

## **MEDIA RELEASE**

### **Kaiser Ritter Partner: Successful with tax compliant wealth management and Responsible Investing**

- **The group's strategy of tax compliant wealth management and responsible investment, which it has forcefully promoted since 2006, continues to pay off.**
- **With assets under trust of CHF 25 billion, the group achieved an increase in consolidated turnover of 2.2% in the first half of 2010 compared to the same period last year. Group profit before tax for the period declined by 10.7% due to investment in new business initiatives.**
- **Compared to the first six months of 2009, the group's private bank doubled profits to CHF 1.7 million. Assets under management at the group's private bank fell by CHF 180 million to CHF 1.6 billion as a result of the strict focus on managing tax compliant assets. With a Tier 3 ratio of 19.8% (legal minimum: 8%) the private bank has a solid balance sheet.**
- **The transformation of the business during a period of continued uncertainty in the financial markets is a challenge. However, the outlook for the group remains positive.**

**Vaduz, 27 August 2010** – "Clients urgently need new tax compliant wealth structures, and the demand for sustainable investment strategies is increasing," said Fritz Kaiser, Executive Chairman of Kaiser Ritter Partner, the privately-owned Liechtenstein-based wealth management group. "The regulatory environment is changing rapidly, and traditional solutions need to be adapted to the new reality. In order to be successful in the long term, we must continuously develop our expertise and knowledge base."

### **Thinking ahead pays dividends and offers new perspectives**

Kaiser Ritter Partner made the decision to follow a tax compliant wealth management strategy at the end of 2006, and it is continuously pursuing the transformation of the group according to new realities in the market. Existing clients are being advised according to the new group strategy. At the same time, there is increased demand from new clients, especially those from the US and the UK, for tax compliant solutions.

The group developed new know-how early on. With its portfolio of tax compliant wealth management structures, as well as its tax efficient investment and reporting programmes, it is now well positioned for the future in numerous key markets.

### **Good group results prove the strategy is working**

With assets under trust of CHF 25 billion and an increase in consolidated turnover of 2.2%, the group continues to deliver solid performance. New business initiatives resulted in a fall in consolidated group profits of 10.7%. Investment in business development activities with US and UK clients, the establishment of a team of consultants focused on the Russian market, and the continued development of Responsible Investing capabilities all had an adverse impact on profit and loss, but are already starting to bear fruit.

“There is a growing need for long-term, tax compliant asset protection and sustainable investment, and we have experienced impressive levels of trust and loyalty from both new and existing clients,” said Fritz Kaiser. “In today's environment, wealthy people are very grateful for sustainable solutions. However, there are still clients who, despite clearly identifiable risks with regard to asset protection and reputation, remain hesitant to take the first steps towards a non-incriminating future. In the medium term, we expect that we will do more sustainable and profitable business, but with fewer clients.”

### **Solid development in the group's private bank**

After seeing assets under management grow by 26% in 2009, the group's private bank recorded a 10% decline in assets under management in the first six months of this year, in the context of the implementation of the tax compliance strategy. On 30 June 2010 the bank managed CHF 1.6 billion. Despite the decrease in assets, the bank increased profits by 116% to CHF 1.7 million compared to the same period the previous year, partly as a result of extraordinary income. As expected, prevailing low interest rates resulted in a

reduction in earnings, which were partly offset by a number of savings measures. Overall, the business outlook for 2010 for the bank is expected to be positive.

### **Growing demand for “Responsible Investing” strategies**

Kaiser Ritter Partner has been applying sustainable investment strategies for a number of years and in 2009 signed the United Nations’ “Principles of Responsible Investing” (UN PRI). The group is fully committed to implementing these principles in its investment strategies, bringing investors’ personal values into balance with value creation, while at the same time optimising risk management.

Following environmental scandals, such as the recent BP oil spill in the Gulf of Mexico, wealthy families are increasingly aware of the importance of comprehensive risk management, leading to better investment decisions. Kaiser Ritter Partner considers environmental, social and corporate governance issues when developing investment strategies, and tries to anticipate the themes that could prove to be major issues in the future when managing client portfolios. The group noted that client interest in sustainable investment concepts has increased noticeably in recent months.

### **Demanding transformation for a sustainable future**

Kaiser Ritter Partner embraced change early on and backs tax compliance and Responsible Investing. Fritz Kaiser said: “Our strategy is proving successful, and we are convinced that as a company which takes responsibility for client wealth we must take this course in the best interest of our clients. At the same time we want to secure a sustainable future for our own company through the implementation of a value-based and consistent strategy.”

**About Kaiser Ritter Partner**

The Kaiser Ritter Partner Group is a group of companies created by a merger in 2006. It includes a Liechtenstein private bank (founded in 1977) and a leading fiduciary company (founded in 1931). The wealth management group operates in the asset management and trust business and looks after private clients from all over the world. It maintains an international network of experts and in recent years has successfully made a name for itself on key issues such as tax compliance and responsible investing. Based in Vaduz and Zollikon, the group employs 240 people and looks after assets of CHF 25 billion.

Fritz Kaiser heads the group as Executive Chairman of its holding company; Peter Wagner, previously Chairman of the Vontobel banking group, is Chairman of Kaiser Ritter Partner Privatbank; and Philip Marcovici, former Partner at global legal firm Baker & McKenzie, is a member of the Boards of Directors of the holding company and the group's Trust Division. Since June 2009, the former Prime Minister of the Principality of Liechtenstein, Otmar Hasler, has been Partner and Member of the Board of Directors of the holding company. The former Senior Partner of Boston Consulting Group, Christian de Juniac, joined the Board in early 2010.

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