Paris Orléans

Annual results presentation

27 June 2013

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The Group's consolidated accounts at 31st March 2013 were approved by Paris Orléans' managing partner (PO Gestion) at a meeting convened on June 17th 2013, and by its Audit Committee and Supervisory Board at meetings respectively convened on 20th June 2013 and on 26th June 2013.

For more information on Paris Orléans: www.paris-orleans.com

Contents

1. Highlights of FY 2012/2013

Highlights of FY 2012/2013

- First year anniversary of Group reorganisation which was a milestone transaction for our business
- Full benefits of being a unified Group with one management team, common management structures and centralised support functions
- Resources optimisation in the Global Financial Advisory business has been launched
- Cost cutting programmes to enhance operating efficiency of the Group are now underway

Year of transition following the Group's reorganisation

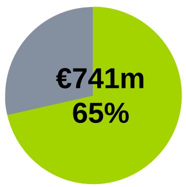
2. Business review

Three complementary core businesses in one unified Group

Rothschild's core Businesses

Global Financial Advisory

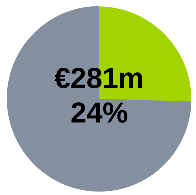
- **M&A and strategic advisory**
- **Financing advisory**
  - Debt advisory
  - Restructuring
  - Equity advisory



Wealth & Asset Management

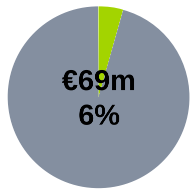
- **Wealth Management**
- **Asset Management**
- **Trust services**

€38.4bn of assets under management



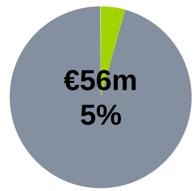
Merchant Banking

- **Private equity**
  - FAPI
  - FASO
  - R Capital III
  - Proprietary investments
- **Private debt**



Others

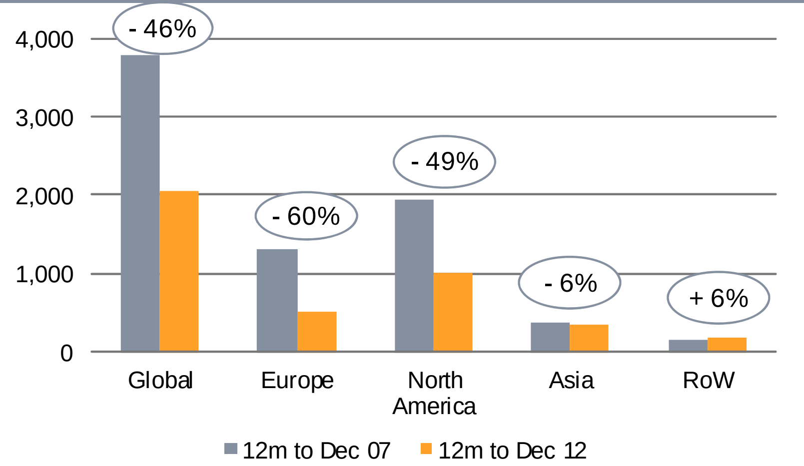
- Specialist Finance
- Corporate lending legacy book
- Others



Global Financial Advisory

Profitability of the business			
(in €m)	**2011/12**	**2012/13**	***Var***
Revenues	**711**	**741**	***4%***
- M&A	491	523	*7%*
- Financing Advisory	220	218	*(1)%*
Profit before tax	**70**	**96**	***36%***
Operating margin in %	*10%*	*13%*	*31%*
Adjusted compensation ratio [(1)]	*66.8%*	*65.1%*	*(1.7)%*
Bankers	*908*	*864*	*(44)*

Global M&A by region since 2007



- Rank 5th globally and 1st in Europe by number of completed M&A transactions
  (Source : Thompson Reuters, completed deals)
- M&A results improved, flat year for Financing Advisory despite difficult global market conditions (European market by value down 14% compared to last year)
- Profit before tax uplift due to:
  - good performance in the UK, US, Latin America and Asia
  - resources optimisation
- Primed to capture new business opportunities

