board proposes a dividend for the year of € 0.18 (2004: € 0.12).'



Consolidated financials

	2005	2004
Results in Euro		
Gross income (million)	81.9	75.4
Profit before tax, before restructuring cost, provisions and exceptional result on sale of subsidiaries (million) (Operational profit ⁽¹⁾)	10.4	5.7
Profit before tax (million)	4.6	3.1
Profit after tax (million)	4.9	3.6
Net profit (million)	9.1	2.7
Per ordinary share		
Earnings per share (in cents) (fully diluted)	65.7	22.6
Proposed dividend	0.18	0.12
Net asset value	4.12	3.81
Balance sheet		
Shareholders' equity (million)	53.0	49.2
Number of ordinary shares of € 2.00 each in issue (million) (less shares held in treasury)	12.9	12.9
Number of ordinary shares held in treasury (million)	0.5	0.5
Number of warrants 2008 in issue (million) (less warrants held in treasury)	0.3	0.3
Other information		
Assets under management (excluding fiduciary assets) (billion)	5.3	4.9
Number of staff employed (FTE's)	340	436

⁽¹⁾ Operational profit is calculated as follows:

€ .000's	2005	2004
Operating profit	<u>3,863</u>	<u>2,983</u>
Provisions	5,890	-
Redundancy expense	625	2,716
Operational profit	<u>10,378</u>	<u>5,699</u>

The full consolidated balance sheet, profit and loss account as per 31 December 2005, segmental information, movements in capital resources and the statement of cash flows for the year ended 31 December 2005 are attached as appendices.

Note: Comparative figures have been adjusted for the impact of IFRS 2.



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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, focussing on Private Banking, Asset Management and Institutional & Corporate products and services centred 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 and bond 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.

Additional information on the group and its services can be found by visiting Insinger de Beaufort's website at www.insinger.com



Appendix 1 Group Balance Sheet

	2005	2004
	€ 000's	€ 000's
Assets		
Cash and balances with central banks	6,445	9,430
Treasury bills	35,896	40,801
Loans and advances to credit institutions	148,671	114,782
Loans and advances to customers	119,262	91,033
Debt securities and other fixed income securities		
- issued by public bodies	7,127	17,276
- issued by other borrowers	16,145	16,145
Shares and other variable yield securities	2,445	3,826
Investments in associates	3,635	2,812
Financial fixed assets	918	752
Goodwill	16,090	20,868
Tangible fixed assets	6,627	7,459
Investment property	1,458	1,858
Other assets	31,064	30,232
Deferred tax assets	11,858	13,156
Total assets	407,641	370,430
Liabilities		
Amounts owed to credit institutions	9,700	1,967
Amounts owed to customers	301,071	270,462
Loan notes and other long term debt	7,737	9,180
Other liabilities	33,436	35,630
Current income tax liabilities	2,631	3,886
Total liabilities	354,575	321,125
Capital resources		
Subscribed capital	25,750	25,825
Share premium	(5,275)	(1,471)
Other reserves	30,467	23,630
Shareholders' equity	50,942	47,984
Shareholders' compulsory convertible loan note	2,063	1,224
Minority interests	61	97
	53,066	49,305
Total equity and liabilities	407,641	370,430
Off-Balance sheet items: contingent assets	11,464	11,464
Off-Balance sheet items: contingent liabilities	9,432	8,148



Appendix 2 Group profit and loss account

	2005	2004
	€ 000's	€ 000's
Interest income	12,157	12,360
Interest expense	(6,721)	(6,814)
Net interest income	5,436	5,546
Commission income	93,540	81,563
Commission expense	(29,174)	(24,201)
Gains and losses from investment securities	464	418
Other operating income	11,592	12,051
Gross income	81,858	75,377
Personnel costs	(40,614)	(40,687)
Redundancy expense	(625)	(2,716)
Provisions	(5,890)	-
Depreciation	(3,722)	(2,881)
Other general administrative expenses	(27,144)	(26,110)
Operating profit	3,863	2,983
Share of profits from associates	741	134
Profit before taxation	4,604	3,117
Taxation	250	452
Profit after taxation	4,854	3,569
Income on sale of subsidiaries	4,220	(825)
Amortization of goodwill	-	-
Net profit after goodwill amortization	9,074	2,744
Profit attributable to minority interest	3	3
Net profit	9,077	2,747

