Annual Report
2014/2015

ROTHSCHILD & CO
(Formerly Paris Orléans)

Annual Report 2014/2015

Contents

Paris Orléans over time

1838	Creation of Paris Orléans, a French railway company.
1937	Paris Orléans discontinues its railway business.
1982	Relaunch of Rothschild's French activities through Paris Orléans following the nationalisation of the Rothschild family's French bank in 1981.
2003	Move to unify and optimise the worldwide Group structures with the creation of a new lead entity, Concordia BV, held equally by Paris Orléans and the English branch of the Rothschild family.
2008	Acquired control of the banking activities at a global level and completed reorganisation of family shareholdings.
2012	Paris Orléans' reorganisation to streamline its organisation, optimise its regulatory capital and preserve family control, with its conversion into a partnership limited by shares.
2015	Paris Orléans will change its name to Rothschild & Co.
Today	**Today's integrated Group offers full-scale financial advice and services around the world.**

Key figures
as at 31 March 2015

43 countries — **world presence**

2,853 — **employees**

(2,804 as at 31 March 2014)

€1,403m — **of revenues**

(€1,108m as at 31 March 2014)

€268m — **of operating income**

(€129m as at 31 March 2014)

€1,419m — **of shareholders' equity – Group share**

(€1,269m as at 31 March 2014)

Message from the Company's Managing Partner

Chairman's statement

Dear Shareholders,

I am pleased to be able to report that 2014/2015 was a very positive year for the Group, our shareholders and employees, with net income after minorities up to €144 million.

This reflects an improved performance in each of our three core businesses – Global Financial Advisory, Wealth & Asset Management, and Merchant Banking – and the continued orderly run-down of our legacy banking activities.

With revenues of €880 million, Global Financial Advisory recorded its strongest performance since the financial crisis as the M&A and financing Advisory markets were buoyant. Wealth & Asset Management revenues of €336 million were the highest in five years, driven by favourable market conditions and strong net inflows in all locations. Merchant Banking had an outstanding year with revenues of €145 million. However, these include significant levels of investment gains from the realisation of proprietary investments which will not be repeated.

David de Rothschild

Broadly speaking we believe the ongoing outlook for our business to be benign. The world economy has weathered the storm of the financial crisis well. GDP per capita is higher in real terms than before the crash and we expect economic activity to continue to grow. However, there are risks and challenges we will have to face. There appears to be a decoupling of growth and monetary policy between the US and UK on the one hand and on the other major economies in Europe and Asia. The long-term implications of this are far from clear. Asset prices and exchanges rates are still distorted by loose monetary policy, providing traps for the unwary if and when policy tightens. Geopolitical tensions in the Middle East and Eastern Europe are high, and closer to home it remains to be seen if the UK will remain within the EU, a decision that would have significant implications for our business. Whilst there can be no doubt that some of the past practices in the banking industry were unacceptable, the cost of providing services to our clients continues to increase as a result of ever more onerous regulation.

Change of name

At our Annual General Meeting in September we will propose changing the name of the Company from Paris Orléans to Rothschild & Co to reflect more closely the Group's family history, the presence of long-term shareholders and our partnership culture. The commitment that my family members have to the Group's success, and to their role in it, remains unchanged. We continue to be at the core of the global business, with family control assured through the corporate structure established in 2012.

Corporate social responsibility

We have a deeply-held sense of responsibility to our people, to the environment and to the communities in which we operate. We are committed to the development and retention of people and are focused on cultivating an inclusive environment where diversity is valued. We view this not only as important to our Group but as key to our client relationships now and in the future. We also take an active interest in volunteering within our local communities. During the year we ran the Rothschild in the Community programme, encouraging employees to volunteer their time and skills, in 10 cities globally. Our employees dedicated more than 4,000 hours to the programme and in the London office over 50% of employees took part. Lastly, we are dedicated to addressing the impact of our operations on the environment. Our environmental reporting footprint now covers over 70% of our employees and this is set to increase as we expand the number of environmental champions within our global office network.

Dividend

A dividend of €0.60 per share, an increase of 20%, will be proposed by the Managing Partner, PO Gestion SAS, at the Paris Orléans Annual General Meeting on 24 September 2015, called to approve the financial statements for the year ended 31 March 2015.

We are targeting a progressive dividend policy over time in order to avoid the negative effect of potential results volatility.

Board appointments

We are delighted to have welcomed five new members to the Supervisory Board this year; Angelika Gifford, Arielle Malard de Rothschild, Carole Piwnica, Luisa Todini and Dr. Daniel Daeniker. These new members bring a wealth of experience, diversity and skills to the Supervisory Board and we would like to take this opportunity to thank them for joining us.

Finally, we would like to thank our shareholders and clients for their continued support. We believe that the Group's stable, long-term shareholding structure, its solid financial position and the quality of its people will allow us to achieve our objectives and remain confident in our ability to deliver strong long-term returns to shareholders and provide exceptional service to our clients.

David de Rothschild,
Chairman of PO Gestion SAS,
Managing Partner of Paris Orléans

Chief Executive Officers' statement

The good results for the year ended March 2015 reflect a strong performance across our core businesses, success in our ongoing strategy to build businesses for growth, disciplined cost management and the value of a diversified business model, better positioning us for the current uncertain economic environment.

The Group

Consolidated revenues for the year grew significantly to €1,403 million, up 27% from 2013/2014. Operating income for the year more than doubled to €268 million compared to €129 million in 2013/2014. As a result of this strong performance, Net income – Group share increased to €144 million compared to €8 million in the previous year. We should note, however, that this includes unusually high levels of Merchant Banking disposal profits that will not be repeated in 2015/2016.

Global Financial Advisory

For the year to March 2015, Global Financial Advisory revenue was €880 million, 28% higher than the same period last year, and represents our strongest performance since the financial crisis.

M&A advisory revenue was €588 million, up 33% from €443 million last year, compared to a 21% increase in global completed M&A deal values over the same period. This good performance reflects a continuing improvement in market share, particularly in our core European markets as well as in cross-border transactions. Year on year revenue growth was particularly strong in our European, Asian and Australian businesses

We remain among the top M&A advisers in the world, ranking 4th globally by number of completed transactions. In Europe, we continue to be the market leader and to gain market share, advising on more M&A deals than any of our competitors – a position we have held for more than a decade.

Financing Advisory revenue was €292 million, once again, up strongly year-on-year (+19%) compared to €246 million in the prior year, supported by our leading position in providing independent, strategic advice to companies, governments and financial sponsors. During the financial year, we provided independent advice on more than 220 debt and restructuring transactions with a total value of US$182 billion and improved our position in the global restructuring adviser league tables ranking 2nd by volume and 3rd by value. We also advised on 29 IPOs with a total value of US$46 billion, including the largest IPO in history (Alibaba), and maintained our position as adviser on more European equity assignments than any other independent financial adviser.

Wealth & Asset Management

Wealth & Asset Management revenues during the year ended 31 March 2015 were €336 million, up 10% compared to the prior year (€307 million), the highest in five years. This was driven by a 23% increase in assets under management to €52.1 billion as at 31 March 2015 (€42.3 billion as at 31 March 2014), as a result of favourable market conditions (€6.4 billion) and strong net inflows across our onshore Wealth Management locations in the UK, France, Belgium, Germany and Switzerland (+ €2.3 billion) and in Asset Management (+ €1.1 billion).

We continue to rebalance our Wealth Management business away from offshore in favour of onshore activities. Our European onshore Wealth Management business has increased both assets under management and revenues, benefitting from strong asset inflows, increased client activity and positive market performance. In Switzerland, the rising value of the Swiss franc has had a modestly negative effect on our results.

Olivier Pécoux and Nigel Higgins

Continuing regulatory pressures on our businesses have not changed our previously announced strategic focus of developing a more systematic approach to winning new clients as well as strengthening our organisation. Investments have been made in London and Frankfurt in the investment team and in Paris, Geneva, Zurich and Brussels in the commercial teams. The pipeline for new assets remains strong. The Wealth Management division was pleased to receive industry recognition for its performance, having won significant awards in the UK, France and Switzerland.

We are pleased to have completed the US Department of Justice (DoJ) Program and signed a non-prosecution agreement with the DoJ. The settlement of the financial liability of US$ 11.5 million arising from participation in the Program and the related professional and other costs are within the amounts provided.

In Europe, our Institutional Asset Management and fund distribution business is reaping the rewards of its investment efforts in the development of its product offering and its pan-European distribution capacity. For the year 2014/2015, the inflow momentum has been good in continental Europe. In the US, our solid investment performance track record has allowed us to grow both our institutional assets and our retail wrap business.

Merchant Banking

During the year ended 31 March 2015, Merchant Banking recorded very strong revenues of €145 million compared to €74 million the previous year.

The Group was able to take advantage of market conditions to successfully exit a number of its proprietary investments, thereby generating unusually high levels of investment gains. Disposals generated proceeds of €197 million resulting in €111 million of net investment gains. In addition, the division deployed €100 million in new investments, of which €21 million were in proprietary investments and €79 million were the Group's own investments in funds managed by Merchant Banking.

During the year to March 2015, Merchant Banking has been very active and has continued to expand its product offering towards its clientele of institutions, family offices and high net-worth individuals around the world. As a result of this activity, Merchant Banking's assets under management increased from €3.2 billion at the start of the financial year to €3.8 billion by the end of it.

Balance Sheet

The Group continues to maintain a high level of liquidity. Our Global solvency ratio is a very healthy 20.5% (18.3% at March 2014) under full application of Basel III, which is significantly above the minimum of 10.5%.

Lastly, shareholders' equity, excluding Non-controlling interests, increased from €1,269 million as at 31 March 2014 to €1,419 million as at 31 March 2015, mainly due to the profit for the year (€144 million).

Outlook

Some of our businesses are volatile and dependent to a high degree on prevailing and expected economic conditions, which are by nature uncertain. In Global Financial Advisory, although the M&A market was strong globally in the previous year, there is no certainty that this will continue, however the current pipeline remains solid. We are well positioned to benefit from opportunities as they arise and we will actively pursue a strategy of improving market share in all geographies. In Merchant Banking we will continue to grow our assets under management across our different product offerings but the level of investment profits will be lower than in 2014/2015 where we took the benefit of selling a number of investments that realised high profits which will not be present in the current financial year. In Wealth & Asset Management we expect to see continuing growth in assets under management from improving client flows.

We remain focused on improving profitability by cost discipline and capturing the synergies between our three core businesses. The Group's stable, long-term shareholding structure, its solid financial position and the quality of its people will allow it to continue to develop. Because of this, the Group remains confident in its ability to deliver strong long-term returns to shareholders.

Nigel Higgins and Olivier Pécoux,
Co-Chief Executive Officers of PO Gestion SAS

Message from the Chairman of the Supervisory Board

Dear Shareholders,

As you will see when reading this annual report, the results this year are good and show considerable improvement over last year. It is particularly pleasing that all the group businesses contributed to this profit.

On behalf of the Supervisory Board, I would like to congratulate the senior management and especially the Chairman, David de Rothschild, the two Chief Executive Officers Nigel Higgins and Olivier Pécoux and Alexandre de Rothschild, Managing Director, for the quality of their teams and to thank them for making possible these good performances. The talent and experience of our people, the stability of long term shareholding structure, and our solid financial position will allow us to continue to develop, in spite of continuing economic uncertainty.

The Board is confident in the future of our group and is therefore happy to support the proposition to increase the dividend from €0.50 to €0.60.

This year, once again, the Supervisory Board, with the assistance of its four committees, was deeply involved in the successful oversight of the Company. All partners and the staff are working positively with the Board in full transparency and in confidence.

In September 2014, five new members from different nationalities were nominated bringing fresh skills and diversity to the Supervisory Board in line with the group's organisation and its international dimension. We have brought together sixteen individuals, leading authorities in their fields, the majority of whom meet independence criteria.

The change of the Company's name to Rothschild & Co will be submitted to you for approval at an Extraordinary General Meeting, September next. The Board considers that Rothschild & Co is the most appropriate name for the Company. It emphasises a long-term and very personal engagement of my family to the group but also the presence of other long-term shareholders and partners involved in the management of the Company.

I thank you for your confidence and interest in the Group's long-term success.

Éric de Rothschild
Chairman of the Supervisory Board

Éric de Rothschild

1 Overview

Overview of businesses

Global Financial Advisory

- **M&A and strategic advisory**
- **Financing Advisory**
  - **Debt and restructuring advisory**
  - **Equity advisory**

- Worldwide platform with a presence in over 40 countries
- 860 bankers, of which 186 are Managing Directors
- Adviser on approximately 530 transactions with a total value of $490 billion

6th globally
by revenue

4th globally & 1st in Europe
by number of completed M&A transactions[1]

Wealth & Asset Management

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

- Strong European presence with targeted extensions in Asia and the United States
- 111 clients advisers for Wealth Management
- 62 investment managers for Asset Management

€52.1bn
of Assets under Management

Merchant Banking

- **Private equity**
- **Private debt**
- **Proprietary portfolio**

- Solid position in France and the United Kingdom
- Proprietary investments in emerging countries
- 52 investment professionals

€3.8bn
of Assets under Management

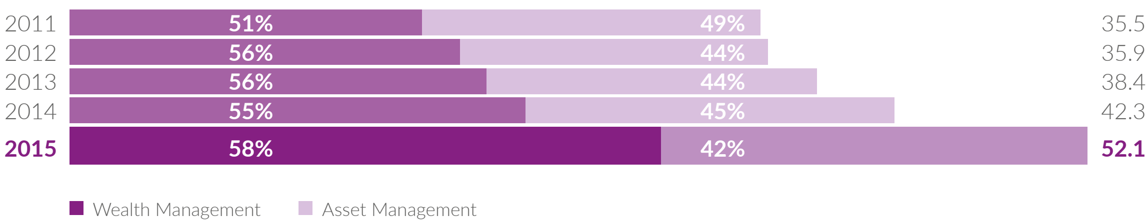
(1) Source: Thomson Reuters, completed transactions, ranked by number of deals. Excludes accountancy firms.

Global Financial Advisory revenue breakdown

(in millions of euros, as at 31 March)

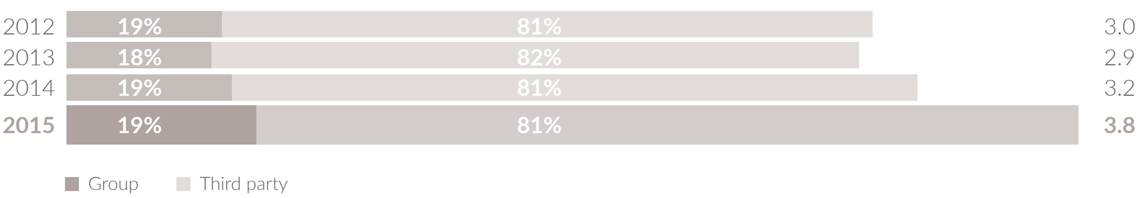
Assets under management

(in billions of euros, as at 31 March)

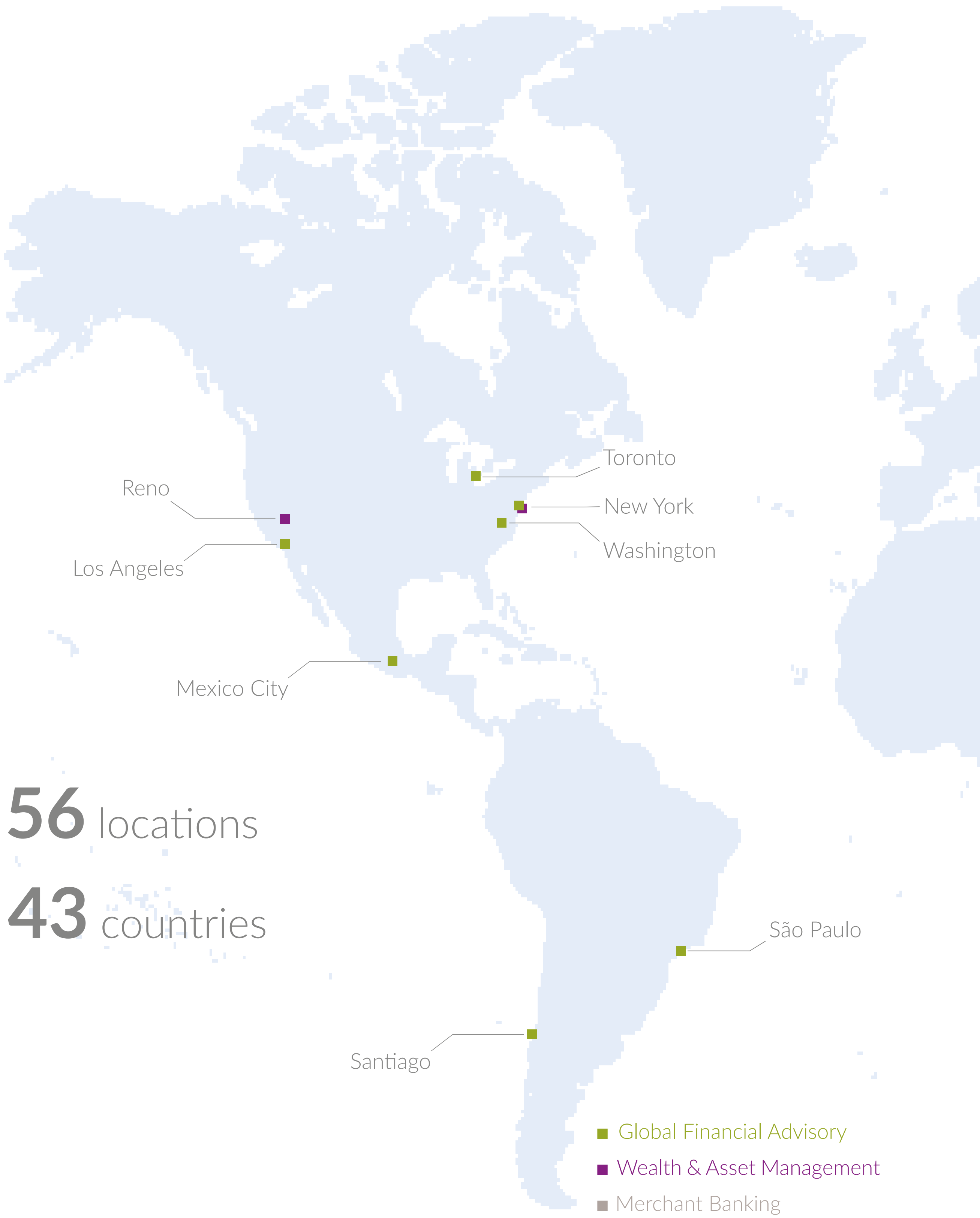


Assets under management

(in billions of euros, as at 31 March)



World presence



56 locations

43 countries


Stockholm
Tallinn
Leeds
Manchester
Moscow
London
Riga
Vilnius
Birmingham
Frankfurt
Warsaw
Brussels
Prague
Kiev
Guernsey
Luxembourg
Budapest
Paris
Zurich
Geneva
Milan
Sofia
Bucharest
Barcelona
Istanbul
Madrid
Lisbon
Athens
Tel Aviv
Beijing
Tokyo
Seoul
Shanghai
Hong Kong
Mumbai
Hanoi
Manila
Dubai
Abu Dhabi
Doha
Kuala Lumpur
Singapore
Jakarta
Johannesburg
Sydney
Auckland
Melbourne
Wellington

Governance

From left to right:
Olivier Pécoux, Alexandre de Rothschild, David de Rothschild and Nigel Higgins.