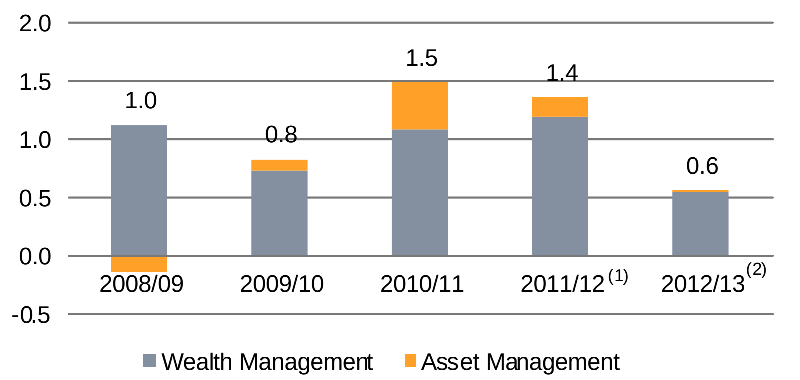
1 For the calculation of the Adjusted compensation ratio, adjustment has been made to include profit share paid to French Partners. It excludes redundancy costs

Wealth and Asset Management

Profitability of the business

(in €m)	2011/12	2012/13	*Var*
Revenues	**284**	**281**	***(1)%***
AuM (in €bn)	*35.9*	*38.4*	*7%*
Net new assets WM (in €bn)	*1.2*	*0.6*	*(50)%*
Net new assets AM (in €bn)	*0.2*	*0.0*	*(90)%*
Client advisers for WM	*97*	*94*	*(3)%*

Net new assets (in € bn)



- Difficult year with revenues flat and lower profits due to:
  - Low risk appetite amongst clients
  - Low interest rate environment
- Thanks to positive markets (€1.9bn) and a net inflow including assets related to HDF acquisition (€0.6bn), assets under management improved 7% to €38.4bn
- Various initiatives to develop synergies with Global Financial Advisory and Merchant Banking to leverage existing clients and to attract new ones

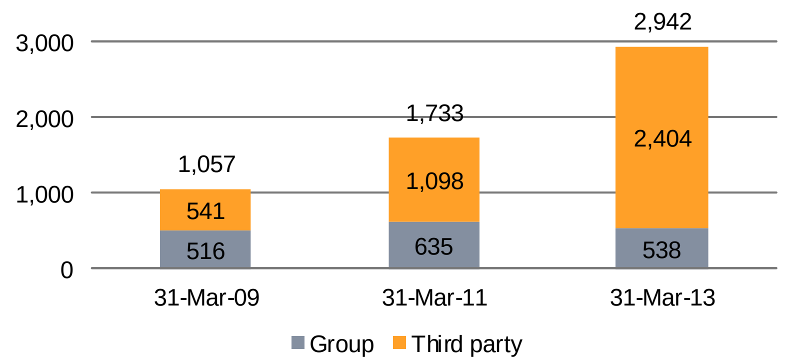
Notes

1 2011/2012 excludes the outflow of €1.5bn of assets under management linked to the partial sale of Sélection R in France.
2 2012/2013 includes the inflow of €0.8bn of assets under management linked to the merger with HDF Finance in France.

Merchant banking

Profitability of the business			
(in €m)	**2011/12**	**2012/13**	***Var***
Revenues	**71**	**69**	***(3)%***
of which capital gains	49	37	*(24)%*
Net asset value of Group private equity assets	*481*	*464*	
Investment professionals	*35*	*51*	