Note: Comparative figures have been adjusted for the impact of IFRS 2



Appendix 3 Segmental information

	2005	2004
	€ 000's	€ 000's
Segmentation of gross income		
Private Banking	34,005	30,530
Asset Management	27,419	23,952
Institutional Clients	17,220	19,089
Ops & Support	4	(349)
Group	3,210	2,155
	81,858	75,377
Segmentation of operating result (*)		
Private Banking	3,526	1,814
Asset Management	10,289	6,496
Institutional Clients	108	2,780
Ops & Support	(3,334)	(4,261)
Group	(211)	(1,130)
	10,378	5,699
Segmentation of profit before tax		
Private Banking	2,886	667
Asset Management	10,289	6,477
Institutional Clients	108	628
Ops & Support	(5,305)	(3,884)
Group	(3,374)	(771)
	4,604	3,117

* Operating profit before redundancy and provisions



Appendix 4 Movements in shareholders' equity

	Share Capital	Share premium	Other	Compulsory convertible loan note	Total
	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's
Balance at 1 January 2005	25,825	(1,470)	23,629	1,224	49,208
Dividend			(1,571)		(1,571)
Issue of compulsory convertible loan note 2013				804	804
Release of capitalised interest				35	35
Option expense		371			371
Net gains/(losses) from changes in fair value			(74)		(74)
Translation adjustments and other movements			(594)		(594)
Movement in treasury shares	(75)	(4,176)			(4,251)
Net result			9,077		9,077
Balance at 31 December 2005	25,750	(5,275)	30,467	2,063	53,005



Appendix 5 Statement of cash flows

	2005	2004
	€ 000's	€ 000's
Cash flows from operating activities		
Net profit	9,077	2,747
Adjustment for:		
Taxation	(250)	(452)
Profit attributable to minority interest	(3)	(3)
Depreciation of tangible fixed assets	3,722	2,881
Income from associates	(741)	(134)
Onerous contract	1,986	-
Provision legal dispute	3,904	-
Profit on sale of operations in Jersey and Switzerland	(4,220)	-
Loss on sale of Bank Insinger de Beaufort Plc	-	825
<i>Net cash inflow from operating activities before changes in operating assets and liabilities</i>	<u>13,475</u>	<u>5,864</u>
(Decrease)/increase in operating assets:		
Loans and advances to credit institutions	(32,883)	(11,896)
Loans and advances to customers	(53,478)	17,367
Net investment in trading securities	(920)	-
Other assets	(2,761)	(5,223)
(Decrease)/Increase in operating liabilities:		
Amounts owed to credit institutions	7,734	(7,224)
Amounts owed to customers	57,531	(59,725)
Other liabilities	(6,762)	2,633
	<u>(18,064)</u>	<u>(58,204)</u>
<i>Net cash (outflow) from operating activities before payment of taxation</i>		
Taxation received /(paid)	293	101
<i>Net cash (outflow) from operating activities after payment of taxation</i>	<u>(17,771)</u>	<u>(58,103)</u>
Cash flows from investing activities		
Net investment in non - trading securities	17,404	38,418
Net sale/(purchase) of fixed assets	(2,766)	190
Capitalisation of deferred considerations	-	(262)
Sale of subsidiaries in Jersey and Switzerland	7,391	-
Sale of Bank Insinger de Beaufort Plc	-	14,161
<i>Net cash inflow from investing activities</i>	<u>22,029</u>	<u>52,507</u>
Cash flows from financing activities		
Movement in minority interests	(33)	1
Dividends paid	(1,571)	(899)
Option exercise	3,153	-
Share-based compensation (IFRS 2)	371	157
Treasury shares	(7,404)	(1,532)
Issue of compulsory convertible loan note	996	-
Repayment of loans	(1,600)	(18,222)
Warrant exercise	-	11,864
Warrant buy back	-	(525)
<i>Net cash (outflow) from financing activities</i>	<u>(6,088)</u>	<u>(9,156)</u>
<i>Net (decrease) in cash and cash equivalents</i>	<u>(1,830)</u>	<u>(14,752)</u>
Cash and cash equivalents at beginning of year	9,430	25,223
Net (decrease) in cash and cash equivalents	(1,830)	(14,752)
Exchange differences	(1,155)	(1,041)
Cash and cash equivalents at end of year	<u>6,445</u>	<u>9,430</u>
* Cash flows from operating activities include:		
Interest received	12,157	12,360
Interest paid	(6,721)	(6,814)
Dividends received	-	-