The Company's governance structure is based on an executive body, PO Gestion SAS, the Managing Partner *(Gérant)* assisted by the Group Management Committee, and a supervisory body, the Supervisory Board.

PO Gestion SAS, Managing Partner

The role of PO Gestion SAS is to manage the Company and the Group, within the scope of the corporate purpose and subject to those powers expressly granted by law and the Articles of Association to the Supervisory Board and to General Meetings of shareholders.

PO Gestion SAS is comprised of its executive Chairman, David de Rothschild, and the Management Board *(Conseil de gérance)*, which consists of the two Group Chief Executive Officers, Nigel Higgins and Olivier Pécoux, and one director, Alexandre de Rothschild. Its role is to oversee the Group's strategic management.

David de Rothschild
Chairman

Nigel Higgins
Co-Chief Executive Officer

Olivier Pécoux
Co-Chief Executive Officer

Alexandre de Rothschild
Director

Group Management Committee

The Group Management Committee forms the senior executive operational and functional committee for the Company and the Group, assisting the Company's Manager SAS for the proper and effective functioning of the Group.

14
members

From left to right: *Veit de Maddalena, Richard Martin, Jonathan Westcott, Paul Barry, Robert Leitão, Alain Massiera, Olivier Pécoux, Nigel Higgins, Alexandre de Rothschild, Gary Powell, Mark Crump, Marc-Olivier Laurent, Jean-Louis Laurens, Bruno Pfister.*

Group Management

Nigel Higgins
Olivier Pécoux
Co-CEOs

Group Business Division Heads

Robert Leitão
Group Head of Global Financial Advisory

Richard Martin
Co-Head of Wealth Management & Trust

Jean-Louis Laurens
Group Head of Asset Management

Veit de Maddalena
Co-Head of Wealth Management & Trust

Alain Massiera
Head of Wealth Management (Paris)

Marc-Olivier Laurent
Head of Merchant Banking

Bruno Pfister
Executive Chairman of Wealth Management & Trust

Alexandre de Rothschild
Head of Paris Orléans Proprietary Investments

Group Support Function Heads

Paul Barry
Group Human Resources Director

Mark Crump
Group Finance Director

Gary Powell
Group Head of Strategy and Corporate Development

Jonathan Westcott
Group Head of Legal and Compliance

Governance

16
Board members

7
nationalities

Supervisory Board and specialised committees

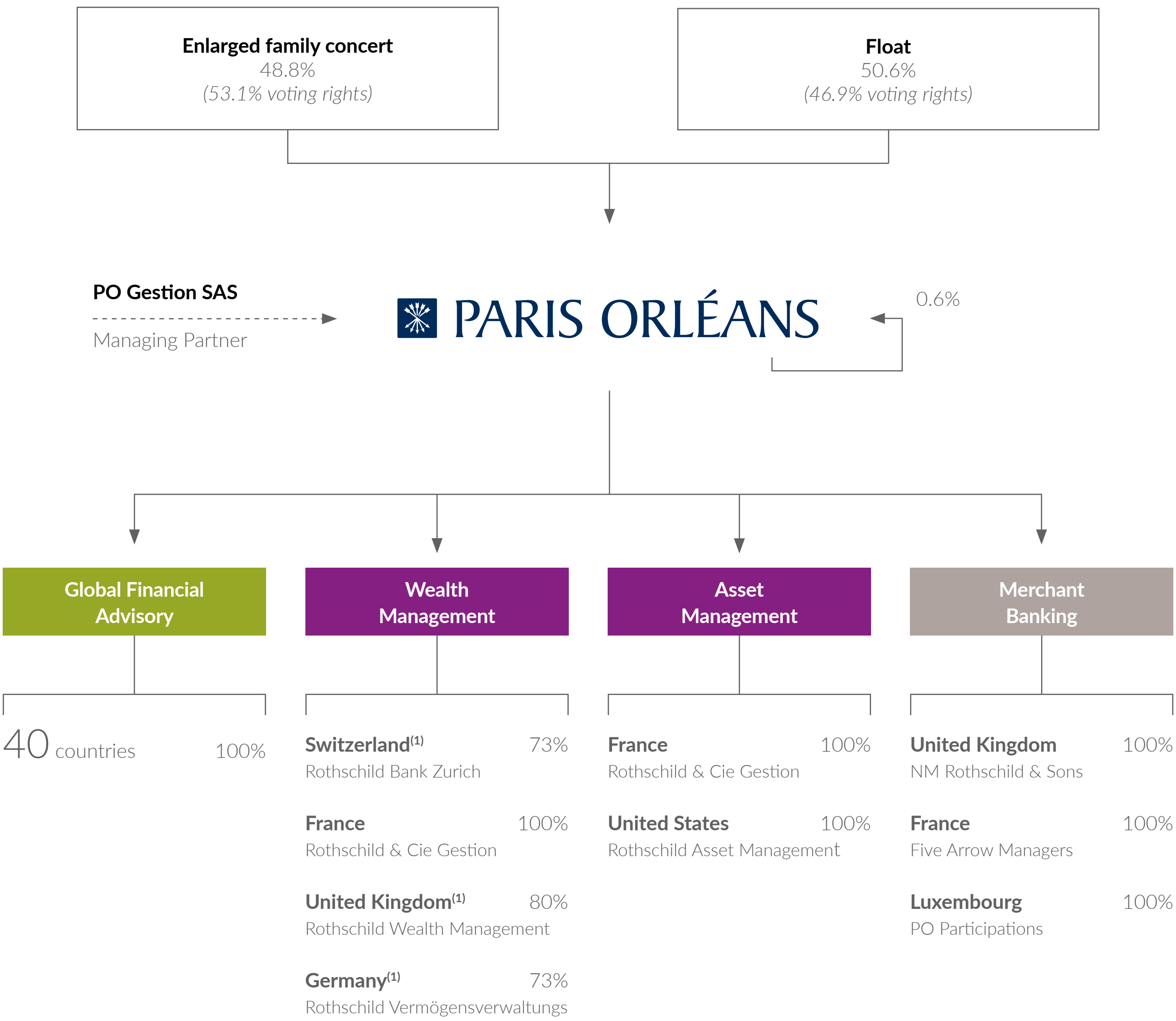
The Supervisory Board exercises permanent oversight of the management of the Company. It is assisted by four specialised committees: the Audit Committee, the Strategy Committee, the Remuneration and Nomination Committee and the Risk Committee.

Members	Nationality	Supervisory Board	Specialised committees			
			Audit Committee	Strategy Committee	Remuneration and Nomination Committee	Risk Committee
Éric de Rothschild	French	Chairman, Non-independent member		Non-independent member		
André Lévy-Lang	French	Vice-Chairman, Independent member	Independent member	Independent member	Independent member	
François Henrot	French	Vice-Chairman, Non-independent member		Non-independent member		
Martin Bouygues	French	Independent member				
Dr. Daniel Daeniker	Swiss	Independent member		Independent member		Independent member
Sylvain Héfès	French	Non-independent member	Non-independent member		Chairman, Non-independent member	
Angelika Gifford	German	Independent member				
Lord Leach	British	Independent member		Independent member		
Arielle Malard de Rothschild	French	Non-independent member				
Lucie Maurel-Aubert	French	Non-independent member		Non-independent member		
Carole Piwnica	Belgian	Independent member	Independent member	Independent member		
Anthony de Rothschild	British	Non-independent member				
Jacques Richier	French	Independent member				
Sipko Schat	Dutch	Independent member				Chairman, Independent member
Peter Smith	British	Independent member	Chairman, Independent member	Independent member	Independent member	
Luisa Todini	Italian	Independent member			Independent member	

■ Chairman
■ Vice-Chairman
■ Independent member
■ Non-independent member

Group economical organisation chart

(as at 31 March 2015)



(1) Minority interest held by the Rothschild family.

Corporate social responsibility

At the heart of the Rothschild Group's approach to business is a deeply-held sense of **responsibility to its people,** to the **environment** and to the **communities** in which it operates.

People

We are committed to the development and retention of a world-class team

- 2,853 employees across the world of whom 40% are female
- An inclusive culture in which diversity is valued
- Recruitment and promotion based on merit
- A wide range of training and development opportunities
- A focus on well-being and a healthy and safe working environment

Environment

We are addressing the impact of our operations on the environment

- A dedicated Environment Manager appointed
- 50% growth of reporting scope to cover two additional cities
- A more robust approach to gathering data
- A growing network of global environment champions
- A strong partnership with London's leading conservation charity

Community

The Rothschild in the Community programme encourages our people to volunteer their time and skills

- Community investment programmes in 10 cities
- More than 4,000 hours volunteered this year
- Over 50% of London employees volunteering each year
- A focus on enhancing the prospects of disadvantaged young people
- Recognition by Business in the Community for the 6th year running

Shareholder information

Market data

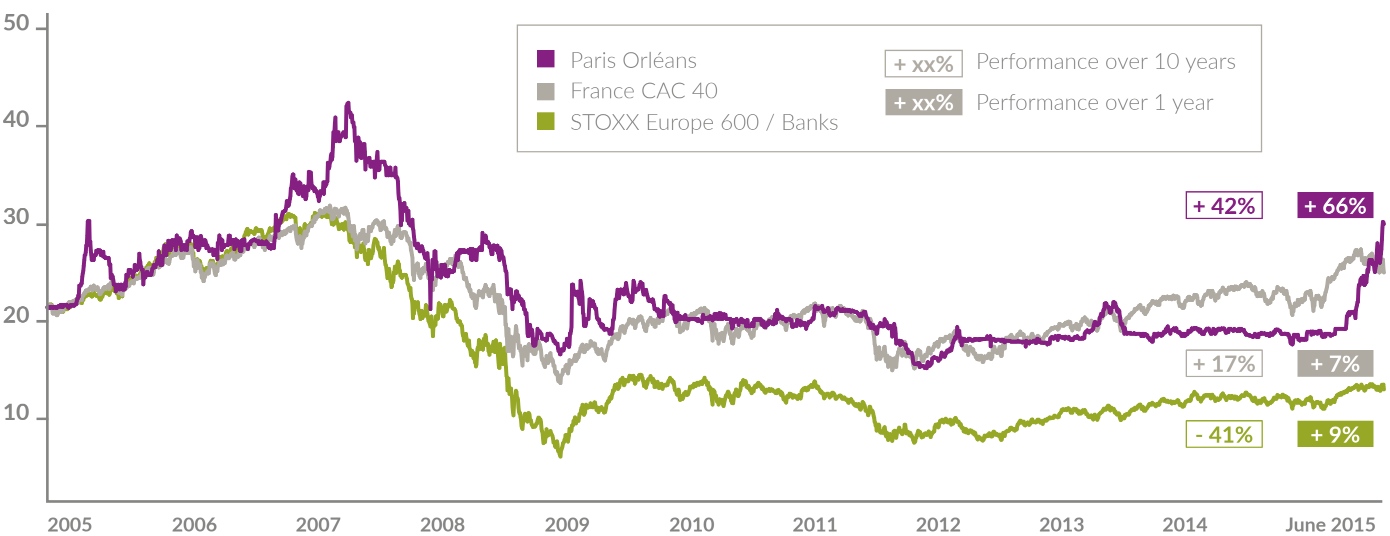
(as at 31 March)

	2011	2012	2013	2014	2015
Market capitalisation *(in millions of euro)*	634.5	552.4	1,262.1	1,279.9	**1,402.8**
Share price *(in euro)*					
At the end of the financial year	19.60	17.00	17.80	18.00	19.70
Maximum	20.30	20.10	17.90	20.70	19.70
Minimum	18.00	14.00	16.20	16.80	16.40
Yearly average	19.00	17.30	16.90	18.10	17.60
Number of shares and investment certificates					
Issued	32,373,515	32,515,587	70,903,029	71,104,108	71,137,036
Of which treasury shares	*813,320*	*714,120*	*693,504*	*644,197*	*442,701*
Per share *(in euro)*					
Dividend	0.40	0.50	0.50	0.50	0.60[1]
Earnings per share	3.48	1.24	0.68	0.11	2.08

(1) Dividend proposed at the General Meeting to be held on 24 September 2015.

	2011	2012	2013	2014	2015
Market data					
Total value traded (in euro)	36,654,240	24,599,627	64,681,721	65,696,798	63,844,931
Total trading volume	1,953,209	1,429,983	3,808,255	3,741,749	3,463,602
Average daily traded volume	7,541	5,543	15,112	14,616	13,583
Excluding exceptional trade blocks over the period					
Total value traded (in euro)	36,654,240	24,599,627	28,608,201	37,153,977	63,844,931
Total trading volume	1,953,209	1,429,983	1,708,255	2,141,749	3,463,602
Average daily traded volume	7,541	5,543	6,779	8,366	13,583

Paris Orléans' share price evolution

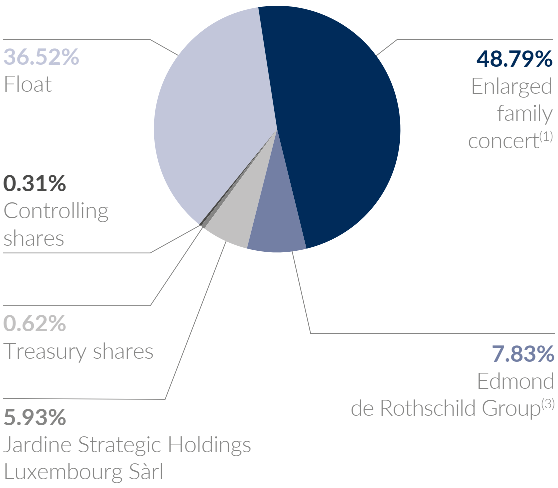


Shareholder information

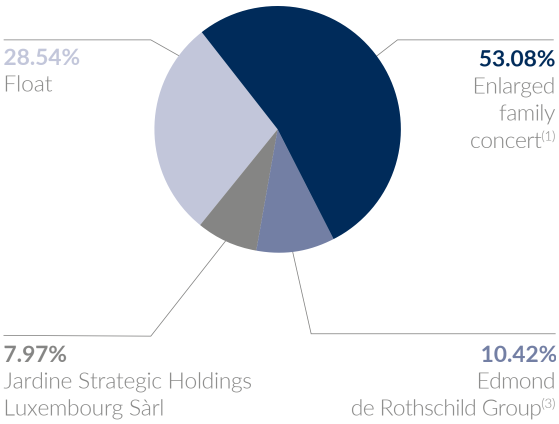
Shareholding structure

(as at 31 March 2015)

Share capital



Exercisable voting rights



(1) More details are provided on page 59.

(2) Not including the controlling shares held by NM Rothschild & Sons, member of the enlarged family concert.

(3) Edmond de Rothschild Group entities acting in concert.

Proposed dividend

A dividend of €0.60 per share, an increase of 20%, will be proposed by the Managing Partner, PO Gestion SAS, at the Paris Orléans Annual General Meeting on 24 September 2015, called to approve the financial statements for the year ended 31 March 2015.

29 September 2015
Record date

30 September 2015
Ex-dividend date

1 October 2015
Payment date

Liquidity

Since January 2008, Paris Orléans has awarded a liquidity contract to Rothschild & Cie Banque, a subsidiary, in order to improve the share's liquidity, regulate the share price and avoid unjustified differences between market price and fair value. When this contract was in place, 150,000 shares were made available to the liquidity manager.

As at 31 March 2015, 500 shares and €4.4 million cash were booked to the liquidity contract[4].

The company releases half-yearly reports on the liquidity contract. All reports are posted on the corporate website under the "Investor Relations – Regulated information" section.

(4) See page 58 section entitled "Share buyback programme".

Financial communication

Paris Orléans provides its shareholders with information throughout the year, through releases on the publication in English and in French of the annual and half-yearly results, quarterly revenues or any other major event concerning the Group in accordance with regulations and practices for publication.

Paris Orléans' website allows visitors to browse the latest updates, share prices and its publications. The annual report may be reviewed on and downloaded from the website.

Visitors can also join Paris Orléans' mailing list to receive the latest news about the Company. At any time, visitors can also request information from the Investor Relations Department.

All information regarding the Rothschild Group's businesses is available at www.rothschild.com.

Paris Orléans confirms being PEA-PME eligible, for which the eligibility criteria are specified in decree No. 2014-283 of 4 March 2014, namely having, on the one hand, less than 5,000 employees and, on the other hand, an annual turnover of less than €1.5 billion or balance-sheet total of less than €2.0 billion.

Share information

ISIN code: FR0000031684
Identification code: PAOR
Market: Euronext Compartment A (France)
Listing place: Paris

Financial calendar

6 August 2015 (after market close)
Publication for the first quarter of FY 2015/2016

24 September 2015 (10:30 am)
Annual Shareholders General Meeting

1 October 2015
Payment dividend date

24 November 2015 (after market close)
First half-year of FY 2015/2016 results

11 February 2016 (after market close)
Publication for the third quarter of FY 2015/2016

22 June 2016 (after market close)
Financial year 2015/2016 results

Investor Relations

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www.rothschild.com

2 Business review

Global Financial Advisory

Our Global Financial Advisory (GFA) business provides impartial, expert advisory services to governments, corporations, institutions and individuals. Our services include advice across strategy, mergers and acquisitions, debt and equity financing and restructuring.

Our business

Our advisory-focused business model continues to be a competitive advantage as clients attach ever greater importance to having an expert, impartial adviser. Our broad offering across industry sectors, countries and advisory services, and our truly global footprint with 860 bankers in 40 countries enable us to meet the totality of our clients' needs, as well as diversifying our income over the cycle.

For the year to March 2015, Global Financial Advisory revenue was €880 million, 28% higher than last year, and represents our strongest performance since the start of the financial crisis.

6th globally amongst our peer group[(1)] by financial advisory revenue

M&A advisory revenue was €588 million, up 33% from €443 million last year, compared to a 21% increase in global completed M&A deal values over the same period. This good performance reflects a continuing improvement in market share, particularly in our core European markets as well as in cross-border situations. Year on year revenue growth was particularly strong in our European, Asian, and Australian businesses.

Financing Advisory revenue was €292 million, up strongly year-on-year (+19%) compared to €246 million in the prior year, supported by our leading position in providing independent, strategic advice to companies, governments and financial sponsors.

Market overview

The highly competitive financial advisory market is characterised by a mix of traditional bulge bracket firms offering both advisory and underwriting services, and the independent firms providing advisory-only services. The independent advisory segment of the market, in which Rothschild is a leading player, addresses the increasing demand from a broad range of clients who, given the increasing complexity of the financial markets and growing concerns around conflicts of interests, seek expert and impartial advice on their M&A and financing activities.

M&A activity levels improved during the second half of 2013 and through 2014, with significant increases in announced deal values, in part driven by higher numbers of very large transactions. These increases in announced activity have in turn led to higher levels of M&A completions in 2014 and in the first quarter of 2015.

Our differentiators

- **Focused on clients**
  - Nothing gets in the way of our impartial advice for each and every client. We sell nothing but our best advice and execution capabilities.
- **Informed**
  - We combine global scale with deep local networks.
  - With 860 advisory bankers on the ground around the world, we are well placed to help clients, wherever their business takes them.
- **Long-term**
  - As a family-controlled business, we are unconstrained by short-term thinking, and we can take a long-term view to deliver each client's interests.
- **Expert**
  - Senior bankers lead every assignment from start to finish.
  - Rothschild advises on more deals than any other adviser in our core markets, and on many of the most complex or transformational assignments in the world.
  - All Rothschild clients' benefit from our collective intellectual capital, specialist sector and product expertise and wealth of experience.
- **Trusted and independent**
  - We know that long-lasting relationships depend on the quality of our advice.
  - The scale of our business means that we are not dependent on the outcome of any one transaction.
  - We care about our clients' success as much as they do. This has been true for more than two hundred years.