Assets under management

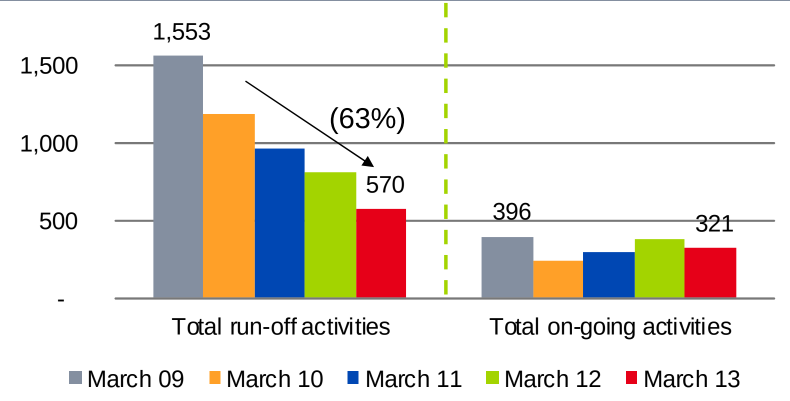


- Merchant Banking division comprises 2 strategies :
  - Private equity (€1.3bn of AuM of which €0.5bn from the Group), includes third party funds and proprietary investments
  - Private debt (€1.6bn of AuM)
- €54m invested in new investments and follow on, €112m of disposals during the year generating €37m of capital gains
- Continuing the roll out of Merchant Banking offering, with the launch of a new fund initiative of junior leveraged debt – FACS

Specialist finance

Profitability of the business			
(in €m)	**2011/12**	**2012/13**	***Var***
Revenues	**51**	**42**	***(17)%***
Impairment on loans	(13)	(10)	*(25)%*

Lending over 5 years (in €bn)



- In 2008, the Group decided to gradually withdraw from corporate lending to focus on Specialist finance (specialist leasing and fund lending)
- Legacy drawings fell to €570m as at 31 March 2013, down from €805m the prior year. Run-off position is now one-third of what it was in 2008/2009
- On-going activities consist of asset finance (through Five Arrows Leasing Group) and fund lending (loan facilities secured against assets in investment funds)

