Press release

In 2011 Warburg Bank has strengthened its position as independent universal bank for customers with high demands

- **Pleasant net inflows in Asset Management**
- **Comfortable equity base in the Bank and in the Group**
- **Warburg Bank transfers EUR 40.7m (previous year: 50.6) to parent company**
- **Promising start to the new fiscal year**

Hamburg, April 18, 2012

The Warburg Bank has further strengthened its strong market position as one of the leading German private banks in FY 2011. *"Our positioning as an independent universal bank has proven to be successful once again in the last year. We were able to offset the disadvantageous interest rate development and fluctuations in the individual market sectors by stable earnings in the other business segments,"* says Dr. Christian Olearius, spokesman for the General Partners.

In addition to the above-average income from the trade with fixed-income securities and the again much improved Corporate Finance business, particularly the classical banking transactions in Private Banking and Assets Management, which have been expanded over the years, together with the income from investments of the subsidiaries and other financial service companies contributed positively to the pleasant annual result. Furthermore, the clear focus of the Luxembourg-based M.M.Warburg & CO Luxembourg S.A. and Warburg Invest Luxembourg S.A. on its core business segments of custody services and fund administration has proven to be successful in particular. The fund assets being under management there increased by EUR 6.1bn to EUR 16.3bn.

According to the balanced business model of the private bank, Warburg was active in financing business to the usual extent in 2011. In this respect, focus was placed on the personal and reliable service of customers known for many years. The classical bank loan continues to be the most important source of financing for medium-sized companies and private investors. The reduction of credit decisions on rating results, which is now standard practice for commercial banks, is against the ethos of Warburg Bank: "*We are aware of our special responsibility towards the real economy. Clear* *structures, high degree of transparency and manageable risks are a requirement for us to grant loans. Our business model is beyond any mathematical models,"* Dr. Olearius stresses the Bank's particular role.

The contribution of the lending business to the Bank's overall income reached the very good level of the year 2010. The necessary loan loss provision was manageable as a whole and was significantly below the previous year's figure which had already been satisfactory. Warburg's experts are confident regarding the further development of the shipping markets which have been under pressure for some time now. However, sufficient precautions were taken over the past years for an external funding of projects.

One trend that has not been pleasing in the past year was the interest development. Since the Bank kept to its conservative strategy of a relatively short-term fixing on the investment side, the interest income declined. Value adjustments caused by doubtful government bonds were not necessary. In addition, the commission income rose. On the bottom line, M.M.Warburg & CO KGaA reports transferable earnings before taxes of EUR 40.7m (previous year: 50.6), the Group of Banks generated earnings before taxes of EUR 43.6m (previous year: 55.2) on an addition base.

The Bank's solid orientation is also reflected in another improvement of the capital ratios. Warburg Bank's liable capital rose from EUR 340.4m to EUR 351.1m and the equity according to the German Banking Act from EUR 317.9m to EUR 326.4m. Already today, the Warburg Bank's capital resources meet the future regulatory requirements for system-relevant banks according to the standards required under Basel II and the European Banking Authority (EBA). The overall capital ratio of the parent company has improved again to 13.2 percent (previous year: 12 percent), the core capital ratio to 10.7 percent (previous year: 9.9 percent). The liable equity capital in the Group of Banks rose to EUR 419m (previous year: EUR 413m). In sum, the Warburg Network makes available EUR 19.5m from the annual result to the operative unities to underpin commercial business.

Even though the Group of Banks has not aimed for balance sheet growth for years, the total assets rose to EUR 8.65bn (previous year: 8.01). This can be attributed to an increase in the customer deposits. The Bank's liquidity position is comfortable, a participation in the three-year tenders of the European Central Bank was not necessary.

M.M.WARBURG & CO KOMMANDITGESELLSCHAFT AUF AKTIEN
M.M.Warburg Bank · 20079 Hamburg · Geschäftsräume/Office: Ferdinandstraße 75 · 20095 Hamburg · Telefon 040-32 82-0 · Telefax 040-36 18 10 00
Internet: www.mmwarburg.com · SWIFT: WBWC DE HH · Bankleitzahl 201 201 00 · Handelsregister Hamburg HRB Nr. 84168

The customer's confidence, the good work of the portfolio management and a pleasant net cash inflow resulted in an increase in Assets under Management to EUR 38.1bn (previous year: 36.1bn) in the Warburg Group.

The number of employees in the Group of Banks was up by almost 5 percent to 1,159 (previous year: 1,106) in 2011. This is mainly due to the positive business development of the Luxembourg-based subsidiaries, where the headcount rose to 171 (previous year: 138). In the Warburg Bank, the number of employees grew moderately to 463 (previous year: 454), particularly when taking into consideration the rising regulatory requirements and the advancing migration of the subsidiaries' administrative tasks. The entire Warburg Network, which refers to the respective independent affiliated groups Warburg Gruppe, Degussa Bank and Vigor Beteiligungsgesellschaft (real estate, shipping, shareholdings), employed a staff of more than 2,200 at the end of the year.

The new fiscal year has started promisingly for the Group of Banks. Last year's good earnings development in Investment Banking was continued in the first quarter. At the same time, earnings increased in Private Banking and at the subsidiary banks, reflecting the better capital market environment and the good asset performance. Should this development be continued over the year as a whole, Warburg will achieve a good result in 2012 again.

For further enquiries please contact:

Martin Wehrle
Head of Communications
Tel.: +49 40 3282-2431
E-Mail: presse@mmwarburg.com

Enclosure

Table with the figures of fiscal years 2011 and 2010
Overview M.M.Warburg & CO Gruppe (GmbH & Co.) KGaA

Warburg Banking Group
(Addition base)

in EUR m	2011	2010
Earnings before taxes	43.6	55.2
Net interest income	86.6	94.8
Commission income	138.0	131.0
Administrative expenses	157.3	147.1
Total assets	8,651.9	8,008.0
Liable capital and equity according to German Banking Act	419.0	413.0*
Assets under Management	38,055	36,124
Cost Income Ratio	67.75 %	62.30 %

***** Comparative value; 564.0 incl. Degussa Bank GmbH