(1) Source: Thomson Reuters, completed transactions, ranked by number of deals. Excludes accountancy firms.

GFA transaction volumes[1]

	2014	2015	% change
Value of M&A (in billions of US$)	207	241	*+16%*
Value of Financing Advisory (in billions of US$)	223	248	*+12%*
Total value (in billions of US$)	**430**	**489**	***+14%***
Number of M&A transactions	227	248	*+9%*
Number of Financing Advisory transactions	226	284	*+26%*
Total transactions	**453**	**532**	***+17%***

(1) Source: Thomson Reuters, completed transactions, Rothschild analysis.

Our expertise was recognised in several leading industry awards:

2014 The Banker Investment Banking Awards

- Most Innovative for Restructuring

2015 The Banker Deals of the Year

- African Corporate Bond of the Year – OCP's inaugural issuance (US$1.85bn)
- African SSA Bond of the Côte d'Ivoire – Coast's Eurobond issuance (US$750m)
- African M&A Deal of the Year – Woolworths' takeover of David Jones (US$2bn)
- Asia Pacific Equities Deal of the Year – Alibaba's IPO (US$25bn)
- Asia Pacific Restructuring of the Year – Mirabela Nickel
- European Restructuring of the Year – Punch Taverns
- European Infrastructure and Project Finance Deal of the Year – Budapest Airport's refinancing (€1.4bn)
- Middle East Restructuring of the Year – Al Jaber

2014 Mergermarket European M&A Awards

- UK Financial Adviser of the Year
- Mid–market Financial Adviser of the Year

2014 IFR

- Equity Issue of the Year – North America and Asia Pacific for Alibaba Group IPO (US$25bn)

2014 FinanceAsia

- Most Innovative Deal of the Year – Westfield's demerger and creation of Scentre Group

2015 Real Deals Private Equity Awards

- UK Small Deal of the Year – Sovereign Capital's sale of Cordium to European Capital
- UK Large Deal of the Year – the listing of Poundland

Global Financial Advisory

M&A and strategic advisory

Our M&A teams provide expert advice across all aspects of mergers and acquisitions, as well as strategic advice in areas such as joint ventures, corporate governance, sovereign advisory and US special committee and fiduciary matters.

In the 2014/2015 financial year, we remained among the top M&A advisers in the world, ranking 4th globally by number of completed M&A transactions[(1)]. In Europe, we continue to be the market leader, advising on more M&A deals than any of our competitors – a position we have held for thirteen consecutive years[(1)].

We advised on over US$240 billion of completed M&A transactions in the twelve months to March 2015, including 10 out of the top 50 Global M&A transactions and 7 out of the top 20 European M&A transactions.

Our global scale and network of relationships with key decision makers continue to support our position as adviser in large, complex cross-border situations. We improved our market share of global cross-border advisory assignments, with cross-border transactions representing over 50% of our total activity.[(1)]

For the financial year, we held top five positions in many industry sectors globally and in the majority of sectors in Europe, being particularly active in healthcare, consumer and retail, industrials and real estate.

We are also one of the most active advisers on deals with private equity involvement globally, and the most active in Europe.

The quality of our people is our principal competitive advantage and we continue to add to and strengthen our senior team. During the financial year and more recently we have recruited Managing Directors into our offices in the United Kingdom, the Nordic region, China, Africa, Australia, Singapore and the United States, as well as into our insurance and energy teams.

A list of notable completed M&A transactions on which we advised during the financial year is shown on the page opposite.

1st in Europe
4th globally
by number of M&A transactions[(1)]

M&A league table rankings by region
(as at 31 March)

	By value		By number	
Region	**2014**	**2015**	**2014**	**2015**
Global	15	**11**	5	**4**
Global cross-border	11	**9**	5	**2**
Europe	14	**8**	1	**1**
Asia (incl. Japan)	12	**23**	11	**14**
North America	19	**22**	18	**20**
Rest of the world	15	**8**	8	**5**

(1) Source: Thomson Reuters, completed transactions, ranked by number of deals. Excludes accountancy firms.

Rothschild advised the following clients on a number of significant M&A transactions during the year:

Advanced Computer Software Group (United Kingdom)
- Recommended cash offer from Vista Equity Partners (£725m)
- Adviser on four significant software transactions during the financial year

GAGFAH (Germany)
- Recommended cash offer by Deutsche Annington (€3.9bn)
- Creation of the largest residential property player in Europe with c. 350,000 residential units in Germany

LetterOne (Luxembourg and Germany)
- Acquisition of RWE Dea (€5.1bn)
- The largest oil and gas deal in Europe in 2014

Meda (Sweden and Italy)
- Acquisition of Rottapharm | Madaus (€2.3bn)
- Represents the largest-ever healthcare acquisition in Italy

Nestlé (Switzerland and France)
- Disposal to L'Oréal of an 8.0% stake in L'Oréal in exchange for 50% stake in Galderma and cash (€6bn)
- Major strategic step in Nestlé's development in nutrition, health and wellness

PSA Peugeot Citroën (France and China)
- Strengthening of industrial partnership with Dongfeng Motor (€3bn capital increase), and renewal of its revolving credit facility (€2.7bn)
- Leveraged existing relationship with Dongfeng to assist parties in bridging gaps

Publicis (France and United States of America)
- Acquisition of Sapient (US$3.7bn)
- One of the largest French acquisitions into the US in recent years

Rabobank (Netherlands and Poland)
- Disposal of 98.5% stake in Bank BGZ to BNP Paribas (€1bn)
- One of the largest Polish, and CEET FIG deals of recent years

Rolls-Royce (United Kingdom and Germany)
- Acquisition of a 50% stake in Rolls-Royce Power Systems (Tognum) from Daimler (€2.4bn)
- Long-term relationship, advising since its privatisation in 1987

Rumo Logística (Brazil)
- Merger with América Latina Logística (US$4.7bn)
- Created the largest railway operator in Latin America

Shuanghui International (China and Spain)
- Revised tender offer for Campofrio in conjunction with Sigma Alimentos (€1.1bn)
- Precedent-setting transaction required application of previously untested Spanish takeover law

Songbird Estates (United Kingdom and Qatar)
- Cash offer by Qatar Investment Authority and Brookfield Property Partners (£6.9bn)
- The largest-ever public all-cash real estate transaction and largest European real estate take-private

Vodafone India (India)
- Acquisition of spectrum from the Indian Government (US$4.1bn)
- Successful negotiation of a very complex situation

Volkswagen (Germany and Sweden)
- Public tender offer to Scania's minority shareholders (€6.7bn)
- Adviser to Volkswagen on 10 transactions in five years

Westfield Group (Australia)
- Separation of its international business (US$18bn) and simultaneous (A$29bn) merger of its Australian/New Zealand business with Westfield Retail Trust to form Scentre Group
- Merger was largest Australian M&A transaction of 2014

Woolworths (South Africa and Australia)
- Cross-border acquisition of David Jones, including debt, equity and hedging advice (A$2.1bn)
- Comprehensive M&A, financing and hedging advice on complex cross-border deal, leveraging expertise of teams in Johannesburg, Sydney and London

Global Financial Advisory

Financing Advisory

Our financing Advisory teams, encompassing debt and restructuring and equity advisory, provide advice to clients on financing strategy and solutions. On many occasions they work alongside our M&A experts to deliver integrated, comprehensive advice to clients.

A list of notable completed financing transactions on which we advised during the financial year is shown on the page opposite.

Rothschild is **one of the world leaders** in debt & restructuring advisory

Debt and Restructuring advisory

Our debt advisory and restructuring teams provide strategic capital structure advice to deliver the best possible refinancing and restructuring solutions.

Our debt advisory capabilities include advice on capital raisings and refinancings across all markets, and expertise across banks, bonds, ratings, derivatives and hedging.

We are one of the world leaders in this field, having advised on approaching 180 transactions globally during the financial year, with a total value of US$124 billion[(1)]. Our track record in successfully helping clients to optimise both the sources of debt and terms of debt finance continues to drive our debt advisory business generation.

Our restructuring capabilities include lender negotiations, recapitalisations, exchange offers, distressed M&A, in-court and out-of-court transactions and creditor representation. Our independence and the significant volume of deals we advise on place us in a unique position in terms of market knowledge, and enable us to deliver client-focused advice without conflicts of interests often faced by bulge bracket banks.

Clients continue to engage us on large and highly complex restructuring assignments. During the financial year, we improved upon our already strong market position, ranking 3rd globally by value and 2nd globally by number of restructuring deals. We advised on restructuring transactions totalling US$58 billion in the twelve months to March 2015[(2)].

Restructuring league table rankings by region
(as at 31 March)

	By value		By number	
Region	**2014**	**2015**	**2014**	**2015**
Global	5	**3**	5	**2**
EMEA	3	**2**	2	**2**

Equity advisory

Our equity advisory teams provide independent advice to clients on a wide range of equity capital raising transactions including initial public offerings (IPOs), secondary offerings, block trades, spin-offs and convertible instruments. The teams work in collaboration with our industry sector specialists to deliver integrated advice to our clients, including simultaneous dual-track disposal/IPO advisory.

We have an unparalleled global footprint and deeper resources than any other independent equity adviser, with specialist teams in key equity markets around the world including New York, Hong Kong, Singapore, Sydney, Moscow and throughout Europe.

During the financial year ended March 2015, we advised on the largest IPO in history (Alibaba's IPO on the NYSE for US$25 billion) and our deal flow in Europe continued to be well above that of our competitors. We advised on 52 European equity capital market transactions with a total value of US$34 billion[(3)] and, for the second successive year, we advised on more European IPOs than any other independent adviser, 29 IPOs for a total value of US$46 billion[(4)].

(1) Source: Rothschild internal data, completed transactions.
(2) Source: Thomson Reuters.
(3) Source: Rothschild internal data.
(4) Source: Company filings, Rothschild internal data.

Rothschild advised the following clients on a number of significant financing Advisory assignments during the year:

Alibaba **(China)**
- Adviser on IPO on the New York Stock Exchange (US$25bn)
- The world's largest-ever IPO; largest-ever company by market cap at IPO

Al Jaber Group **(United Arab Emirates)**
- Adviser on debt restructuring (US$4.5bn)
- Challenging assignment owing to large group with complex debt structure

Applus Services and The Carlyle Group **(Spain)**
- Adviser on IPO of Applus on the Madrid Stock Exchange (US$1.2bn)
- The largest non-FIG IPO in Spain since €1.4bn IPO of Amadeus in 2010 (Rothschild also advised)

APRR and Eiffarie **(France)**
- Adviser on debt refinancing (€5.2bn)
- Comprehensive assistance on bond issues, bank debt refinancing and credit rating

Atos **(France)**
- Debt advice on new revolving credit facility (€1.8bn)
- Long-standing relationship with Atos, and adviser on four transactions within twelve months, spanning M&A, equity advisory and debt advisory

Budapest Airport **(Hungary)**
- Adviser on its refinancing; (€1.4bn) and swap notional restructuring (€1.1bn)
- Unique, innovative refinancing was one of the largest to ever take place in the country

Emaar Properties and Emaar Malls **(United Arab Emirates)**
- Adviser on the IPO of Emaar Malls on the Dubai Financial Market (US$1.6bn)
- Largest public offering in UAE since 2007 and major milestone in the development of its capital markets

Grupo BFA and Bankia **(Spain)**
- Adviser on sell-down of its 4.9% stake in Iberdrola (€1.5bn)
- Represented at the time of closing the largest overnight secondary block trade in the Spanish market since 2002

HKBN and CVC Capital Partners **(Hong Kong)**
- Adviser on IPO on the Hong Kong Stock Exchange (US$748m)
- One of the largest Hong Kong Private IPOs of recent years and marked the re-opening of the Hong Kong IPO market in 2015

KGHM **(Poland)**
- Debt advice on revolving credit facility with a club of 19 banks (US$2.5bn)
- Comprehensive advice, generating competitive tension to achieve attractive terms

Punch Taverns **(United Kingdom)**
- Adviser to the Association of British Insurers on the company's restructuring (£2.6bn)
- Landmark transaction which strengthened the credit quality of the senior bonds held by our clients; one of the most complex restructurings in Europe

Rede Energia **(Brazil)**
- Adviser on its debt restructuring and sale to Energisa (US$2.3bn)
- Brazilian electricity distribution concession investor
- One of the largest-ever debt restructurings in Brazil

Shell **(United Kingdom and Australia)**
- Adviser on underwritten block trade of a 9.5% stake in Woodside (US$3bn)
- Second largest Australian block trade after Shell's first sell-down (on which Rothschild advised in 2010)

Sorgenia **(Italy)**
- Adviser on debt restructuring (€2.1bn)
- The largest lender-led solution of an industrial company in Italy

Vivarte **(France)**
- Adviser on debt restructuring (€2.8bn) and new money issuance (€500m)
- One of the few "lender-led" restructurings in France, representing a record amount of debt conversion into equity

WM Morrison **(United Kingdom)**
- Debt advice on refinancing of its existing revolving credit facility (£1.35bn)
- Continued long-standing relationship with the company

Wealth & Asset Management

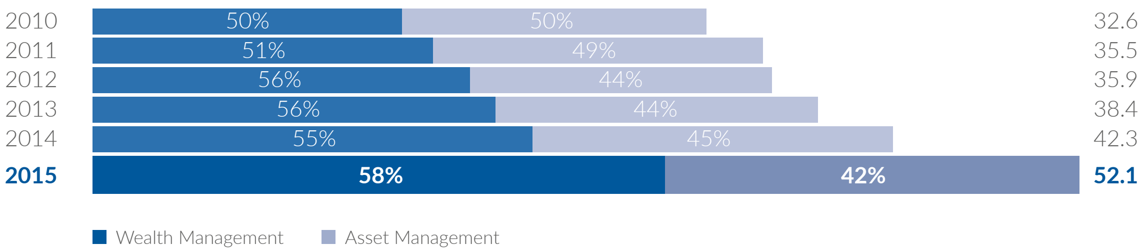
Objective, transparent and state-of-the-art advice to our high net-worth private clients and our global institutional clients underpins our business model, which is demonstrated by our ability to attract clients, win new assets and generate solid investment performance. We continue to develop our Wealth & Asset Management activities in line with our stated strategy of diversifying our sources of income.

Our businesses are focused on the preservation, growth and transmission of our private and institutional clients' wealth and assets. Our Wealth & Asset Management businesses are based in Brussels, Frankfurt, Geneva, Guernsey, Hong Kong, London, Milan, New York, Paris, Singapore and Zurich.

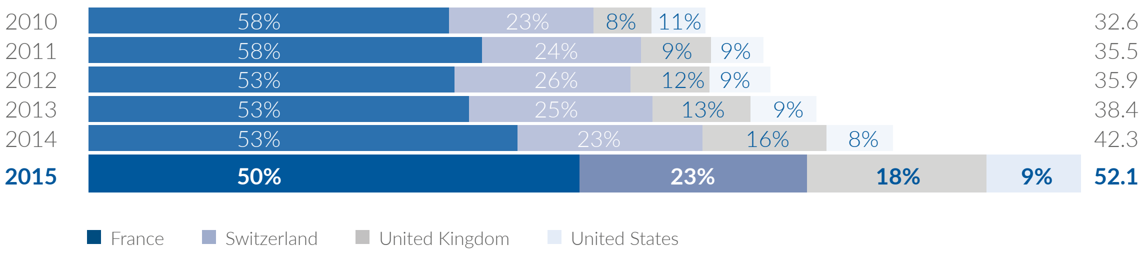
+23%
increase of AuM in 2014/2015 compared to 2013/2014

Assets under management
(in billions of euros, as at 31 March)

By business



By country



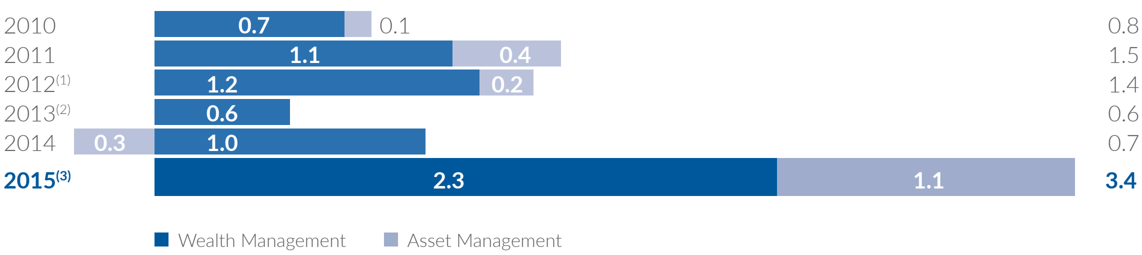
Market overview

Sentiment in the Wealth & Asset Management markets is getting better, but remains challenging as financial markets continue to break new ground. In the last four quarters, even as the United States has ceased its quantitative easing (QE), the Bank of Japan and more recently the European Central Bank (ECB) have been buying bonds determinedly – in the case of the ECB, the first time that QE has formally been adopted. Official interest rates at the ECB and the Swiss National Bank have been pushed into negative territory, and many bond yields have followed suit, extending as far as the ten year maturity in Switzerland. Globally, bond yields have hit new lows.

Alongside lower bond yields, equity markets have also performed strongly, with the main developed market indices hitting new highs. The favourable liquidity conditions in bond markets have helped, but so too has the continuing expansion of the global economy. The US slowed markedly in the first quarter of 2015, but as in 2014 this may have been a temporary soft patch: the US upturn is already a lengthy one, but there are few signs yet of the excesses that often herald a resumed downturn, and the main uncertainty for us remains the pace of the likely rebound in US interest rates. Euro zone data are pointing to resumed growth, while the UK economy remains one of the faster growing major economies. The emerging economies have shown less momentum – China in particular continues to slow, and only India of the high-profile BRIC quartet has yet to stumble cyclically – but the global economy continues to grow as expected.

Ongoing economic growth is underpinning corporate profits, and this in turn means that stocks generally look considerably less expensive than bonds, even after their strong performance to date.

Net new assets over six years
(in billions of euros)



€3.4bn
of net new assets in 2014/2015

(1) Excludes €1.5 billion outflow related to the partial sale of Sélection R in France.
(2) Includes €0.8 billion inflow related to the merger with HDF Finance in France.
(3) Excludes €1.9 billion outflow related to the transfer of accounts of Sélection R in France.

Wealth & Asset Management

7,000
clients around the world

750
employees

Wealth Management

Our Wealth Management business provides wealth structuring, investment management, banking and trust services to wealthy individuals, families, trusts and charities around the world.

We are world leaders in protecting, structuring and managing assets for our clients. We work with many high net-worth families, entrepreneurs and business leaders, seeking to consolidate their wealth or transmit the fruits of their business success to the next generation.

We have the scale, resources and intellectual capital to deliver investment excellence whilst still being able to provide a personalised service, tailored to the needs of the individual client.

Private Client Lending to clients consists of: Lombard Lending which is facilities secured on portfolios in our custody (€634 million); Overdraft facilities and Guarantees secured mainly on portfolios held within insurance policies (€221 million); Mortgages secured mainly on UK residential real estate (€245 million); and other facilities for private clients (€17 million). Private Client Lending is complementary to our investment management, wealth planning and administration services, and enables us to meet the wider private banking requirements of our clients.

Looking ahead, we believe our Wealth Management division is well placed to meet the challenges our industry faces. The demand for our advice based, un-conflicted business model, with stable and multi-generational family ownership makes us truly distinctive in a crowded market. We continue to invest in our infrastructure and top quality people who work with clients to become trusted advisers. Over the next few years, we expect to see continued growth with a sustainable improvement in our profitability.