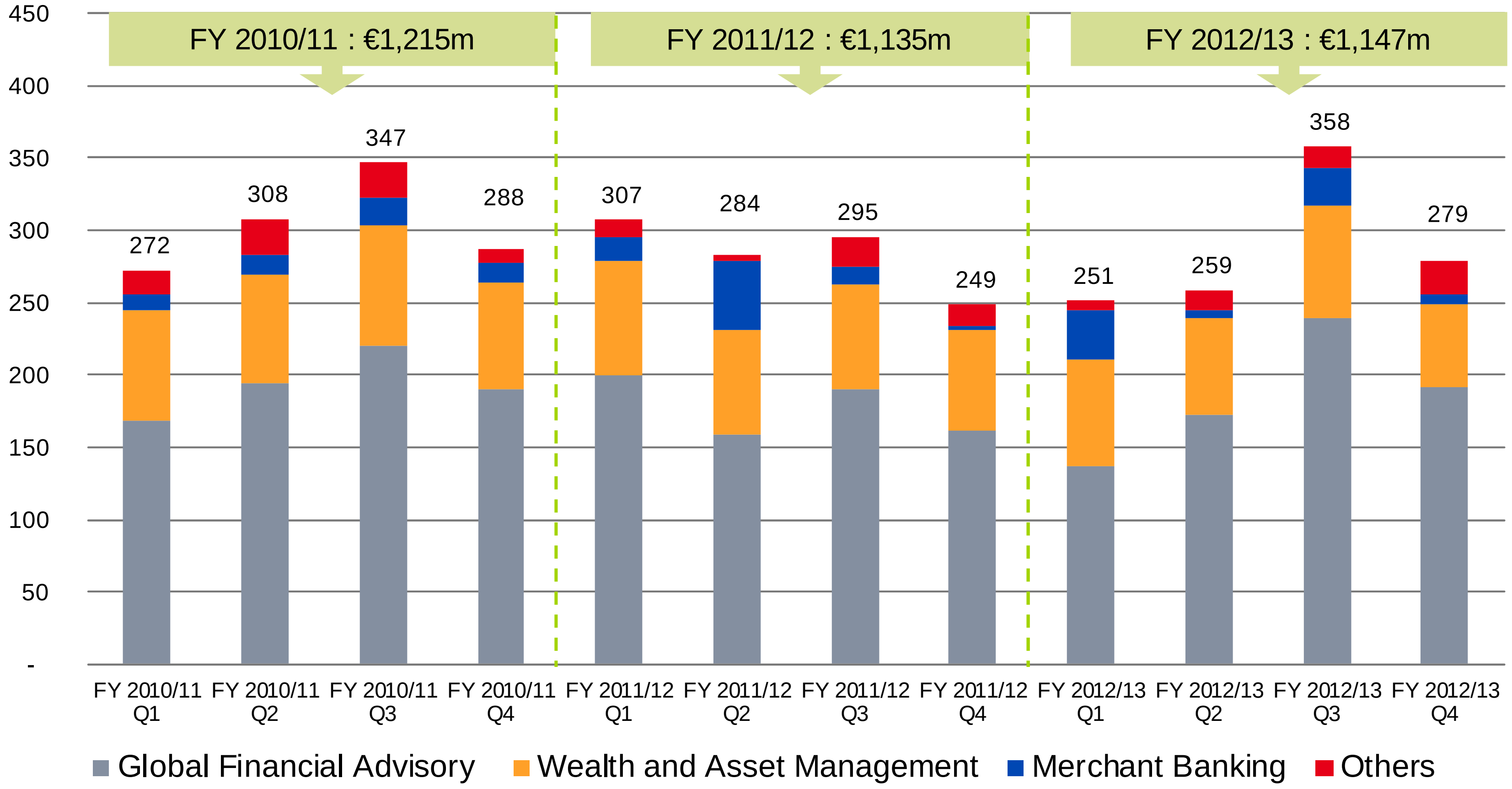
3. Financial review

Summary P&L

(in €m)	**2011/2012**	**2012/2013**	*Var*	*Var %*
Revenues	**1,135**	**1,147**	***12***	*1%*
Staff costs	(686)	(696)	*(10)*	*(1)%*
Administrative expenses	(229)	(219)	*10*	*4%*
Depreciation and amortisation	(28)	(36)	*(8)*	*(27)%*
Loan provisions and impairment charges	(26)	(31)	*(5)*	*(21)%*
Operating Income	**166**	**165**	***(1)***	*(1)%*
Other income / expense	7	11	*4*	*57%*
Impairment of BPER	-	(46)	*(46)*	*n/a*
Profit before tax	**173**	**130**	***(43)***	*(25)%*
Income tax	(32)	(40)	*(8)*	*(25)%*
Consolidated net income	**141**	**90**	***(51)***	***(36)%***
Non-controlling interests	(104)	(43)	*61*	*59%*
Net income - Group share	**37**	**47**	***10***	***26%***
Non-controlling interests as if Group's reorganisation occured 1 April 2011	16	(16)	*(32)*	*n/a*
Impairment of BPER - Group share	-	31	*31*	*n/a*
Underlying Net income - Group share	**53**	**62**	***9***	***16%***
Earnings per share	*1.24 €*	*0.78 €*		
Underlying Earnings per share	***0.78 €***	***0.90 €***		
ROE	*5.1%*	*4.1%*		
Underlying ROE	***4.5%***	***5.1%***		

Details on slide 17

Quarterly revenues over 3 years (in €m)



- Strong Q3 for FY 2012/2013
- Volatility in GFA, less in other businesses

Summary P&L by business

(in €m)	Global Financial Advisory	Asset Management [1]	Other [2]	Statutory adjustments	Total 2012/2013
Revenues	**741**	**350**	**56**	**(0)**	**1,147**
Operating expenses	(645)	(294)	(82)	70	(951)
Impairments	-	-	(12)	(19)	(31)
Operating income	**96**	**56**	**(38)**	**51**	**165**
Operating margin %	13%	16%	n/a	n/a	14%

(in €m)	Global Financial Advisory	Asset Management [1]	Other [2]	Statutory adjustments	Total 2011/2012
Revenues	**711**	**355**	**69**	**0**	**1,135**
Operating expenses	(641)	(264)	(104)	66	(943)
Impairments	0	(2)	(13)	(11)	(26)
Operating income	**70**	**89**	**(48)**	**55**	**166**
Operating margin %	10%	25%	n/a	n/a	15%

- This analysis is prepared from non IFRS data used internally for assessing business performance then adjusted to conform to the Group's statutory financial accounting policies
- Statutory adjustments mainly represent for both financial years the treatment of profit share paid to French partners as non-controlling interests, accounting for deferred bonuses over the period earned, the application of IAS 19 for defined benefit pension schemes and reallocation of impairments.

Notes

1 Asset Management comprises Wealth & Asset Management and Merchant Banking businesses

2 Other comprises Central cost, Legacy business and other

Compensation

Group Compensation ratio		
(in €m)	**2011/2012**	**2012/2013**
Revenues	1,135	1,147
Total adjusted staff costs [1]	(730)	(734)
Adjusted Compensation ratio (%)	*64.3%*	*64.0%*

- Stable compensation ratio reflecting improvement in GFA offset by worsening in other businesses
- Staff costs, excluding bonus, show a decrease as a result of headcount reducing to 2,764 from 2,836 at the last year end
- Bonus charge increased largely due to stronger revenues in GFA

1 For the calculation of the adjusted compensation ratio, adjustment has been made to include profit share paid to French Partners. It excludes redundancy costs

Cost savings announced

Where do we stand

€25m savings – Global Financial Advisory

- Programme of resource optimisation in Global Financial Advisory was launched in FY 2011/2012
- Expected to save approximately €25 million gross per annum annualised in the year ended 31 March 2013
- The decrease in GFA adjusted compensation ratio of 1.7% (FY 2011/2012 : 66.8% - FY 2012/2013 : 65.1%) represents a net saving of €13m in staff costs year on year

€20m savings - Support costs in three years

- Support costs cover all support functions such as finance, IT and HR plus legacy costs not allocated to any business.
- 60% of support costs are payroll related
- Adjusting for exchange rates and inflation, these costs reduced by €6m between FY 2011/2012 to FY 2012/2013

Banque Privée Edmond de Rothschild

Impairment

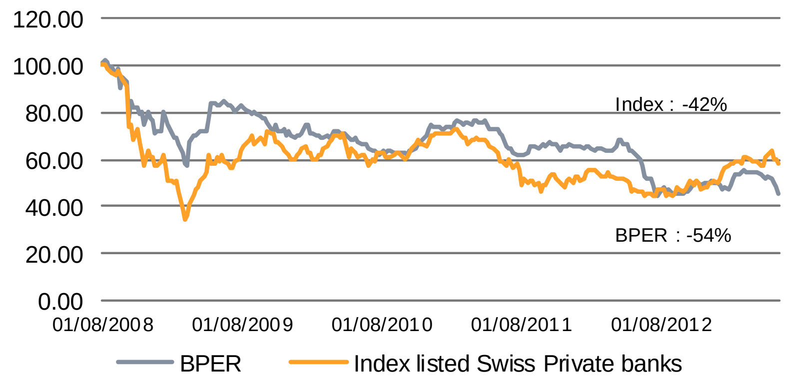
Explanations about impairment

- €46.2m charge against Profit before tax
- €3.6m deferred tax credit
- Impact of €42.6m on consolidated income
  - Of which €30.6m in Net income – Group share
  - Of which €12m in Non-controlling interests

- Share price as at :
  - 21 November 2007: 36,995 CHF
  - 29 August 2008: 36,405 CHF
  - 31 March 2012: 23,530 CHF
  - 31 March 2013: 20,100 CHF

- No impact on net assets nor cash flow

BPER share price since 1st August 2008



Key figures over 5 years

December, in CHFm	2008	2009	2010	2011	2012
Revenues	826	680	724	699	631
Net income - Group share	**178**	**124**	**136**	**116**	**59**
Dividend / share (CHF)	1,200	900	775	875	625

Source : December annual reports of the company over 5 years

Income taxes

Income taxes		
(in €m)	**2011/2012**	**2012/2013**
Current tax	25	44
Deferred tax	7	(4)
Total Income taxes	**32**	**40**
Statutory Profit before tax	173	130
Effective tax rate	*18.4%*	*30.7%*
Deferred tax on impairment of BPER	-	4
Underlying total Income taxes	**32**	**44**
Underlying Profit before tax	173	177
Underlying Effective tax rate	*18.4%*	*24.9%*

- €40m charge represents a 30.7% effective tax rate (24.9% before the impairment of BPER impact) compared to 18.4% last year
  - lower level of non-taxable capital gains this year
  - new French dividend tax at 3%
  - structural tax increases in France following the reorganisation