During the last financial year we won six prestigious industry awards, which is an endorsement of everything we have achieved in our business over the last twelve months.

PAM (Private Asset Managers) Awards 2015

- Winner, Image & Reputation – Ultra High Net Worth
- Winner, Client Service Quality – Ultra High Net Worth

WealthBriefing European Awards 2015

- Winner, Private Investment Manager

WealthBriefing Swiss Awards 2015

- Winner, Foreign Private Bank

Leaders League Awards 2015

- Winner, *"Gestion de Patrimoine : Banques Spécialisées"*
- "Excellent" ranking in the banking multi-family office category *(Décideurs)*

Our activities are managed through two divisions, Wealth Management & Trust and Rothschild Patrimoine.

Wealth Management & Trust

Our Wealth Management & Trust operations are based in Frankfurt, Geneva, Guernsey, Hong Kong, London, Milan, Reno, Singapore and Zurich.

Our goal is to preserve and grow the real value of our clients' wealth. This involves several related things: outpacing inflation, achieving prudent growth, and avoiding large losses, all while focusing on the long-term. This investment management approach, coupled with the stability that comes from our seventh generation of family-controlled ownership, continues to resonate with an increasing number of successful individuals, families, entrepreneurs, charities and foundations around the world, especially in the current economic environment.

For the eighth consecutive year, the asset base grew in our division, with our total assets rising by 32% to €21.6 billion bolstered by good inflows. We have produced good investment performance and strong net new assets, which, combined with exchange rate and market movement, added €5.2 billion to our assets under management this year. The business environment remains challenging, but the division's client base is more diversified due to strong growth in the UK and Europe, which has improved our revenue performance and bottom line resilience.

We are pleased to have completed the US Department of Justice (DoJ) Program and signed a non-prosecution agreement with the DoJ. The settlement of the financial liability of US$11.5 million arising from participation in the Program, and the related professional and other costs are within the amounts provided.

Within our Trust business, our focus on helping clients to safeguard their assets and create a legacy has continued to attract entrepreneurs and wealth-owning families globally. Our business in Asia has performed particularly well and is enjoying strong and sustainable growth, as we have continued to strengthen our position and presence in Singapore and Hong Kong. More broadly, our distinctive offering and unique positioning in the market mean we are very well placed to benefit from the major trends that will continue to re-shape the international wealth management landscape in the years ahead.

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client advisers for Wealth Management

Rothschild Patrimoine

Rothschild Patrimoine, the private banking department within Rothschild & Cie Gestion, is based in Paris and Brussels.

At the end of March 2015, assets under management in France and Belgium amounted to €8.8 billion, up from €7.1 billion the previous year, as a result of strong positive net new assets and a positive performance impact. 2014 underlines the recovery of the mergers and acquisition activity, which, combined with our strengthened sales organisation and good investment performance, allowed us to achieve record net inflows over this period.

As planned, we continue to focus on our investment management offering and the optimisation of our organisation, while at the same time reinforcing our commercial capabilities, both in France and Belgium, in order to fully benefit from our good momentum. Consequently, profitability for the period achieved a record level, which will allow us to continue to implement our development strategy.

2015 is expected to capitalise on 2014 investments, both in France and Belgium.

Wealth & Asset Management

Asset Management

The Group offers asset management and advisory services to institutional clients, fund distributors and financial intermediaries throughout the world. These activities are carried out from Paris, London, Zurich and New York, in three specialised and complementary centres of excellence that deliver high added value.

High Conviction management | Paris, New York

The Group has recognised expertise in active conviction management, characterised by strong management choices that often result in concentrated portfolios. Our portfolios are sometimes contrarian and can deviate significantly from reference indexes in terms of composition.

This management is carried out by two entities, one in Paris (Rothschild & Cie Gestion), the other in New York (Rothschild Asset Management Inc.).

In Paris, Rothschild & Cie Gestion has opted for specialisation: to concentrate on a few areas of expertise with the goal of becoming a leading conviction management player in Europe. Our experienced management teams are stable and have recognised know-how in the asset classes they deal with: European equities, credit and convertible bonds and flexible diversified management.

- For **equities,** our portfolios are the reflection of strong convictions – with respect to securities, sectors as well as themes – forged by an in-depth fundamental analysis which constitutes the core of our investment process. Our management is not affected by fashions and does not incorporate a style based structural bias. Our positions can sometimes prove contrarian in an attempt to outperform indexes over the longer term. They are the subject of a convexity analysis which favours asymmetrical investments with greater earning potential than the risk of loss.
- This expertise focuses on various geographical zones (France, euro zone, Europe) and market capitalisations, and is available in several legal forms: mandate, open-end UCIs and dedicated funds.
- For **bonds,** our management teams favour a flexible approach that makes it possible to fully exploit the interest-rate markets to create value: sensitivity, curve positioning, governement/credit allocation, and country allocation. Our process is based on fundamental research that incorporates an analysis of the macro-economic environment and an in-depth analysis of themes, sectors, countries, securities and issuers.
- This expertise comprises several approaches (buy and hold, active management, absolute performance), for different maturities and investment universes (government bonds, corporate bonds, convertible bonds). It is available in the form of mandates, open-end UCITS and dedicated funds.
- In the area of **diversified management,** our funds and mandates are managed actively, with the flexibility required from an increasingly complex and often changing environment. Where management is based on a predefined risk profile, flexible management offers the advantage of responsiveness; the manager can arbitrate one asset class for another based on economic environment, market configuration and his own forecasts. Our managers invest based on fundamental criteria with a medium to long-term perspective and make use of all internal resources when selecting securities and building portfolios: buy-side equities analysts, fixed income analyst-portfolio managers, economists, risk management, etc. This organisation has proven its ability to outperform indexes over the longer term, in a variety of market conditions.
- This expertise exists for various geographical zones (euro zone, international management), different levels of equities and risk exposure (flexible or benchmarked management). It is available to investors, both private and institutional, in the form of open-end UCIs of dedicated funds and mandates.

In recent years, Rothschild & Cie Gestion has distinguished itself thanks to the excellent performances of its range of mutual funds, both in France and Europe. These many awards testify to the rigour of our management process, implemented by experienced teams that have proven their ability to generate solid performances for all our clients.

3
specialised
and complementary
centres
of excellence

In New York, the Group implements an original conviction management strategy that combines quantitative and fundamental approaches. Rothschild Asset Management proposes investment services for specialised strategies in relation to the management of US equities:

- US Large-Cap Equity – Core and Value;
- US Small/Mid-Cap Equity – Core;
- US Small-Cap Equity – Core, Value, and Growth;
- US Balanced.

Last financial year was very successful for all of Rothschild's strategies. As of 31 March 2015, each strategy outperformed its respective benchmark on a three- and five-year basis. Along with our strategies' success versus their respective benchmarks, all products ranked in the top two quartiles versus their investment peers on a three- and five-year basis.

Additionally, Rothschild expressed a strong commitment to continue building a pre-eminent asset management business for Rothschild North America. This commitment was exemplified by the firm's new hiring over the past twelve months.

Open Architecture Services and Investment Solutions | Paris, London, New York, Zurich

Alongside the Conviction Management division, the Open Architecture Services and Investment Solutions (OASIS) division combines under the same operational management all of the specialists in open architecture management (traditional and alternative) of Rothschild HDF Investment Solutions (Paris), Rothschild Bank (Zurich), Rothschild HDF Investment Adviser (London) and Rothschild Asset Management (New York).

Our Investment Solutions teams are made of experienced professionals who help our clients, whether large private or institutional investors, to manage their assets in compliance with our company values: advice, family values, personal commitment and intellectual rigour.

The Group has taken several initiatives to develop innovative open-architecture investment solutions in order to broaden its offer and meet the needs of both individual and institutional investors.

We have developed assets-liabilities modelling tools that result from institutional management in order to address the problems of our major high net worth investors. Similarly, we are combining our reporting mechanisms in order to provide these investors with a service similar to that required for institutional investors. For institutional investors, our teams have developed investment solutions that allow them to use a powerful management strategy that optimises the consumption of regulatory capital associated with investments in risky assets.

For "traditional" asset classes, we offer diversified portfolios managed using open architecture with an optimised dynamic allocation that is particularly suited to institutional investors that are subject to the prudential Solvency II rules.

In the area of alternative management, we have been developing a competitive managed account offer for two years that makes it possible, in a completely transparent fashion, to access talented managers selected across the world by our research teams.

The dedicated managed accounts platform created in partnership with Innocap in 2013 now comprises three sub-funds within the open-ended investment company under Irish law, InRIS, which has nearly €1 billion in assets under management. The first sub-fund registered on the platform is R Parus, a long/short equity fund managed by British alternative management specialist Parus. The second launch concerned a low beta, low volatility, long-short equity fund, R BlackRock Select, invested in various strategies managed by BlackRock. The most recent addition to the range, launched in December 2014, R CFM Diversified, is the fruit of a selection of systematic strategies of Capital Fund Management (CFM), which has more than twenty years' experience in the development of quantitative models for all asset classes.

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investment managers for Asset Management

Wealth & Asset Management

R CFM Diversified, a daily liquidity UCITS, is a multi-asset fund invested in systematic strategies for capturing non-directional, robust and persistent risk premia whose performance and risk drivers, by construction, have no correlation to directional trends in the equities and rates markets. The exposure to these premia, popularised by the academic world under the term “alternative risk premia”, constitutes an efficient way to broaden the field of opportunities of global asset allocatees. The fund is designed to offer investors an absolute performance that is slightly correlated with traditional asset classes with a target volatility of about 7%. Marketed in Europe to institutional investors and distributors, the fund has already attracted almost a €100 million in subscriptions in just a few weeks.

In the long-term, the InRIS platform should host around a dozen managed accounts covering a vast range of alternative strategies. This renewed, modernised, effective, competitive and transparent offer constitutes a key advantage, allowing us to speed up the international expansion of asset management.

In the United States, Rothschild Asset Management Inc. has teamed up with Larch Lane Advisors LLC to provide investment advisory services in relation to an alternative management fund that is managed using an open architecture structure (40 Act fund) and that applies a weighted approach to risk in the construction of the portfolio. Research management and alternative manager selection capacities in the United States were also enhanced in first quarter of 2015 by the recruitment of a team with recognised know-how that has obtained remarkable performances.

Risk Based Investment Solutions | London

RBIS, a new Rothschild Group offer, proposes advisory services to a broad range of French and international institutional investors that complement the other, already widely recognised asset management activities. The company specialises in investment advice and the construction of portfolios based on risk management models.

Based in London, the company Risk Based Investment Solutions Ltd (RBIS) takes a new approach to portfolio construction, offering investors a more efficient alternative to the traditional portfolios weighted by capitalisation (equities) or debt (bonds). RBIS Ltd offers clients tailor-made portfolios, with no restrictions in terms of the number of underlying assets, asset classes or the combination of asset classes.

The investment process adopted by RBIS combines an academic approach, proprietary technology, case studies and the capacity to develop tailor-made solutions. These solutions are designed and adapted in accordance with the specific requirements of each client: reduction of volatility, improvement of the Sharpe ratio or reduction of the maximum drawdown.

Several initiatives have been taken in recent months: the launch of a first advisory mandate in relation to a risk-based portfolio of commodities futures and an institutional dedicated fund combining sovereign bonds and equities.

RBIS, in partnership with Source, an investment company and leading provider of exchange traded products (ETPs), has also launched the first ETF linked to the Risk-Based European Equity Index: Source R Equal-Risk European Equity UCITS ETF.

This index is part of a range created in November 2014 by RBIS, in collaboration with the independent calculation agent Markit. Called the R Risk-Based Equity Index Series, it counts five new-generation, equally-weighted stock indexes (European equities, US equities, UK equities, Japanese equities and developed market equities). This range of indexes and this first ETF allow investors to benefit from a methodology that is based on risk rather than market capitalisation.

Awards received in Asset Management

Morningstar Awards 2014

- Best Euro Corporate Bond Fund
  – R Euro Credit

Morningstar Awards 2014

- Best Euro Flexible Allocation Fund
  – R Valor

De Tijd/L'Écho 2015

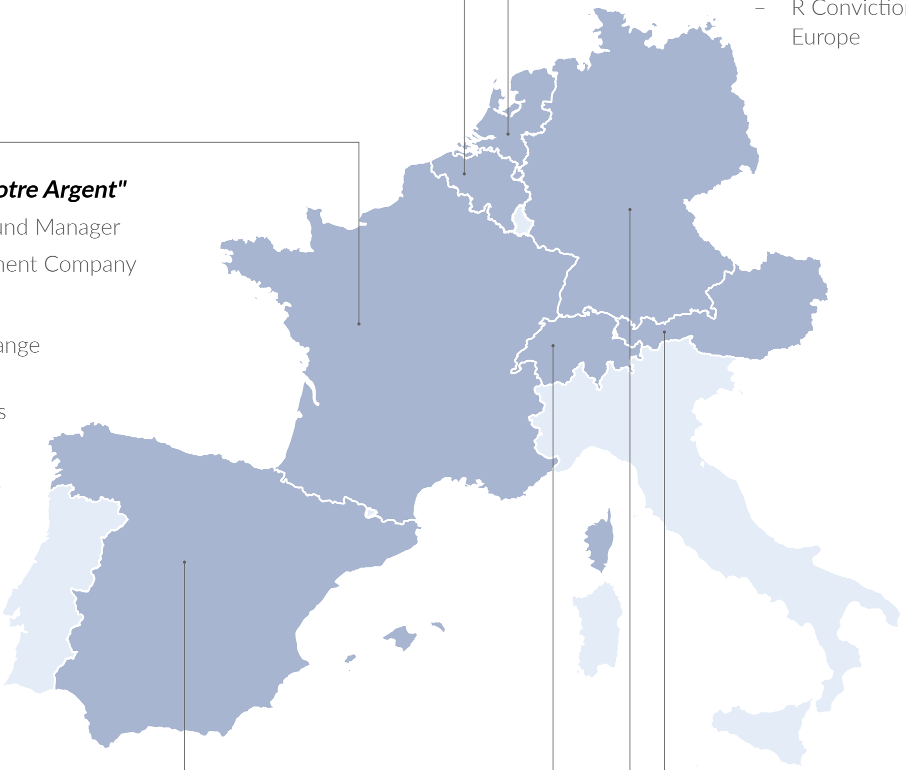
- Best Flexible Fund
  – R Valor

Lipper Fund Awards 2014

- Best Bond Euro Corporates Fund over 3 years
  – R Euro Crédit C

Lipper Fund Awards 2015

- Best European Convertibles Bond Fund over 3 years
  – R Conviction Convertibles Europe



Corbeilles *"Mieux Vivre Votre Argent"*

- 2014 Best Diversified Fund Manager
- 2014 3rd Asset Management Company

Le Revenu 2015

- 2nd Best Fixed Income Range
- 2nd Best Euro Corporate Bond Fund over 10 years
  – R Euro Crédit

Morningstar Awards 2014

- Best Euro Corporate Bond Fund
  – R Euro Credit

Lipper Fund Awards 2014

- Best Bond Euro Corporates Fund over 3 years
  – R Euro Credit

Premios de Fondos Expansion-Allfund Bank 2014

- Best Eurozone Bonds Fund
  – R Euro Credit

Lipper Fund Awards 2014

- Best Bond Euro Corporates Fund over 3 years
  – R Euro Crédit

Lipper Fund Awards 2015

- Best Global Flexible Fund over 10 years
  – R Euro Crédit

Banco Swiss Hedge Funds Awards 2014

- Best MultiStrategy Aggressive Bias Fund over 5 years
  – R Opal Multi Strategies

Morningstar Awards

Österreichischer Fondspreis 2014

- Best Euro Corporate Bond Fund
  – R Euro Crédit

Morningstar Awards 2014

- Best Euro Corporate Bond Fund
  – R Euro Crédit

Deutscher Fondspreis 2013/2014

- Best Eurozone Bonds Fund
  – R Euro Crédit

Merchant Banking

Exceptional investment performance
on the back of favourable context for exits

Our Merchant Banking division seeks to offer attractive risk-adjusted returns to a set of institutional and private investors seeking to deploy capital in private equity and private debt markets.

As such, it aims at providing long-term capital appreciation and downside protection across economic and credit cycles. As the main investor in our various funds, the Group intends to use its edge on the debt and equity mid-markets and its network of relationships within the investment community to generate attractive returns on its invested capital.

In 2015, Merchant Banking recorded robust revenues reflecting an exceptional investment performance on the back of a favourable context for exits. We have also continued to grow our assets under management and leverage the Group's unique market edge and sourcing capabilities to invest into attractive opportunities.

The key highlights of the period are:

- The successful initial closings of Five Arrows Principal Investment II at €493 million excluding €15 million from senior management of the Group (followed by an additional closing at €599 million as of June 2015 including €15 million from senior management of the Group), Oberon II at €275 million, as well as the successful close of our 2.0 CLO Contego II at €359 million.
- Profitable exits of various companies of Paris Orléans Proprietary Investment's (POPI) portfolio, the predecessor vehicle of the business unit, among which FircoSoft (cash-on-cash multiple of 6.4x) and LDR (cash-on-cash multiple of 3.9x).
- A sustained and continuing deployment of capital within our existing strategies, including Five Arrows Secondary Opportunities (FASO) and Five Arrows Credit Solutions (FACS) and our senior credit funds and CLOs.

Merchant Banking today

Merchant Banking develops the firm's capital, alongside that of investors, in mid-market private equity and private debt investment opportunities with a focus on European assets.

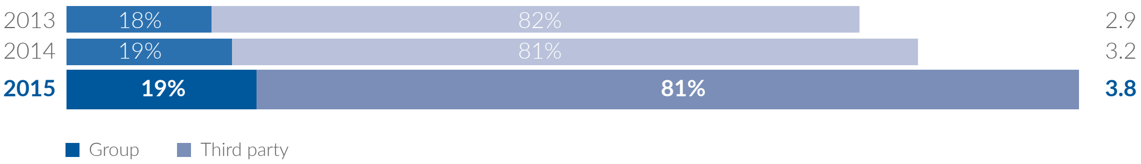
The development of our Merchant Banking business capitalises on the strengths of the Group in the mid-market, where our Global Financial Advisory business enjoys a leading position in a number of geographies and products. This leadership generates quality deal flow and market insights for our investment teams, enabling us to position ourselves as a specialist mid-market manager and deploy capital in a variety of asset classes in the private equity and private debt spaces.

Similarly, the development of Merchant Banking offers synergies with Rothschild's Wealth & Asset Management activities, as it offers our private and institutional clients privileged access to a series of well-targeted funds initiatives where the Group is itself investing significant amounts of capital.

The specific positioning of Rothschild's Merchant Banking business consists of several key patterns:

- First, we put a significant amount of our own money at work in the funds we manage: one of our primary objectives is to generate long-term capital appreciation for our Group and its shareholders by investing our own capital, and that of our senior executives, in strategies where we see long-term potential, thereby creating a strong alignment of interests with third-party investors.
- Second, we strive to leverage Rothschild's exceptional network of contacts and sourcing opportunities, in targeted areas where we believe we have an edge, such as the European mid-market, and combine this with a conservative and disciplined investment process.
- Finally, our set of investment propositions, covering the entire capital structure from private equity to private debt, enables us to offer a comprehensive range of solutions for companies in need of financing and for private and institutional investors willing to deploy capital across various strategies.

Assets under management
(in billions of euros, as at 31 March)



Note: assets under management comprise committed capital where a managed fund is still in its investment period, and include net asset value after the investment period has expired.

Over the last two years, assets under management have grown significantly, driven by the launch of new funds. In the private equity space we raised FAPI II for €599 million as of its latest close of June 2015. In private debt we raised FACS for €415 million, Contego II for €359 million and Oberon II for €275 million at its latest close with an anticipation of a final close at c. €300 million.

We now manage, as of 31 March 2015, €3.8 billion of assets globally, of which €2.0 billion in private equity and €1.8 billion in private debt strategies, spread across five initiatives.

Going forward, we plan to continue to grow our assets under management by raising the successor funds to our main strategies and continuing to broaden our product range in investment themes where we see a market opportunity. We will do so through the launch of new funds and managed accounts.

Overall, the business employs 52 investment professionals.

Our revenues comprise management fees calculated with reference to assets under management, investment profits (from direct investments, partnership interests in the funds we manage) and carried interest.

We are committed to Environmental, Social and Governance (ESG) matters through our management company which is a signatory to the UN PRI (Principles for Responsible Investment).

Assets under management have grown significantly, driven by the launch of new funds

Merchant Banking strategies

	PRIVATE EQUITY			PRIVATE DEBT	
	FAPI	**FASO**	**POPI**	**FACS**	**DFM**
Investment strategy	Growth/ buyout/ mid-market	Secondary small & mid-cap	Opportunistic/ diversified	Junior credit	Senior credit/ CLOs
Geography	Europe	Europe	Global	Europe	Europe
Vintage(s)	2010 (FAPI I) 2015 (FAPI II)	2012	N/A	2014	N/A
Assets under management	€583m (FAPI I)(1) €700m (FAPI II)(2)	€259m	€432m(3)	€415m	€1,530m

(1) Fund size.
(2) Target size, latest close as of June 2015 at €599 million.
(3) Including RPO.

Merchant Banking

Investments during the year

During the year ended 31 March 2015, the new investments of our various funds and initiatives amounted to €1,145 million (of which €266 million in private equity and €879 million in private debt), representing a total cash disbursement for the Group of €100 million. More than half of the investments made during the year were drawdowns by private equity funds FAPI, FASO and Paris Orléans Proprietary Investments and the remainder by our private debt initiatives FACS, Oberon and Contego.

Divestitures during the year

During the year ended 31 March 2015, the Group's total proceeds from divestments amounted to €197 million, generating net investment gains of €111 million.

Change in asset value

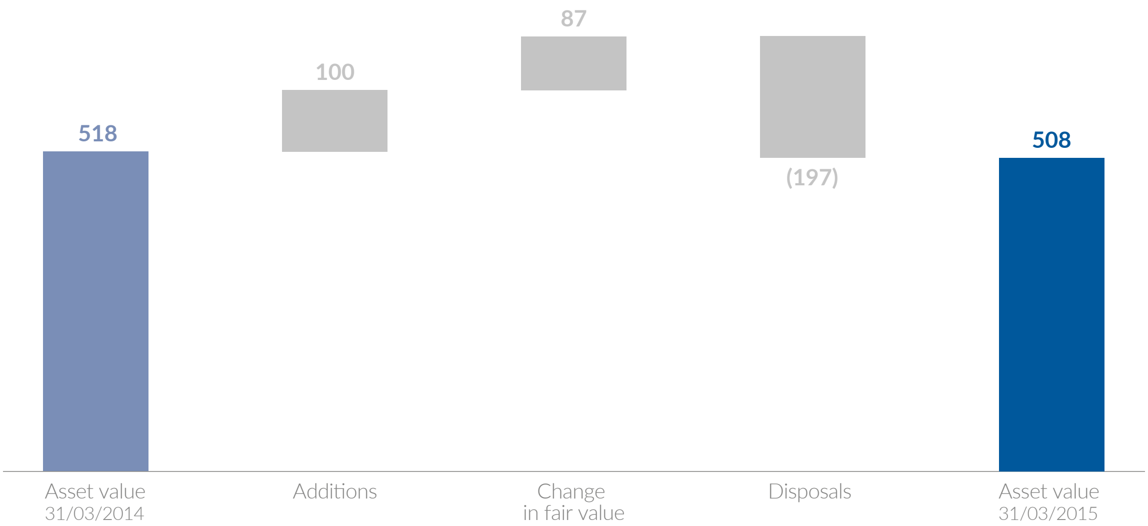
As of March 2015, the Group held private equity and private debt assets valued at €508 million.

During the last year, the Group maintained its capital at work in the asset class at around €500 million with disposals balancing new investments and increase in fair value.

Capital at work in the asset class at around

€500m

Change in asset value
(in millions of euros)



Private equity

In private equity, we manage €2.0 billion with a team of 31 investment professionals. We have developed three different strategies.

Five Arrows Principal Investments (FAPI)

FAPI is an initiative launched in 2010 as a roll-out of Paris Orléans' successful European mid-market strategy. FAPI concentrates on European expansion and replacement capital and buyout deals in the mid-market segment, with a focus on France, the United Kingdom, Germany, Southern Europe and Scandinavia. It is currently made of two funds: FAPI I, raised in 2010 for €583 million, and its successor FAPI II, targeting €700 million of commitment and which has gathered €599 million as of June 2015.

At March 2015, FAPI I closed its investment period, having invested 86% of its commitments in fifteen mid-cap companies in Europe in six different countries.

Thanks to its affiliation to Rothschild, the fund has developed a rare pan-European reach for funds of its size and is able to develop distinctive sector plays in selected segments of the economy which it believes enjoy positive tail winds: technology services (data and software), healthcare, business services and disruptive consumer. During 2014, FAPI's portfolio had a robust performance achieving aggregate EBITDA growth in excess of 19% organically. As at the end of March 2015, the value of the Group's investment in FAPI represented €110 million.

Its successor fund FAPI II will build on the same strategy. It is managed by the same team composed of individuals hired from leading international private equity firms.

In July 2014, FAPI and management led an investment in Prospitalia, the leading group purchase organisation for hospitals in Germany. Founded in 1991, Prospitalia now serves a customer base of more than 900 clinics and generate approximately €25 million in sales. The transaction came back after two years of tracking the health care procurement sector in Germany. Thanks to the Rothschild network, FAPI was able to have an extended dialogue with the vendor and the management team before making the investment. Post-acquisition, FAPI is working on several initiatives to expand product breadth and to leverage technology to create value-added service for its hospital partners.

In February 2015, FAPI signed an agreement to acquire a majority stake in Pirum systems in a primary buyout alongside its founders and a group of private co-investors. Founded in 2000 and based in London, Pirum Systems is a leading independent provider of post-trade solutions for the securities lending and repo industries, enabling customers in the wholesale securities finance markets to electronically connect to both their counterparties and other market infrastructure providers. The business generated sales of £7 million for the year ended in March 2015. The opportunity was sourced as part of FAPI's strategic effort to identify leading financial technology service businesses in Europe.

Merchant Banking

Five Arrows Secondary Opportunities III (FASO)

FASO is a €259 million fund raised in 2012 and managed by a specialist team in European small and mid-cap secondary transactions. FASO purchases assets, whether portfolios of companies or fund shares, from sellers seeking liquidity, affected by regulatory constraints or simply divesting non-core assets. As of March 2015, FASO completed 12 transactions, of which 6 in the last twelve months, representing a cumulative commitment of €232 million and an exposure to 120 underlying companies spanning more than 13 different sectors across all Europe.

FASO's assets were mainly purchased from European financial institutions willing to divest for liquidity issues or regulatory constraints. With 81% of secondary direct and manager-led transactions, FASO confirms its expertise in conducting spin-offs and fund restructuring.

Finally, in March 2015, exits since the inception of the fund have allowed to return more than 40% of invested capital to investors. As at the end of March 2015, the Group's net investment in FASO represents €18 million.

Ahorro Corporación

ACCP II

In March 2015, FASO led a fund restructuring by acquiring five fund shares from five different sellers in AC Capital Premier II (ACCP II), a Spanish small-cap buyout fund. The sellers wanted to dispose of non-core assets. The current portfolio comprises five Spanish companies, mostly majority investments in the small-cap segment, which have shown resilience through the crisis and now benefit from the recovery. These companies enjoy strong positions on their market segments and moderate leverage (0.7x EBITDA 2014 LE on average). Portfolio is well diversified across sectors such as healthcare, industry, and consumer goods. One company was already sold returning to FASO over 40% of the invested capital within a couple of months following the closing of the transaction, therefore largely de-risking this transaction.

Paris Orléans Proprietary Investments

Paris Orléans Proprietary Investments was the investment arm of the Group prior to the launch of Merchant Banking. Over the years Paris Orléans Proprietary Investments has gradually assembled a portfolio which served as a predecessor vehicle to the various fund initiatives which have been launched since 2010. Since 2005, Paris Orléans Proprietary Investments has opportunistically deployed over €500 million of capital in private equity and private debt transactions. The success of this historical portfolio is a testimony of the Group's ability to pick attractive opportunities out of a reach and diversified proprietary deal flow.

FircoSoft
PART OF
ACCUITY

In May 2011, Paris Orléans Proprietary Investments invested €4 million in FircoSoft. That investment was made alongside another private equity fund and management, in the context of the company's spin-off from the Sword Group. FircoSoft is the undisputed worldwide leader of watch list filtering solutions. Founded in 1990, FircoSoft has a track record of partnering closely with its customers to keep ahead of regulatory changes and eliminate the risk of fines and reputational exposure. In September 2014, Paris Orléans Proprietary Investments sold its 25% stake in FircoSoft as part of the sale of the company to Reed Elsevier, the world leading provider of professional information solutions. As a consequence, Paris Orléans Proprietary Investments realised total proceeds of €26 million (of which €22 million of capital gains), corresponding to a realised net cash-on-cash multiple of 6.4x and a net IRR of 74%.

Rothschild Private Opportunities

Currently, Paris Orléans Proprietary Investments' strategy consists of opportunistic co-investing with leading private equity houses, with a focus on emerging markets (Asia, Latin America, Africa) and the US and other opportunities not targeted by our other initiatives.

Through a dedicated €120 million co-investment programme, Rothschild Private Opportunities (RPO), it offers key clients of the Group the possibility to co-invest in selected opportunities; RPO's investor base is composed of wealthy families and entrepreneurs, following a successful cooperation between Wealth Management and Merchant Banking. Since its inception, RPO invested in six companies on a global basis spanning geographies ranging from the United States to Western Africa.

Private debt

Merchant Banking is active in the European leveraged credit market through two main initiatives. Altogether, our private debt activities account for over €1.8 billion of assets under management and our team comprises 21 investment professionals.

As for all Merchant Banking initiatives, the affiliation with Rothschild's other business activities provides significant market insight and sector knowledge which we believe materially enhance our credit selection processes.

Through our private debt activities, we are able to offer investors access to the European mid-size corporate credit market through specific risk and yield strategies, in an asset class currently generating increased investor demand, as investors look to diversify away from traditional fixed-income products suffering from depressed yields.

Five Arrows Credit Solutions (FACS)

FACS, the junior debt fund of the Group, has completed its final closing at €415 million in May 2014, exceeding our initial target.

FACS's strategy is to take advantage of opportunities for private lending in Europe, by offering structured intermediate capital solutions to performing mid-size corporates across Europe. It seeks investments from €10 million up to €50 million. Since its formation, FACS closed five transactions, amounting to c. 35% of the fund's capital. As at the end of March 2015, the Group's net investment in FACS represents €13 million.

In December 2014, FACS closed a recapitalisation and expansion financing for the Witherslack Group. Witherslack is a leading UK provider of education and care for children and young people with special educational needs, such as Asperger's syndrome, autism and behavioural, emotional and social difficulties. The company provides high-quality care through 9 schools, 7 care homes and 3 integrated therapeutic centres, looking after c. 500 pupils for 66 local authorities. The business is a well-positioned player within a growing market, underpinned by clear trends in provision away from the public sector in favour of private providers, as well as from mainstream to specialist schools. FACS structured a unitranche facility to refinance the company's existing debt, fund a partial repayment of the sponsor's loan stock, and put in place sufficient operational and funding flexibility to permit the continued roll-out of new schools and care homes.

In June 2014, FACS closed a sponsor-less acquisition financing for UGC Group. UGC is a privately-owned cinema group operating 40 cinemas with 450 screens across France and Belgium. The French cinema market has demonstrated healthy long-term evolution driven by strong volume and price growth. Following the sale of a portfolio of 13 theatres to Perella Weinberg Real Estate in 2009, UGC agreed in March 2014 to buy back Perella's stake via a dedicated property company vehicle. This acquisition was partly financed by a junior debt instrument provided by FACS and certain co-investors. FACS' investment was realised at an opening leverage of 2.6x and an equity cushion of 69%.

Merchant Banking

Oberon credit strategy

During 2014, the team held initial closings of Oberon II at €275 million with an anticipation of a final close at €300 million in 2015. Oberon II is an unlevered closed-end fund which invests into secured, fully performing European LBO loans. A total of €600 million has been raised in the Oberon strategy since inception, with fundraising for Oberon III anticipated to commence in 2015.

CLO Management business

The team continues to actively manage five European CLO funds of pre-2008 vintage. All exhibited improved performance during the year. Furthermore, during 2014 it launched the first new CLO (2.0) transaction since 2007, Contego II CLO B.V., a €359 million European CLO on the back of strong investor demand for this type of product and Rothschild's strong track record in credit management. The team intends to continue to issue new CLOs and is preparing the launch of Contego III, a €350 million European CLO, which is expected to be closed later this year.

As at the end of March 2015, the Group's net investment in Oberon and Contego senior credit represented €66 million.

Contego CLO II B.V.

In November 2014, Rothschild closed Contego II CLO B.V. ("Contego II"), a €359 million collateralised loan obligation (CLO). The transaction marked Rothschild's return to the European CLO market having closed its last CLO transaction, Contego CLO I B.V., in 2007. Contego II focuses on investing in Western European senior secured loans with issuers typically being mid- to large-cap European companies with EBITDA in excess of €75 million.

Portfolio valuation

In millions of euros	31/03/2014	31/03/2015
Managed funds		
FAPI (Equity)	79	110
FASO (Equity)	14	18
FAI / FAMI (Equity)	28	-
FACS (junior credit)	-	13
Oberon / Contego (senior credit)	36	66
Sub-total	**158**	**207**
Paris Orléans Proprietary investments (POPI)		
LBO / Equity	90	80
LBO / Mezzanine	29	21
Growth capital	88	82
External private equity funds	58	46
Strategic holdings	57	60
Real estate(1)	25	8
Sub-total	**347**	**297**
Other		
Other	13	4
Sub-total	**13**	**4**
TOTAL GROSS ASSETS	**518**	**508**

(1) Portfolio in run-off.

As shown above, gross assets invested have remained stable during the year, demonstrating the profit and cash flow generation potential of its asset base and its ability to redeploy allowing a recycling of realised capital into attractive fund initiatives.

3 Management report

Results as at 31 March 2015

I. Summary presentation of the Group's consolidated results

In millions of euro	2014/2015	2013/2014
INCOME STATEMENT		
Net banking income	1,403.2	1,107.7
Operating income	268.0	128.9
Profit before tax	316.7	106.7
Consolidated net income	253.9	64.0
Net Income – Group Share	**143.6**	**8.4**
BALANCE SHEET		
Balance sheet total	9,079.3	8,049.1
Cash and amounts due from central banks	3,643.9	3,150.4
Loans and advances to customers	1,601.6	1,377.3
Due to customers	5,686.9	4,946.7
Shareholders' equity – Group share	**1,419.4**	**1,268.8**
Non-controlling interest	**556.0**	**473.9**

Details on the consolidated results for the 2014/2015 financial year are set out on pages 123 onwards and the review of the Group's activities during the 2014/2015 financial year is presented on pages 27 onwards of this report.

II. Summary presentation of the Company's results

A. Results of the 2014/2015 financial year

In millions of euro	2014/2015	2013/2014
INCOME STATEMENT		
Current income before tax	6.0	4.7
Income from capital transactions	1.9	3.2
Net income	**11.8**	**10.0**
BALANCE SHEET		
Balance sheet total	1,575.2	1,584.6
Non-current financial assets	1,471.5	1,470.6
Current assets	98.4	113.2
Borrowings and other financial liabilities	60.9	72.4
Shareholders' equity	**1,423.0**	**1,446.7**

Paris Orléans had net income of €11.8 million for the 2014/2015 financial year compared to €10.0 million the previous year. In particular, the Company received dividends of €19.5 million from its subsidiaries and portfolio holdings, including €11.7 million from Paris Orléans Holding Bancaire (POHB) SAS, which holds the Group's banking assets and contributed significantly to the year's current income before tax.

The income from capital transactions came to €1.9 million, consisting mainly of capital gains on investment funds amounting to €1.6 million, and a partial write-back of €0.6 million relating to the US subsidiary Francarep Inc.

The Company also recorded a net tax credit of €3.8 million mainly due to tax credits received from the subsidiaries POHB and Financière Rabelais SAS within the tax grouping arrangement totalling €6.7 million. This amount was partly offset by a tax charge of €1.8 million and a 3% tax on dividends amounting to €1.1 million.

With regard to the balance sheet structure, the main components have not been any notable changes during the year.

B. Proposed appropriation of income for the 2014/2015 financial year

The parent company's net profit amounts to €11,764,158.07 which, less the amount of €588,207.90 assigned to create the legal reserve and, in addition, retained earnings of €119,619,801.96, makes a distributable net profit of €130,795,752.13. In accordance with the provisions of Article 14.1 of the Company's Articles of Association, an amount of €653,978.76, equal to 0.5% of this distributable profit, will be automatically allocated for payment to the two General Partners, PO Gestion SAS and PO Commandité SAS.

The Managing Partner will propose to the General Meeting of shareholders that the income for the 2014/2015 financial year be appropriated as follows:

In euro	
Net profit for the financial year	**11,764,158.07**
Appropriation to the legal reserve	(588,207.90)
Credit retained earnings	119,619,801.96
Distributable profit	**130,795,752.13**
Profit share allocated to the General Partners	(653,978.76)
Appropriation	
- to the payment of a gross dividend of €0.60 per share(1) to shareholders	42,682,221.60
- to retained earnings	87,459,551.77

(1) Out of a total of 70,991,996 shares and 145,040 investment certificates eligible for a dividend.

The payment of a dividend of €0.60 per share to shareholders will be proposed. The ex-dividend date will be 29 September 2015 and the dividend shall be payable on 1 October 2015. In accordance with applicable statutory provisions, the dividends distributed by the Company to the shareholders in respect of the last three financial years were as follows:

	2013/2014	2012/2013(3)	2011/2012(2)
Number of shares and investments certificates which could qualify for a dividend payment(1)	70,466,680	70,322,966	31,771,967
Gross dividend per share (in euro)	0.50	0.50	0.50
Total amount distributed (in euro)	**35,233,340.00(4)**	**35,161,483.00**	**15,885,983.50**

(1) Number of shares and investment certificates that could qualify for a dividend, excluding treasury shares and investment certificates held by the Company.
(2) Before the reorganisation in June 2012.
(3) After the reorganisation in June 2012.
(4) As authorised by the General Meeting of 25 September 2014 in its 2nd resolution, the Managing Partner revised the final amount of the actual distribution as the Company did not receive a dividend in respect of the shares it held on the payment date; the amount of the dividend corresponding to these shares was automatically added to retained earnings.