Non-controlling interests

P&L		
(in €m)	**2011/2012**	**2012/2013**
Interest on perpetual subordinated debt	15	15
Non-controlling interests	89	40
Impairment of BPER	-	(12)
TOTAL	**104**	**43**

Balance sheet		
(in €m)	**2011/2012**	**2012/2013**
Perpetual subordinated debt	297	296
Non-controlling interests	687	187
TOTAL	**984**	**483**

- Non-controlling interests decreased significantly due to the June 2012 Group reorganisation with the increase in ownership to 97.3% of RCH and 98.7% of RCB
- The remaining Non-controlling interests mainly relates to the Swiss based Wealth management business and the profit share distributed to French partners

Summary Balance sheet

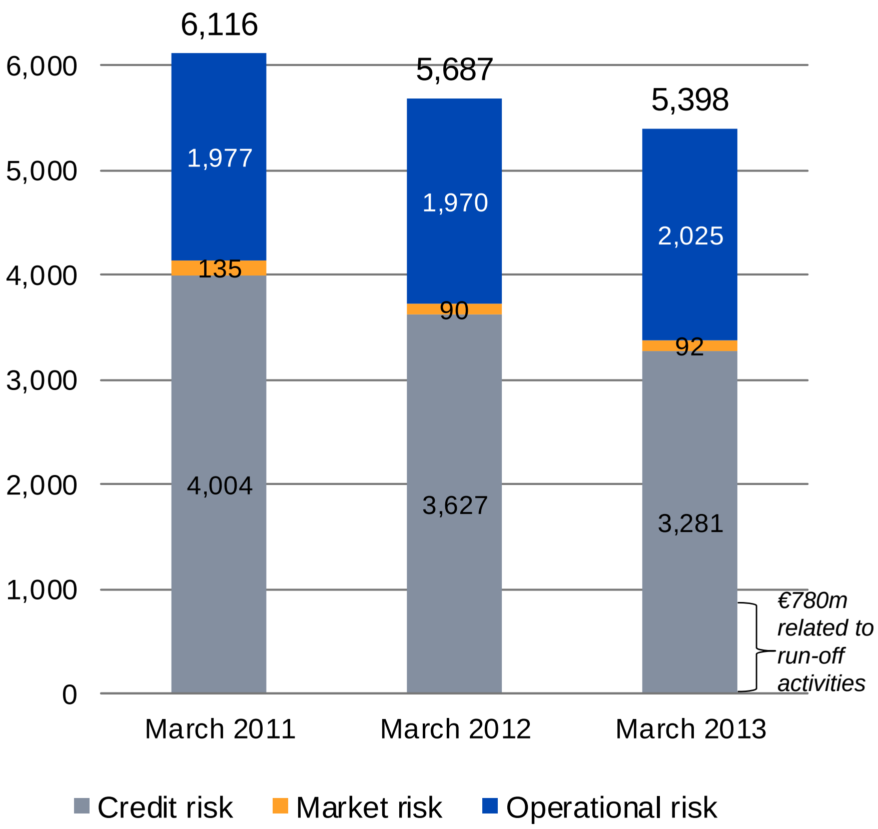
(in € bn)	**31/03/2012**	**31/03/2013**	***Var***
Cash and amounts due from central banks	2.8	3.7	*0.9*
Cash placed with banks	1.7	1.1	*(0.6)*
Loans and advances, debt and equity securities	3.0	2.4	*(0.6)*
Other assets	1.4	1.5	*0.1*
Total assets	**8.9**	**8.7**	***(0.2)***
Due to customers	5.6	5.6	*(0.0)*
Other liabilities	1.6	1.4	*(0.2)*
Shareholders equity - Group share	0.7	1.2	*0.5*
Non controlling interests	1.0	0.5	*(0.5)*
Total capital & liabilities	**8.9**	**8.7**	***(0.2)***

- Surplus cash, mainly arising from customer deposits, is placed with Central banks (+€0.9bn) and less with banks (-€0.6bn)
- Corporate lending book continues its managed decline
- Customer deposits remain high as investors seek security
- Shareholders' equity – Group share rises following Group reorganisation
- Impairment of BPER has no impact on the balance sheet net assets nor cash flow