C. Company results during the past five financial years

In euro	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011
I – Financial position at the end of the financial year					
a) Share capital	142,274,072	142,208,216	141,806,058	65,031,174	64,747,030
b) Number of shares and investment certificates issued	71,137,036	71,104,108	70,903,029	32,515,587	32,373,515
c) Maximum number of future shares to be created	-	-	-	-	-
II – Overall result of effective operations					
a) Revenues exclusive of tax (financial and operating income)	26,542,974	25,238,744	132,789,534	20,636,932	17,039,485
b) Income before tax, amortisation and provisions	8,507,693	6,478,796	(746,339)	4,643,901	23,366,227
c) Corporate income tax(1)	(3,832,636)	(2,029,187)	1,829,465	(201,947)	(1,468)
d) Income after tax, amortisation and provisions	11,764,158	9,985,781	119,878,114	(114,297,251)	20,954,549
e) Distributed income, excluding treasury shares	42,682,222(2)	35,233,340	35,161,483	15,885,984	12,644,698
III – Earnings per share data					
a) Income after tax but before amortisation and provisions	0.07	0.06	(0.04)	0.15	0.72
b) Income after tax, amortisation and provisions	0.17	0.14	1.69	(3.52)	0.65
c) Dividend per share	0.60(2)	0.50	0.50	0.50	0.40
IV – Employees					
a) Average employee headcount	25	29	27	26	26
b) Total payroll	3,451,711	5,230,484	3,411,558	3,667,596	3,555,524
c) Total employee benefits (social security, welfare, etc.)	1,595,239	2,887,383	2,012,034	1,889,761	1,724,996

(1) Negative amounts correspond to tax benefits.
(2) Dividend proposed to the General Meeting of shareholders of 24 September 2015.

Information on the Company and share capital

I. Information on the Company's structure

The General Meeting of shareholders of 8 June 2012 approved a reorganisation[1] of the Group that constituted a major step forward in its ongoing international expansion and in the simplification of its structure. One of these reorganisation stages consisted in converting Paris Orléans' form of incorporation into a French partnership limited by shares (*société en commandite par actions* or SCA); leading to changes in Paris Orléans' governance.

As a result of this reorganisation, the Company's structure as a partnership limited by shares is based on two categories of partners: General Partners and Limited Partners (also called shareholders).

General Partners

In the event of losses of Paris Orléans, their liability is joint and unlimited.

The Company's first two General Partners were designated in the Articles of Association:

- **PO Gestion**, a French simplified joint-stock company (SAS) with share capital of €60,000 – 3 rue de Messine, 75008 Paris (to which the Articles of Association also confer the role of Managing Partner), and
- **PO Commandité**, a French simplified joint-stock company (SAS) with share capital of €60,000 – 3 rue de Messine, 75008 Paris.

Both companies are controlled by members of the French and English branches of the Rothschild family.

Limited Partners (shareholders)

In the event of losses of Paris Orléans, their liability is limited to the amount of their investment.

Adoption of decisions by the General Partners and Limited Partners

Under the provisions of the law, no decision is valid unless adopted by both categories of partners, except the appointment of members of the Supervisory Board, the appointment and dismissal of the Statutory Auditors, the distribution of dividends for the year and the approval of regulated agreements and commitments, for which legal provisions expressly exclude General Partners' vote.

Also, any transaction whose purpose or effect could fundamentally call into question the Group's independence, tradition of excellence, links to the Rothschild family or the role played by the Rothschild family, its use of the Rothschild name or the fact that the Group's main activities are financial activities must be approved by the General Partners, including when such transactions do not require authorisation from the General Meeting of shareholders.

Decisions are adopted by Limited Partners during General Meetings of shareholders by a simple majority of the votes for ordinary decisions, and by a majority of two thirds of the votes for extraordinary decisions. More details on terms and conditions of shareholders' attendance of General Meetings can be found on page 95.

II. Information on the share capital

A. Composition of the share capital

1. Share capital as at 31 March 2015

As at 31 March 2015 and the date of this report, the Company's share capital is divided into 70,991,996 ordinary shares and 145,040 investment certificates. Moreover, 145,040 voting right certificates, not included in the share capital, are also in circulation. A whole share is automatically consolidated by combining an investment certificate with a voting right certificate.

2. Changes in the share capital during the financial year

As at 31 March 2014, Paris Orléans' share capital was divided into 70,959,068 ordinary shares and 145,040 investment certificates.

The General Meeting of shareholders of 25 September 2014 decided to grant the shareholders the right to elect for payment of the 2013/2014 dividend, for the total amount of the dividend which they are entitled to, either in cash or new ordinary shares. At the end of the subscription period, the total dividend reinvested in new shares amounted to €576,300.50, resulting in the issuance of 32,928 new shares on 28 November 2014.

(1) Detailed information on the Company's reorganisation is provided in the information memorandum filed with the AMF on 16 May 2012 under registration No. E.12-019 and attached to the Executive Board's report presented to the General Meeting of shareholders on 8 June 2012. These documents are available on Paris Orléans' website (www.paris-orleans.com).

B. Voting rights

1. Double voting rights

Each share and voting right certificate are entitled to one voting right at the General Meetings. However, Article 11.1 of the Company's Articles of Association provides that, as from the General Meeting of shareholders of 8 June 2012, the holder of any fully paid share, held in the form of registered shares for at least two years in the name of a single holder, shall be entitled to two voting rights per share, without any limitation.

In case of capital increase, by incorporation of reserves, benefits or issue premiums, the double voting right is, as from the issuance date, attributed to the registered shares allocated to a shareholder as a consequence of former shares for which he benefits from a double voting right.

In the event of any transfer following inheritance, liquidation of marital property between spouses or donation inter vivos in favour of a spouse or relative entitled to inherit, the right remains acquired and the period hereinabove referred to is not interrupted. The double voting right is cancelled ipso jure for any share transferred for any other cause.

2. Division of shares

In case of division of shares and voting right certificates ownership, the voting right attached to the share or to the voting right certificate is exercised by the bare owner, except on decisions relating to the appropriation of income, where it is exercised by the beneficial owner.

3. Number of voting rights as at 31 March 2015

Each month, the Company issues a report on the total number of shares and voting rights comprising the share capital on its website (www.paris-orleans.com under section "Regulated Information").

As at 31 March 2015, the total number of voting rights was as follows:

Total number of voting rights	31/03/2015
Exercisable	103,126,237
Theoretical[(1)]	105,421,296

(1) The total number of theoretical voting rights includes voting rights attached to shares without the capacity to exercise the voting rights attached to them pursuant to applicable legal or regulatory provisions.

C. Securities granting access to share capital

1. Securities issued during the 2014/2015 financial year

No securities granting access to the Company's share capital were issued during the financial year ended 31 March 2015.

2. Share subscription or purchase options granted during previous financial years

The Group's long-term incentive scheme

On 11 October 2013, Paris Orléans implemented a long-term incentive scheme (the "Equity Scheme") for the senior employees and executive officers of the Company and its subsidiaries, to promote the alignment of interests between the Rothschild family, minority shareholders and the Equity Scheme participants.

The initial Equity Scheme participants are the Global Financial Advisory partners, as well as members of the Group Management Committee, representing 57 persons operating in 10 countries around the world.

Under the Equity Scheme rules, the Equity Scheme participants have been required to invest in Paris Orléans shares and for each share invested they are granted four stock options. Shares invested are subject to a four-year lock-up period and the share options granted are subject to a vesting period before exercise.

The Equity Scheme participants have invested in a total of 780,000 Paris Orléans shares representing 1.10% of Paris Orléans' share capital at grant date:

- by acquiring Paris Orléans shares directly, or
- by requesting and being granted restricted share units, which entitle the holder to receive Paris Orléans shares on a determined vesting date, subject to certain conditions[(1)], or
- a combination of the two.

In accordance with the authorisation granted to it by the General Meeting of shareholders on 26 September 2013, the Managing Partner, decided on 11 October 2013, to grant 3,120,000 share subscription or purchase options.

The options granted under the Equity Scheme are divided into four distinct categories, Options 2013-1, Options 2013-2, Options 2013-3 and Options 2013-4, respectively vesting on each of the third, fourth, fifth and sixth anniversaries of the Equity Scheme and exercisable on the vesting dates at a price of €17.50, €18.00, €19.00 and €20.00 per share option.

The Equity Scheme participants may not exercise the share options unless the participants have remained senior employees and executive officers within the Group until the date of the exercise of the stock-options subject to certain exceptions provided for in the Equity Scheme rules.

(1) In relation to the restricted share units under the Equity Scheme, a number of Paris Orléans shares were acquired by certain entities of the Paris Orléans Group of which the Equity Scheme participants are employees or Executive Officers. Those shares, to be granted to the restricted share units holder on the vesting date and subject to determined conditions, are currently, and until restricted share units vesting date, controlling shares without voting rights.

Summary of options granted

The table below summarises all information on outstanding options as at 31 March 2015 and at the date of this report.

	Options				
	2013-1	2013-2	2013-3	2013-4	Total
Date of authorisation by the General Meeting	26/09/2013	26/09/2013	26/09/2013	26/09/2013	-
Grant date by the Managing Partner	11/10/2013	11/10/2013	11/10/2013	11/10/2013	-
Total of share subscription or purchase options granted	780,000	780,000	780,000	780,000	**3,120,000**
Number of beneficiaries	57	57	57	57	**57**
Share capital % at the grant date	1.10%	1.10%	1.10%	1.10%	**4.40%**
Performance requirement achievement rate	None	None	None	None	-
Exercise period start date	11/10/2016	11/10/2017	11/10/2018	11/10/2019	-
Expiration date	11/10/2023	11/10/2023	11/10/2023	11/10/2023	-
Subscription or purchase price in euro	17.50	18.00	19.00	20.00	-
Total options exercised as at 31 March 2015	-	-	-	-	-
Total options cancelled as at 31 March 2015	-	-	-	-	-
Total options remaining as at 31 March 2015	**780,000**	**780,000**	**780,000**	**780,000**	**3,120,000**

D. List of financial outstanding delegations

Purpose	Resolution number	Individual limit	Period of validity	Use during 2014/2015 financial year
Combined General Meeting of 26 September 2013				
To grant options to subscribe for or purchase the Company's shares to employees and executive officers of the Company and/or associated companies	13	Limited to 10% of the share capital as of the date of the General Meeting of shareholders of 26 September 2013(1)	38 months	None
Combined General Meeting of 25 September 2014				
To decrease the share capital by cancelling treasury shares	19	Limited to 10% of the share capital per 24-month periods	26 months	None
To increase the share capital by incorporation of all or part of reserves, income or issue, merger or contribution premiums, by granting bonus shares, by increasing the par value of existing shares or by using such two methods jointly	20	Limited to a nominal amount of €50 million	26 months	None
To issue transferrable securities with preferential subscription rights maintained, giving access to the Company's share capital	21	Limited to a nominal amount of €70 million (share capital securities) or €300 million (debt instrument)(1)	26 months	None
To issue transferrable securities, with waiver of preferential subscription rights, giving access to the Company's share capital by public offer	22	Limited to a nominal amount of €15 million (share capital securities) or €200 million (debt instrument)(1)	26 months	None
To issue transferrable securities, with waiver of preferential subscription rights and free fixing of issue price, giving access to the Company's share capital	23	Limited to 10% of the share capital per year (share capital securities) or €200 million (debt instrument)(1)	26 months	None
To increase the number of securities to be issued when increasing the share capital with or without waiver of non-preferential subscription rights	24	To be deducted on the individual limit as stipulated in the resolution in respect thereof the initial issuance is decided(1)	26 months	None
To grant bonus shares to employees and executive officers of the Company and/or associated companies	25	5% of the share capital as of the date of the decision to grant bonus shares	38 months	None
To issue transferrable securities, with waiver of preferential subscription rights, giving access to the Company's share to the benefit of members of one or several employee savings schemes	26	Limited to a nominal amount of €1 million(1)	26 months	None

(1) To be deducted from the aggregate limit fixed by resolution No. 27 adopted by the General Meeting of shareholders of 25 September 2014 to €70 million for the share capital securities and to €300 million for the debt instruments.

III. Share buyback programmes

A. Share buyback programmes during the 2014/2015 financial year

1. Summary of share buyback programmes

In accordance with the provisions of Article L. 225-209 of the French Commercial Code, the share buyback programmes approved by the shareholders at the General Meetings and in force during the 2014/2015 financial year, were as follows:

	General Meeting of 26 September 2013	General Meeting of 25 September 2014
Use during the 2014/2015 year	From 1 April 2014 to 25 September 2014	From 25 September 2014 to 31 March 2015
Resolution approving the programme	No.10	No.18
Maximum number of shares to be purchased	7,090,302	7,110,410
Maximum purchase price per share	€35	€35
Maximum amount authorised	€248,160,601.50	€248,864,350

Under both programmes, the shares could be purchased, sold or otherwise transferred for the purposes set out in the European regulations and in accordance with the market prices accepted by the French Financial Markets Authority (*Autorité des marchés financiers* or AMF), namely to:

- reduce the share capital;
- award shares to employees;
- tender in exchange or as consideration for future external growth transactions;
- make a market and promote liquidity in the shares under liquidity contracts entered into with independent investments services providers authorising them to purchase a certain number of shares in accordance with the AMF Regulations.

2. Transactions carried out under a share buyback programme

As required under Article L. 225-211 of the French Commercial Code, the table below summarises the transactions carried out by the Company under these authorisations during the 2014/2015 financial year.

	Covered by the liquidity contract(1)	Covered by other purposes	Not covered by share buyback programmes(1)(2)	Total
Number of shares as at 31 March 2014	174,050	-	325,107	**499,157**
Number of shares purchased	165,971	-	-	**165,971**
Number of shares sold	339,521	-	27,896	**367,417**
Number of shares loaned to members of the Supervisory Board	n/a	-	50	**50**
Number of shares cancelled	-	-	-	**-**
Average price of purchases and sales(3)				
- purchases	€17.528	-	-	**n/a**
- sales	€17.869	-	€17.271	**n/a**
Number of shares as at 31 March 2015	**500**	**-**	**297,161**	**297,661**

(1) The transactions are recorded on settlement-delivery.

(2) These treasury shares are not shares previously purchased by the Company under a share buyback programme but shares automatically consolidated by combining investment certificates historically held by the Company with purchased voting right certificates. These treasury shares are therefore not subject to the allocation obligations provided for by Article L. 225-209 of the French Commercial Code.

(3) Arithmetic mean of the share market prices for transactions settled from 1 April 2014 to 31 March 2015.

In accordance with Article L. 225-212 of the French Commercial Code, Paris Orléans provides the AMF with a monthly report on the shares acquired, sold, cancelled or transferred by the Company in application of Article L. 225-209 of said Code.

B. Authorisation for a new share buyback programme

At the General Meeting of shareholders of 24 September 2015, shareholders will be invited, under the 12th resolution, to adopt a new share buyback programme, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, whose main characteristics are the following:

- the number of shares purchased may not exceed 10% of the share capital on the purchase date which, based on the current share capital and taking account of shares held directly on that date, would authorise the purchase of 7,113,703 shares, assuming that the Company does not cancel, transfer or sell any of the shares currently held;
- the purchase price may not exceed €50 per share;
- the total aggregate amount of purchases may not exceed €355,685,150;
- the share buyback programme shall be valid for a duration of eighteen months as from 25 september 2015;
- the authorisation will be used by the Company for the following purposes:
  - market making for the Company's shares under a liquidity contract signed with an independent investment service provider,
  - cancellation of some or all of the shares purchased,
  - granting of shares to employees and officers of the Company and/or companies related to it,
  - deliver shares upon the exercise, by the beneficiaries, of options to purchase the Company's shares,
  - selling of shares to employees of the Company or its subsidiaries, directly or through a company mutual fund or implementation of any company or group savings plan (or similar plan),
  - deliver shares upon the exercise of rights attaching to securities giving immediate or deferred access to the share capital,
  - preservation or subsequent tendering by way of payment or exchange and, more generally, as part of external growth transactions,
  - more generally, any other practice admitted or recognised by law or the AMF, or any other purpose consistent with applicable laws and regulations.

IV. Information on the shareholding structure

In accordance with statutory requirements, the table below lists the shareholders of Paris Orléans that hold, directly or indirectly, alone or in concert, as at 31 March 2015, a percentage of the share capital or of the voting rights that exceeds the thresholds for disclosure as required under Article L. 233-9 of the French Commercial Code.

	31 March 2015			31 March 2014		
Shareholders	**Total capital**	**% of share capital**	**% of exercisable voting rights**	**Total capital**	**% of share capital**	**% of exercisable voting rights**
- Rothschild Concordia SAS	24,806,341	34.87%	39.32%	15,738,000	22.13%	35.94%
- David de Rothschild Branch	-	-	-	4,128,791	5.81%	4.71%
- Éric and Robert de Rothschild Branch	267,130	0.38%	0.52%	5,206,680	7.32%	5.94%
- Holding Financier Jean Goujon SAS(2)	3,581,685	5.03%	6.19%	3,581,685	5.04%	4.12%
- NM Rothschild & Sons Ltd (controlling shares)(3)	1,774,221	2.49%	-	1,774,221	2.5%	-
- Other members of the Enlarged Family Concert(1)	4,275,202	6.01%	7.06%	3,030,132	4.26%	4.82%
Total Enlarged Family Concert(1)	34,704,579	48.79%	53.08%	33,459,509	47.06%	55.53%
Treasury shares	442,701	0.62%	-	644,197	0.91%	-
Other controlling shares(3)	220,245	0.31%	-	193,943	0.27%	-
Subtotal concert and Group	**35,367,525**	**49.72%**	**53.08%**	**34,297,649**	**48.24%**	**55.53%**
Edmond de Rothschild Group(4)	5,573,586	7.83%	10.42%	5,573,586	7.84%	7.08%
Jardine Strategic Holdings Luxembourg Sàrl	4,217,310	5.93%	7.97%	4,217,310	5.93%	4.82%
Float	25,978,615	36.52%	28.54%	27,015,563	37.99%	32.57%
TOTAL	**71,137,036**	**100.00%**	**100.00%**	**71,104,108**	**100.00%**	**100.00%**

(1) For the composition of the Enlarged Family Concert, see details in page 59.
(2) Controlled by Édouard de Rothschild.
(3) Group entities controlled by Paris Orléans.
(4) Edmond de Rothschild Group entities acting in concert.

To the Company's knowledge, no other shareholder holds, directly or indirectly, alone or in concert, over 5% of the share capital or voting rights.

A. Control of the Company

The Company is controlled, since 2008, by a concert of members of the Rothschild family (the "Initial Family Concert"), which extended to new members as from the Group reorganisation of 2012 (the "Enlarged Family Concert"). The relations between concert members in relation to their shareholding in the Company are ruled by shareholders agreements whose main provisions are presented in pages 62 onwards.

1. The Initial Family Concert

This concert is based on a Shareholders Agreement entered into on 22 January 2008 between the shareholders of Rothschild Concordia SAS, Paris Orléans' main shareholder.

Moreover, the provisions of the Rothschild Concordia Shareholders Agreement coexist with the provisions of the Share Disposal Agreement signed on 22 January 2008 between the Eranda Foundation and the Company.

Pursuant to the provisions of Article L. 233-11 of the French Commercial Code, those two agreements were published by the AMF (Decision & Information No. 208C0180 of 25 January 2008).

2. The Enlarged Family Concert

Following the Group reorganisation in June 2012, the AMF was informed on 12 June 2012 of the new composition of the family concert extended to new members: Rothschild Concordia SAS, the David, Éric and Édouard de Rothschild branches of the family, certain members of the management bodies and Compagnie Financière Martin-Maurel SA. On this occasion, the AMF was informed of the existence of a new shareholders' agreement the main details of which were published by the AMF (Decision & Information No. 212C0752 of 13 June 2012 and Decision & Information No. 212C0783 of 19 June 2012).