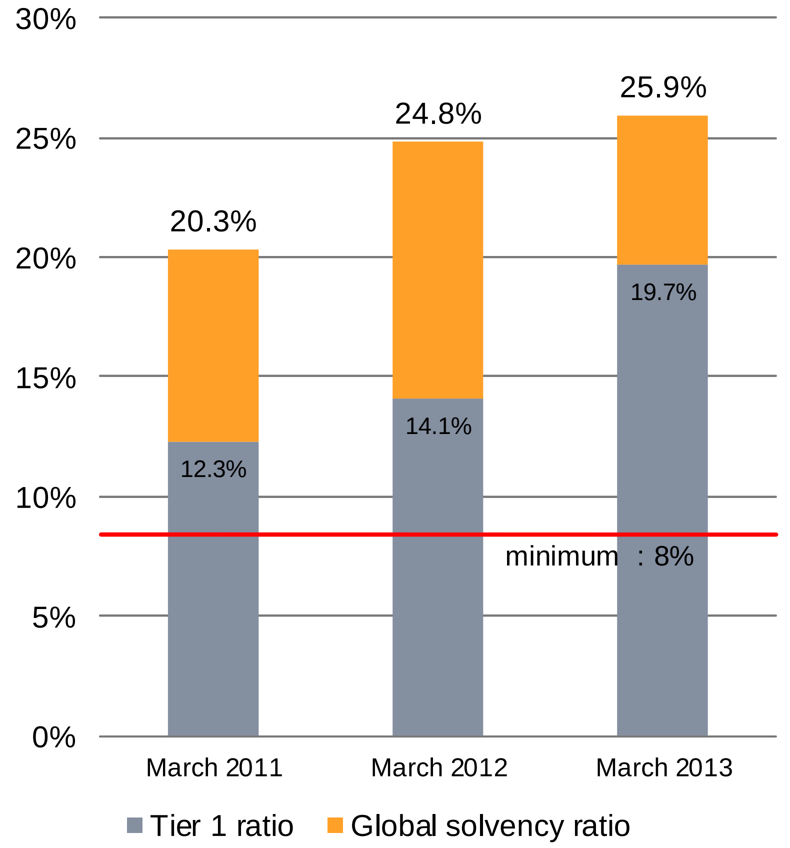
Solvency ratios

Risk weighted assets and ratios

Risk weighted assets (in €m)



Group solvency ratio



- RWA decrease over the period comes from:
  - Disposal of assets (Merchant Banking assets and Corporate Lending assets)
  - Treasury reallocation to central banks

- Tier 1 ratio increased following the Group reorganisation
- Tier 1 and Global solvency ratio are comfortably above minimum requirements imposed by Basel 2