During the financial year ended 31 March 2015, the AMF was informed of the addition of four new members to the Enlarged Family Concert: Messrs. Nicolas Bonnault, Laurent Baril, Philippe Le Bourgeois, three Group Senior Managers, and CD GFA SARL, an entity controlled by a fourth Group Senior Manager. On this occasion, the AMF was informed of the execution of an amendment to the Shareholders' Agreement of June 2012 the main details of which were published by the AMF (Decision & Information No. 215C0073 of 14 January 2015).

B. Changes in the shareholding structure during the 2014/2015 financial year

1. Acquisition of double voting rights

The General Meeting of shareholders of 8 June 2012 decided to create double voting rights for any Paris Orléans shares held in the form of registered shares for at least two years in the name of a single holder.

In this respect, the second anniversary in June 2014 of the Group reorganisation resulted in the acquisition of double voting rights mainly attached to the newly created shares issued in remuneration of the contributions of shares of Rothschild & Cie Banque SCS, Financière Rabelais SAS and Rothschilds Continuation Holdings AG. This acquisition of double voting rights automatically resulted in a significant increase of the total number of voting rights and in a certain number of thresholds crossings described below.

2. Legal thresholds crossings

AMF Decision & Information No. 214C1474

By notice received on 18 July 2014, the AMF was informed of the following thresholds crossings:

- Financière de Tournon SAS (3, rue de Messine, 75008 Paris) disclosed that it had surpassed individually the 5% threshold of Paris Orléans' voting rights and that it held individually 4,128,781 shares representing 7,908,206 voting rights, i.e. 5.81% of the share capital and 7.28% of the voting rights;
- Ponthieu Rabelais SAS (3, rue de Messine, 75008 Paris) disclosed that it had surpassed individually the 5% threshold of Paris Orléans' voting rights and that it held directly 3,765,975 shares representing 7,531,950 voting rights, i.e. 5.30% of the share capital and 6.93% of the voting rights;
- Holding Financier Jean Goujon SAS (3, rue de Messine, 75008 Paris) disclosed that it had surpassed individually the 5% threshold of Paris Orléans' voting rights and that it held individually 3,581,685 shares representing 3,609,895 voting rights, i.e. 5.04% of the share capital and 5.87% of the voting rights;
- Rothschild Concordia SAS (23 bis, avenue de Messine, 75008 Paris) disclosed that it had fallen individually below the thresholds of 1/3 and 30% of Paris Orléans' voting rights and that it held individually 15,738,000 shares representing 31,476,000 voting rights, i.e. 22.13% of the share capital and 28.98% of the voting rights.

These thresholds crossings resulted from the acquisition of double voting rights described in paragraph 1. of this subsection.

AMF Decision & Information No. 214C1769

By notice received on 22 August 2014, Jardine Matheson Holdings Limited (Jardine House, 33-35 Reid Street, Hamilton, Bermuda) declared that it surpassed individually, indirectly through a company it controls, J S Holdings Luxembourg Sàrl, the threshold of 5% of Paris Orléans' voting rights and that it held indirectly 4,217,310 shares representing 8,217,310 voting rights, i.e. 5.93% of share capital and 7.19% of the voting rights.

This threshold crossing resulted from the acquisition of double voting rights described in paragraph 1. of this subsection.

AMF Decision & Information No. 214C2309

By notice received on 30 October 2014, the AMF was informed of the following thresholds crossings:

- Rothschild Concordia SAS (23 bis avenue de Messine, 75008 Paris) disclosed that it had surpassed individually the thresholds of 25% of Paris Orléans' share capital, 30% and 1/3 of Paris Orléans'share capital and voting rights and that it held directly 24,806,341 shares representing 40,544,341 voting rights, i.e. 34.89% of the share capital and 38.47% of the voting rights;
- Financière de Tournon SAS (3 rue de Messine, 75008 Paris) disclosed that it had fallen individually below the 5% thresholds of Paris Orléans' share capital and voting rights and that it no longer held any shares;
- Ponthieu Rabelais SAS (3 rue de Messine, 75008 Paris) disclosed that that it had fallen individually below the 5% thresholds of Paris Orléans' share capital and voting rights and that it no longer held any shares.

These thresholds crossings resulted from a series of share disposals and contributions representing a total of 9,068,341 Paris Orléans shares by Messrs. Éric de Rothschild and David de Rothschild and three entities related to them, Financière de Tournon SAS, Béro SCA and Ponthieu Rabelais SAS, for the benefit of Rothschild Concordia SAS, all members of the Enlarged Family Concert, in exchange of newly issued Rothschild Concordia SAS shares.

These transactions represented the last stage in the consolidation at the Rothschild Concordia SAS level of the Paris Orléans shares held directly and indirectly by the David and Éric de Rothschild family branches following the completion of the Group reorganisation in June 2012.

Following completion of these transactions, Rothschild Concordia SAS increased its participation in Paris Orléans' share capital while the Éric de Rothschild branch decreased significantly its direct shareholding and the David de Rothschild branch no longer held Paris Orléans shares directly. The Enlarged Family Concert's participation was not impacted by the transactions, however the number of its voting rights dropped as a consequence of the loss of double voting rights attached to the disposed or contributed shares.

All these transactions were subject to an obligation of disclosure to the AMF provided for in Article 223-26 of the AMF General Regulations and are summarised in page 106 of this report.

AMF Decision & Information No. 214C2351

By notice received on 6 November 2014, Edmond de Rothschild Holding SA (21 route de Pregny, 1292 Pregny-Chambésy, Switzerland) declared that it surpassed, directly and indirectly through companies it controls, the threshold of 10% of Paris Orléans' voting rights and that it held, directly and indirectly through companies it controls, 5,573,586 shares representing 10,743,822 voting rights, i.e. 7.84% of share capital and 10.19% of the voting rights, distributed as follows:

Shareholders	Shares	% of share capital	Voting rights	% of voting rights
Edmond de Rothschild (Suisse) SA	2,536,410	3.57	5,072,820	4.81
Edmond de Rothschild Holding SA	1,510,170	2.12	3,020,340	2.87
Edmond de Rothschild SA	629,406	0.89	1,258,812	1.19
Carter Company Limited	494,250	0.70	988,500	0.94
Edmond de Rothschild (France) SA	403,350	0.57	403,350	0.38
Total Edmond de Rothschild Holding SA	**5,573,586**	**7.84**	**10,743,822**	**10.19**

This passive threshold crossing resulted from a reduction of the Company's total number of voting rights following the loss of double voting rights attached to the shares disposed or contributed by Messrs. Éric de Rothschild and David de Rothschild and three entities related to them, Financière de Tournon SAS, Béro SCA, and Ponthieu Rabelais SAS, for the benefit of Rothschild Concordia SAS, as described previously.

AMF Decision & Information No. 215C0073

By notice received on 7 January 2015, Messrs. Nicolas Bonnault, Laurent Baril and Philippe Le Bourgeois and CD GFA SARL (23 avenue de l'Observatoire, 75006 Paris) declared that they surpassed, in concert with the members of the Enlarged Family Concert, the thresholds of 5%, 10%, 15%, 20%, 25%, 30% and 1/3 of Paris Orléans' share capital and voting rights and 50% of Paris Orléans' voting rights and that they held, together with the members of the Enlarged Family Concert, 34,704,579 shares representing 54,737,089 voting rights, i.e. 48.79% of share capital and 51.92% of the voting rights, distributed as follows:

At the date of the threshold crossing	Shares	% of share capital	Voting rights	% of voting rights
Rothschild Concordia SAS	24,806,341	34.87%	40,544,341	38.46%
Éric and Robert de Rothschild family	267,130	0.38%	534,260	0.51%
Holding Financier Jean Goujon SAS	3,581,685	5.03%	6,378,945	6.05%
NM Rothschild & Sons Ltd	1,774,221	2.49%	-	-
Eranda Foundation	1,183,480	1.66%	2,366,960	2.25%
Philippe de Nicolay-Rothschild	102	<0.01%	202	<0.01%
Alexandre de Rothschild	7,510	0.01%	7,510	0.01%
François Henrot	762,460	1.07%	1,514,920	1.44%
Olivier Pécoux family	437,329	0.61%	866,379	0.82%
PO Gestion SAS	1	<0.01%	2	<0.01%
Compagnie Financière Martin Maurel SA	639,250	0.90%	1,278,500	1.21%
Nicolas Bonnault	328,250	0.46%	328,250	0.31%
Laurent Baril	305,570	0.43%	305,570	0.29%
Philippe Le Bourgeois	293,250	0.41%	293,250	0.28%
CD GFA SARL	318,000	0.45%	318,000	0.30%
Total Enlarged Family Concert	**34,704,579**	**48.79%**	**54,737,089**	**51.92%**

These thresholds crossings resulted from the addition of Messrs. Nicolas Bonnault, Laurent Baril and Philippe Le Bourgeois and CD GFA SARL to the Enlarged Family Concert, formalised by their adherence to the Shareholders Agreement of 8 June 2012, which governs the relations between members of the Enlarged Family Concert. On this occasion, an Amendment to the Shareholders Agreement of 8 June 2012 was executed and its main provisions were published by the AMF (Decision & Information No. 215C0073 of14 January 2015, available on the AMF's website).

C. Current breakdown of the share capital and voting rights

1. Number of shareholders

Pursuant to Article 7.2 of Paris Orléans' Articles of Association, the Company is authorised to make use at any time of the provisions of laws and regulations relating to the identification of any bearer of securities entitling them to vote, either immediately or in the future, at its General Meetings of shareholders.

Accordingly, the Company conducted a survey of identifiable bearer shares (*titres au porteur identifiables*) on 22 April 2015 among all custodians holding over 20,000 shares. Following this survey, the Company was able to estimate that it had over 4,580 shareholders, including 4,049 identified holders of bearer shares and 531 registered shareholders, representing 99.84% of the total number of shares in Paris Orléans' share capital (i.e. excluding investment certificates).

2. Shares held by employees

As required under Article L. 225-102 of the French Commercial Code, employee share ownership in the share capital of the Company as at 31 March 2015 amounted to 0.08% of the share capital, held by a company mutual fund (*Fonds Commun de Placement d'Entreprise*) within the frame of an employee share ownership scheme (*Plan d'Épargne d'Entreprise*).

3. Treasury shares held by the Company

As at 31 March 2015, Paris Orléans held 442,701 of its own shares and certificates, without voting rights, as follows:

Total number of shares held by Paris Orléans(1)	297,661
- Allocated to the liquidity contract	500
- Treasury shares	297,161
Number of investment certificates held by Paris Orléans	145,040
Total of shares and investment certificates held by Paris Orléans	**442,701**
% of the share capital	0.62%
Book value	€2,939,442.96

(1) Detailed information on transactions involving Paris Orléans' treasury shares is provided on page 57.

4. Controlling shares held by entities controlled by the Company

As at 31 March 2015, a total of 1,994,466 shares were held by entities controlled by Paris Orléans, representing 2.80% of the share capital. These shares are by nature without voting rights:

Entity controlled by Paris Orléans	Paris Orléans shares held as at 31 March 2015	% of Paris Orléans share capital as at 31 March 2015
NM Rothschild & Sons Ltd(1)	1,774,221	2.49%
Rothschild & Cie Banque SCS	100	<0.01%
Controlled entities which hold shares pursuant to the Equity Scheme regulations(2)	193,843	0.27%
Controlled entities which hold shares pursuant to non-cash instruments plans(3)	26,513	0.04%

(1) Out of these 1,774,221 shares, 317,170 shares are held pursuant to the Equity Scheme regulations and non-cash instruments plans.
(2) Controlling shares purchased under the Equity Scheme, described on page 55, as part of the Paris Orléans shares investment by certain senior employees of the Group.
(3) Compensation policy implemented to satisfy regulatory requirement on delivery of compensation under CRD3 to Regulated Persons within the Group.

V. Shareholders agreements

A. Shareholders agreements dated 22 January 2008

1. Rothschild Concordia SAS Shareholders Agreement

The AMF has published the main provisions of this agreement, entered into on 25 January 2008 between shareholders of Rothschild Concordia SAS (Decision & Information No. 208C0180). The main provisions of this Shareholders Agreement, in particular those relating to Paris Orléans or the Group, are summarised below.

Main provisions of the Shareholders Agreement dated 22 January 2008

- The Board of Directors of Rothschild Concordia SAS shall be composed of twelve members, each of the three branches appointing four members (including three members representing the Rothschild family and an independent member). This power of appointment shall be reduced to two members if the concerned branch's participation drops below 15% of the share capital and will be removed if the participation drops below 5% of the share capital.
- A certain number of decisions by the Board of Directors on specific matters (the "Reserved Matters") shall be voted by a majority of 75% of its members. It includes among others:
  - any investment by Rothschild Concordia SAS other than in Paris Orléans or within the Rothschild banking group;
  - any decisions relating to Rothschild Concordia SAS' vote in Paris Orléans' Extraordinary General Meetings;
  - any sale of Paris Orléans shares or any transaction resulting in a reduction of Rothschild Concordia SAS' interests in Paris Orléans or any transactions resulting in the loss of control of NM Rothschild & Sons Ltd;
  - any action involving the sale, alienation or licensing to a third party of the "Rothschild" name or of any associated intellectual property rights.
- All decisions of the Board of Directors of Rothschild Concordia SAS other than with respect to a Reserved Matter shall be voted by a simple majority of the votes cast at the meeting of the Board of Directors of Rothschild Concordia SAS. This includes Rothschild Concordia SAS' votes in Paris Orléans' ordinary general meetings (and in particular with respect to the appointment of the members of the Supervisory Board of Paris Orléans).
- The Chairman of Rothschild Concordia SAS shall consult the Board of Directors of Rothschild Concordia SAS, prior to any decision or action by the Paris Orléans' Supervisory Board, with the objective of reaching consensus at the Rothschild Concordia level on matters likely to have an impact on the Group (in particular decisions relating to the shareholding in Rothschilds Continuation Holdings AG or its governance).
- For a duration of ten years as from the date of the Shareholders Agreement, unless decided otherwise by at least 90% of the shareholders of Rothschild Concordia SAS, there shall not be any transfer of the shares to any third party or any exit transactions (as defined in the Shareholders Agreement).
- No shareholder of Rothschild Concordia SAS may, directly or indirectly, alone or in concert with any person, acquire any Paris Orléans shares or take any action that may trigger the requirement to file a mandatory offer for Paris Orléans without first consulting the Board of Directors of Rothschild Concordia SAS.
- Rothschild Concordia SAS shall have priority over its shareholders in respect of any potential acquisition of Paris Orléans.

2. Share Disposal Agreement

The provisions of the Rothschild Concordia SAS Shareholders Agreement coexist with the provisions of the Share Disposal Agreement signed on 22 January 2008 between the Eranda Foundation and Paris Orléans. The main provisions of this agreement were notified to the AMF by letter dated 23 January 2008 and duly published by the AMF (Decision & Information No. 208C0180 of 25 January 2008). This Share Disposal Agreement, which covers the terms and conditions of sale by the Eranda Foundation of its shares in Paris Orléans, provides in particular for a right of first refusal for Paris Orléans, or any person it shall designate, which shall apply, with some exceptions, in the event of transfer of the shares held by the Eranda Foundation.

B. Shareholders' Agreement dated 8 June 2012

The AMF has published the main provisions of this agreement (Decision & Information No. 212C0752 dated 13 June 2012 and Decision & Information No. 212C0783 dated 19 June 2012). These are summarised below.

Main provisions of the Shareholders Agreement of 8 June 2012

- The shareholders act in concert. They shall make their best endeavours to reach a consensus as to how they shall vote at each General Meeting of shareholders of Paris Orléans. If they fail to reach a consensus, they undertake to vote in accordance with the recommendations made by the Chairman of Rothschild Concordia SAS (David de Rothschild at the date of this report).
- Each of the shareholders has undertaken to keep at least the following proportions of the Paris Orléans shares issued to them as remuneration for the transfers approved by the General Meeting of shareholders of 8 June 2012:
  - 100% during twelve months as from 8 June 2012; and
  - 50% during the subsequent twenty-four months.
- In the event of sale or transfer of Paris Orléans shares by a shareholder, Rothschild Concordia SAS has a right of first refusal (together with a right of substitution, in the exercise of this right by Rothschild Concordia SAS, by any person it chooses providing said person acts in concert with it). Rothschild Concordia SAS right of first refusal applies to all Paris Orléans shares held by any shareholder at 8 June 2012, whether the shares came into the shareholder's possession as a result of the transfers approved by the General Meeting of shareholders of 8 June 2012 or by any other means.
- Rothschild Concordia SAS may exercise its right of first refusal (i.e. the priority right to acquire them) in respect of all or part of the shares concerned, at a price equal to the volume weighted average price of the Paris Orléans share on Euronext Paris during the twenty trading days preceding the date of notification of Rothschild Concordia SAS by the shareholder concerned.
- Rothschild Concordia SAS right of first refusal shall also apply in the case of the sale or transfer by a shareholder of preferential subscription rights, preference rights or share subscription warrants issued or allocated by Paris Orléans in the context of a capital increase.
- The shareholders shall receive the totality of the dividends distributed by Paris Orléans in respect of the share they hold and shall dispose of these amounts freely, it being nonetheless specified that if these dividends are paid in Paris Orléans shares, the shares thus received shall be governed by the agreement in the same way as the shares in respect of which the dividend in shares was received to the exception of the lock-up undertaking and right of first refusal.
- The shareholders are free (in compliance with the legal regulations, particularly those relating to insider dealing) to acquire additional shares in Paris Orléans, it being specified that such shares will not be governed by the agreement and that any shareholders planning to increase their shareholdings in Paris Orléans must first:
  - inform the other shareholders in order to assess the impact of the planned increase on the shareholders' overall shareholdings in Paris Orléans, and
  - if necessary, obtain all derogations to any obligation to make a tender offer for the Paris Orléans shares and/or the relevant authorisations from the supervisory bodies.

Modifications since 8 June 2012

The Shareholders Agreement of 8 June 2012 also provided that the parties to the Shareholders Agreement have a right to give their shares to their family members and that such shares, while held in the names of the family members, will still be subject to the terms of the Shareholders Agreement (including the agreement to act in concert with respect to those shares).

In this respect, the AMF was informed that Éric de Rothschild and Olivier Pécoux, both members of the family concert, donated, in July 2012, a part of their PO shares to members of their families, who also became members of the Enlarged Family Concert upon the French regulator having received notification of the donations. Their membership was formalised by the execution of an amendment to the Shareholders Agreement of 8 June 2012, without modification to its main terms and conditions.

During the financial year ended 31 March 2015, the AMF was informed of the addition of Messrs. Nicolas Bonnault, Laurent Baril, Philippe Le Bourgeois and CD GFA SARL to the Enlarged Family Concert. On this occasion, the AMF was informed of the execution of a second Amendment to the Shareholders Agreement of 8 June 2012 the main terms of which were published by the AMF and available on its website (Decision & Information No. 215C0073 of 14 January 2015).