4. Conclusion

Conclusion

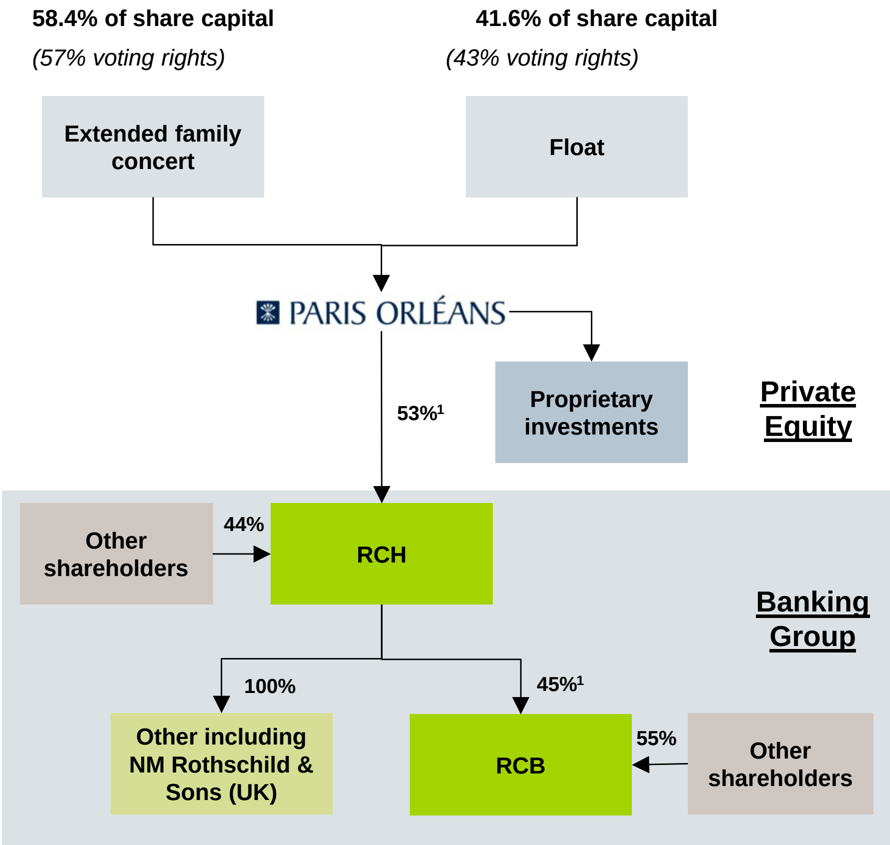
Financial objectives

Adjusted compensation cost	■ FY 2012/2013 : 64% ■ Objective of low sixties through the cycle ■ Headcount reductions initiated in FY 2011/2012 will have full impact in FY 2013/2014 (gross amount of €25m)
Support functions cost	■ Reduce costs associated with support functions (staff costs and general & administrative expenses) by a gross amount of €20m annualised by March 2015
ROE	■ Maximise long term revenue and profitability for shareholders with an ROE at least 10% in the medium term
Dividends	■ €0.50 dividend per share proposed to the AGM, same level as last year ■ Right to elect for cash or new shares

Appendix A. Simplified organisation chart

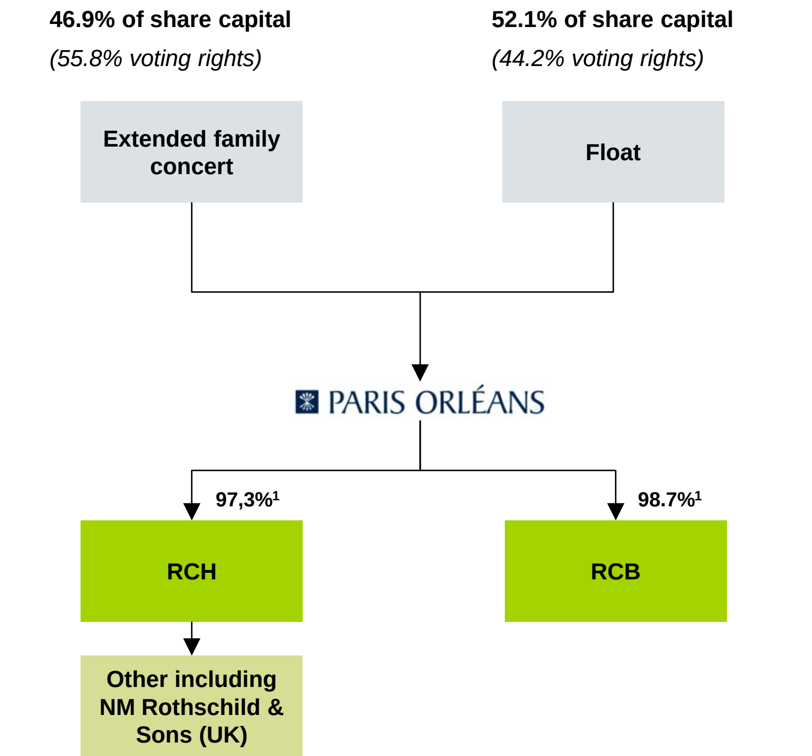
Pre- / Post June 2012 reorganisation

Before



- Complexity of entities
- Holding company structure and valuation
- Unaligned management interests
- €1.0bn of minority interests out of €1.7bn of consolidated equity

As at 31 March 2013



Three complementary core businesses		
Global Financial Advisory	Wealth & Asset Management	Merchant Banking [2]

1 Directly and indirectly through holding companies

2 Including Proprietary investments

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