C. “Dutreil” agreements *(pactes Dutreil)*

The following agreements, falling within the scope of the Dutreil Act and concluded or still in force in 2014/2015, were communicated to the Company:

Agreements	Governed by	Date of signature	Collective commitment to retain shares	% of share capital and voting rights covered by agreement as of signature date(1)	Signatories who hold the quality of corporate officer within the meaning of Article 621-18-2 of the Monetary and Financial code(1)
2012.1	CGI Art. 787 B (transmission)	27 June 2012	2 years from registration date (i.e., until) 28 June 2014	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner
2012.2	CGI Art. 787 B (transmission)	29 June 2012	2 years from registration date (i.e., until 2 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner
2012.3	CGI Art. 787 B (transmission)	2 July 2012	2 years from registration date (i.e., until 2 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner
2012.4	CGI Art. 787 B (transmission)	2 July 2012	2 years from registration date (i.e., until 2 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner
2012.5	CGI Art. 787 B (transmission)	10 July 2012	2 years from registration date (i.e., until 10 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner
2012.6	CGI Art. 787 B (transmission)	24 July 2012	2 years from registration date (i.e., until 26 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner
2012.7	CGI Art. 787 B (transmission)	25 July 2012	2 years from registration date (i.e., until 30 July 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner
2012.8	CGI Art. 787 B (transmission)	11 October 2012	2 years from registration date (i.e., until 12 October 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner
2012.9	CGI Art. 885 I bis (ISF)	20 December 2012	6 years from registration date (i.e., 27 December 2018)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner - David de Rothschild, Chairman of PO Gestion SAS, Managing Partner
2012.10	CGI Art. 787 B (transmission)	21 December 2012	2 years from registration date (i.e., 21 December 2014)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner - David de Rothschild, Chairman of PO Gestion SAS, Managing Partner - Éric de Rothschild, Chairman of the Supervisory Board - François Henrot, member of the Supervisory Board
2012.11	CGI Art. 885 I bis (ISF)	27 December 2012	6 years from registration date (i.e., until 28 December 2018)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner - David de Rothschild, Chairman of PO Gestion SAS, Managing Partner - Éric de Rothschild, Chairman of the Supervisory Board - François Henrot, member of the Supervisory Board
2013.1	CGI Art. 885 I bis (ISF)	27 December 2013	2 years from registration date (i.e., until 30 December 2015)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner
2014.1	CGI Art. 885 I bis (ISF)	12 December 2014	2 years from registration date (i.e., until 18 December 2016)	Over 20% of share capital and voting rights	- PO Gestion SAS, Managing Partner

(1) As the date of this report.

D. Other shareholders agreements

As part of the Group's reorganisation in June 2012, lock-up agreements were concluded. In this context, shareholders agreements were signed with the contributor shareholders, who were not members of the extended family concert, that contributed their interests in Rothschild & Cie Banque SCS and their shares in Financière Rabelais SAS to the Company.

The contributors, who were not members of the extended family concert, of interests in Rothschild & Cie Banque SCS and shares in Financière Rabelais SAS are under an obligation to hold all the Paris Orléans shares received in exchange for their contributions for lock-up periods ranging from one to eighteen years and also to have an obligation to notify Paris Orléans and Rothschild Concordia SAS before any sale of said shares. Some of these agreements, which concern natural persons occupying functions within the Group, grant Paris Orléans a call option on the shares in the event the shareholder ceases to occupy his/her functions before the end of the applicable lock-up period.

VI. Elements that can have an impact in the event of a takeover bid

Paris Orléans is a French partnership limited by shares, it therefore benefits from the specific features of such legal form, which include specific legal and statutory provisions that may have an impact in the event of a takeover bid.

Share ownership structure

The share ownership structure is described on page 54 of this report. Following Paris Orléans' conversion into a French partnership limited by shares, this structure has a particuliarity linked to the existence of two categories of partners: General Partners and Limited Partners.

A change of control therefore implies a change in the composition of these two categories of partners. Subject to the other elements described below that could have an impact in the event of a takeover bid on the Company's shares, a third party could, through takeover bid, acquire control of the capital and the related voting rights. It could not, however, take control of the General Partners. In these conditions, a third party that would acquire the control of Paris Orléans would, in particular, be unable to modify the Articles of Association or dismiss the Managing Partner as such decisions can only be made with the unanimous agreement of the General Partners. Also, General Partners' interests cannot be transferred without the unanimous agreement of all the General Partners. These provisions are such as to prevent a change of control of Paris Orléans without the unanimous agreement of the General Partners.

Statutory restrictions on the exercise of voting rights and share transfers

Paris Orléans' Articles of Association do not put any direct restrictions on the exercise of voting rights and share transfers.

However, in addition to thresholds crossings subject to legal provisions, Article 7.3 of Paris Orléans' Articles of Association establishes disclosure obligations for shares or bearer investment certificates which comes into effect when the number of shares or voting rights equal to or greater than 1% of the Company's share capital or voting rights, or any multiple of this threshold.

The shareholders must inform the Company within the timeframe provided for by law, by registered letter with acknowledgement of receipt, stating whether the number of shares, investment certificates or voting rights are or are not held on behalf of, under the control of or in concert with other individuals or legal entities.

This disclosure obligation shall apply under the same conditions when the portion of the share capital or voting rights held drops below the aforementioned thresholds.

In the event of a failure to comply with the disclosure obligation provided for above, pursuant to a request recorded in the minutes of the General Meeting, by one or more shareholders or holders of certificates of voting rights holding at least 5% of the Company's voting rights, the securities that exceed the fraction that should have been declared shall be deprived of voting rights at all General Meetings held for a period of two years following the date on which a threshold declaration is sent to the Company's registered office by registered letter with acknowledgement of receipt.

Subject to the specific provisions stated above, this statutory obligation is governed by the same rules that apply to the legal obligation, including in particular the cases of assimilation of securities held provided for by law.

Clauses of agreements declared to the Company pursuant to Article L. 233-11 of the French Commercial Code

The agreements are presented on pages 62 onwards of this report.

Direct or indirect interests in the Company of which it has been informed pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code

This information is presented on page 58 of this report.

Holders of securities granting special rights of control

As at the date of this report, there were no securities granting special rights of control. However, Paris Orléans' General Partners, PO Gestion SAS and PO Commandité SAS, have some rights that could be assimilated to special rights of control, as described on pages 54 and 66 of this report.

Control mechanisms provided for in an employee share ownership scheme, when the rights of control are not exercised by the employees

None.

Shareholders' agreements of which the Company is aware and that may restrict the transfer of shares and the exercise of voting rights

The shareholders agreements are presented on pages 63 onwards of this report.

Rules applicable to the appointment and replacement of the Managing Partner and the members of the Supervisory Board

Pursuant to the Articles of Association, the Managing Partner is appointed by unanimous decision of Paris Orléans' General Partners, with approval from the Extraordinary General Meeting of Limited Partners acting by a qualified majority of two thirds when the Managing Partner is statutory (as is the case at the date of this report). The same rule applies to dismissals, solely on fair grounds. The Managing Partner is free to resign subject to giving nine months' notice.

If the position of Managing Partner is unoccupied, it shall be filled by the General Partners until a new Managing Partner has been appointed.

The rules that apply to the appointment and replacement of members of the Supervisory Board are set forth in the Articles of Association. Supervisory Board members are appointed and dismissed by the Ordinary General Meeting of Limited Partners based on deliberations in which the General Partners may not take part. It is nonetheless specified that Rothschild Concordia SAS, following on from the contribution of shares in Rothschilds Continuation Holdings AG made by Jardine Strategic Investment Holdings Sàrl approved by the General Meeting of shareholders of 8 June 2012, has given an undertaking to vote in favour of the appointment to the Supervisory Board of a representative of Jardine Matheson for as long as Jardine Matheson holds at least 5% of the share capital of Paris Orléans.

This resulted in the appointment on 8 June 2012 of a representative of the Jardine Matheson Group to the Supervisory Board of the Company under its new form of partnership limited by shares.

Managing Partner's powers, particularly with regard to the issue or purchase of shares

The Managing Partner's powers with regard to the issue or purchase of shares are described in page 57 of this report.

Agreements entered into by the Company that change or cease in the event of a change of control of the Company

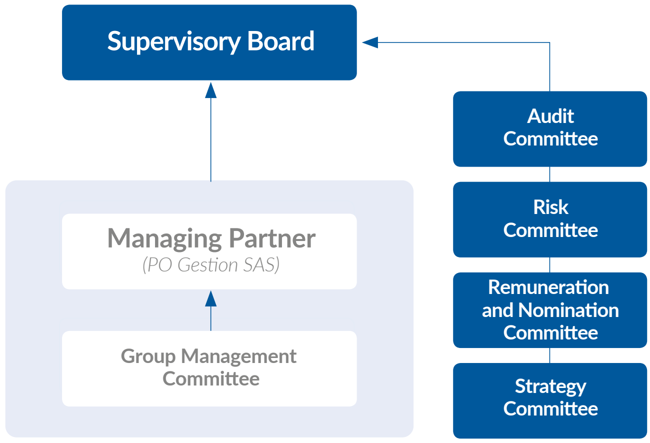
Some of the loan agreements entered into by the Group with third parties contain early call clauses in the event of a change of control, which are normal clauses in this type of loan agreement. They could be triggered by a takeover bid for the Company's shares.

Agreements providing for indemnification of the Managing Partner or Supervisory Board members

None.

Corporate governance

As from the Group reorganisation implemented in June 2012, the Company's governance structure is based on an **executive body**, the Managing Partner (PO Gestion SAS), assisted by the Group Management Committee, and a **supervisory body**, the Supervisory Board, which relies on specialised committees: the Audit Committee, the Strategy Committee, the Risk Committee and the Remuneration and Nomination Committee.



I. General information on the Company's corporate officers

A. The Managing Partner, PO Gestion SAS

1. Role and duties

PO Gestion SAS, the sole Managing Partner (*Gérant*) and legal representative of Paris Orléans, was appointed by Paris Orléans' Articles of Association for the duration of the Company. The Manager is responsible for the overall management of the Company's business, convening General Meetings of shareholders and drawing up the agendas for such meetings, and for preparing the financial statements. The Manager has full power to act in all circumstances in the Company's name and on its behalf.

PO Gestion SAS acts, in its capacity as the Managing Partner of Paris Orléans, in the name of and on behalf of Paris Orléans, in order to:

- ensure the effective determination of the direction of the business of the Company and the entities within the Group on a consolidated basis;
- supervise the accounting and financial information and direct the internal control of the Company and the entities within the Group on a consolidated basis;
- determine the regulatory capital of the Company and the entities within the Group on a consolidated basis;
- approve the annual, consolidated and half-yearly accounts of the Company;
- determine the agenda and prepare the draft resolutions of the general shareholders meetings of the Company;
- convene the general shareholders meetings of the Company; and
- prepare its reports and decisions established in its capacity as the Managing Partner of the Company.

2. Chairman and Chief Executive Officers

As the sole corporate officer of the PO Gestion SAS, the Chairman, David de Rothschild, represents Paris Orléans vis-à-vis third parties.

Subject to the powers granted to PO Gestion SAS' shareholders, the Chairman shall be vested with the broadest powers to act in PO Gestion SAS' name, and therefore in the Company's name, in any circumstances.

However, before approving certain key decisions concerning Paris Orléans in the name of and on behalf of PO Gestion SAS, the Chairman (who may not delegate his authority in this connection) must obtain the prior authorisation of PO Gestion SAS' shareholders. Said key decisions include:

- the appointment or removal from office of Paris Orléans' Managing Partner;
- the transfer of General Partners' interests in Paris Orléans;
- any modification of the objects of Paris Orléans;
- a change in the legal form of Paris Orléans; and
- any transaction the purpose or effect of which is or may be to substantially call into question:
  - the independence of the Paris Orléans group or its tradition of excellence,
  - its connection with the Rothschild family or the role of the family therein,
  - its use of the Rothschild name, or
  - the fact that the Group's main activities are banking and financial activities.

PO Gestion SAS has two Chief Executive Officers, Nigel Higgins and Olivier Pécoux. Each Chief Executive Officer assists the Chairman and has the necessary powers for carrying out specific tasks of management and control within the limit of the powers of the Management Board described below.

In accordance with an express delegation of powers given by the Chairman, each Chief Executive Officer may temporarily act in the name of and on behalf of PO Gestion SAS when it represents Paris Orléans in its capacity as Managing Partner.

3. Management Board

The decision-making process of the Managing Partner relies on its Management Board, a collective body which aims to assist PO Gestion SAS and its Chairman to fulfil the commitments of PO Gestion SAS acting in its capacity as the Managing Partner of Paris Orléans.

The Management Board is composed of the Chairman and the two Chief Executive Officers. Since September 2014, Alexandre de Rothschild participates in the meetings of the Management Board.

As a collective body, the Management Board meets as often as the Chairman deems it appropriate and at least twice a year.

4. Profiles and list of positions held by the Managing Partner and David de Rothschild, Chairman of PO Gestion SAS

PO GESTION SAS

Directorships and positions held within Paris Orléans SCA:

Managing Partner

General information

French simplified joint-stock company (*société par actions simplifiée*)

Date of first appointment: 8 June 2012

Date of last renewal: n/a

End of term of office: indefinite

Number of shares held as at 31 March 2015: 1

Other directorships and positions held within the Group

In France:	*In other countries:*
Managing Partner of RCB Gestion SNC	None

Other directorships and positions held outside the Group

In France:	*In other countries:*
None	None

Positions no longer held (but held within the last five years)

In France:	*In other countries:*
None	None

David de ROTHSCHILD

Directorships and positions held within Paris Orléans SCA:

Chairman of PO Gestion SAS, Managing Partner

General information and biography

French

Born in 1942

Date of first appointment: 8 June 2012

Date of last renewal: n/a

End of term of office: n/a

Number of shares held as at 31 March 2015: None

David de Rothschild was appointed as Group Chairman in 2003. He descended from Mayer Amschel Rothschild, the founder of the Rothschild dynasty, and from the Baron James de Rothschild who established a bank in Paris in 1812. David de Rothschild has been in the business for 40 years and has worked in different branches of the family firm. In 1981, Banque Rothschild, the company originally founded by James de Rothschild in 1812 under the name De Rothschild Frères, was nationalised by the French government. A regrouping was led by David de Rothschild and his cousin, Éric de Rothschild, and they finally secured the right to operate a new banking business under the family name in 1986.

He is graduated from the Paris Institute of Political Sciences ("Sciences Po").

Other directorships and positions held within the Group

In France:

Chairman of Rothschild Concordia SAS

Chairman of SCS Holding SAS

Chairman of PO Commandité SAS

Chairman of RCG Partenaires SAS

Chairman of RCI Partenaires SAS

Chairman of Cavour SAS

Chairman of Verdi SAS

Chairman of Aida SAS

Chairman of Financière Rabelais SAS

Chairman of Paris Orléans Holding Bancaire (POHB) SAS

Chairman of Financière de Reux SAS

Chairman of Financière de Tournon SAS

Managing Partner of Rothschild & Cie SCS

Managing Partner of RCB Partenaires SNC

Manager of Rothschild & Cie Banque SCS

Manager of Béro SCA

Permanent representative of PO Gestion SAS as Managing Partner of RCB Gestion SNC

Sole Director of GIE Sagitas

In other countries:

Chairman of Rothschild Europe BV (the Netherlands)

Chairman of Rothschild North America Inc. (United States of America)

Vice-Chairman of Rothschild Bank AG (Switzerland)

Member of the Board of Directors of Rothschilds Continuation Holdings AG (Switzerland)

Member of the Board of Directors of Rothschild Holding AG (Switzerland)

Member of the Board of Directors of Continuation Investments NV (the Netherlands)

Member of the Board of Directors of Rothschild Employee Trustees Limited (United Kingdom)

Member of the Board of Directors of Rothschild Concordia AG (Switzerland)

Other directorships and positions held outside the Group

In France:

Managing Partner of Rothschild Ferrières SC

Managing Partner of SCI 2 Square Tour Maubourg SC

Managing Partner of Société Civile du Haras de Reux SC

Member of the Supervisory Board of Euris SAS

Member of the Board of Directors of La Compagnie Financière Martin Maurel SA

Member of the Board of Directors of Casino SA*

Member of the Board of Directors of Edmond de Rothschild SA

Sole Director of GIE Five Arrows Messieurs de Rothschild Frères

In other countries:

None

Positions no longer held (but held within the last five years)

In France:

Chairman of RCG Gestion SAS (2013)

Chairman of RCB Gestion SNC (2013)

Chairman of RCBP Gestion SAS (2013)

Chairman of RCI Gestion SAS (2013)

Chairman of Norma SAS (2013)

In other countries:

Chairman of Rothschilds Continuation Holdings AG (Switzerland) (2014)

Chairman and Member of the Board of Directors of NM Rothschild & Sons Ltd (United Kingdom) (2014)

Member of the Board of Directors of Rothschild Asia Holding Limited (China) (2014)

Member of the Remuneration and Nomination Committee of Rothschilds Continuation Holdings AG (Switzerland) (2013)

Member of the Board of Directors of De Beers SA* (Luxembourg) (2013) (outside the Group)

*Listed company

B. The Supervisory Board

1. Composition and duties

The Supervisory Board is responsible for permanent oversight of the Company's management by the Managing Partner, particularly its consolidated and parent company financial statements, and may convene General Meetings of shareholders. It also has the duty of expressing its opinion in a consultative capacity to the Managing Partner and in the form of recommendations to the shareholders on a certain number of issues defined in the Articles of Association.

The Supervisory Board members, shareholders in the Company, are appointed by the General Meeting of shareholders, without the General Partners being able to participate in the deliberations, for a term of office decided by the General Meeting. As at the date of this report, the Supervisory Board was composed of sixteen members:

- Éric de Rothschild, Chairman
- André Lévy-Lang, Vice-Chairman(1)
- François Henrot, Vice-Chairman
- Martin Bouygues(1)
- Dr. Daniel Daeniker(1)
- Sylvain Héfès
- Angelika Gifford(1)
- Lord Leach(1)
- Arielle Malard de Rothschild
- Lucie Maurel-Aubert
- Carole Piwnica(1)
- Anthony de Rothschild
- Jacques Richier(1)
- Sipko Schat(1)
- Peter Smith(1)
- Luisa Todini(1)

To fulfil its mission as effectively as possible, the Supervisory Board relies on specialised committees: the Audit Committee, the Risk Committee, the Strategy Committee and the Remuneration and Nomination Committee.

Detailed information on the powers and duties of the Supervisory Board and of its specialised committees, and on the preparation and organisation of its work during the financial year 2014/2015, are presented in the report prepared by the Chairman of the Supervisory Board, in pages 87 onward of this report.

It is hereby specified that the terms of office held by Mrs. Lucie Maurel-Aubert, Lord Leach and Messrs. Sylvain Héfès, Sipko Schat, Peter Smith and Anthony de Rothschild will come to an end by the General Meeting of shareholders to be held on 24 September 2015. Shareholders will be asked to consider on the renewal of said offices.

More detailed information will be presented on these proposed renewals in the General Meeting Document, which contains all information to be presented to the shareholders, pursuant to the applicable regulations.

(1) Stands for independent member

2. Profiles and lists of positions held by members of the Supervisory Board

Éric de ROTHSCHILD

Directorships and positions held within Paris Orléans SCA:

Chairman of the Supervisory Board

Member of the Strategy Committee

General information and biography

French

Born in 1940

Date of first appointment: 29 October 2004

Date of last renewal: 25 September 2014

End of term of office: AGM to be held in 2017

Number of shares held as at 31 March 2015: 10

Éric de Rothschild was appointed on 8 June 2012 as Chairman of the Supervisory Board, a position he held since 2004. He joined Paris Orléans in 1974 as Chairman of the Board of Directors. Along with David de Rothschild, he was the main driving force in bringing together the English and French branches of the Rothschild family, and holds several other duties and positions within the Group and the family's wine-making companies.

He is also a member of the Board of Directors and General Manager of Rothschild Concordia SAS. He graduated from the École Polytechnique of Zurich (Switzerland).

Other directorships and positions held within the Group

In France:

Member of the Board of Directors and General Manager of Rothschild Concordia SAS

Managing Partner of RCB Partenaires SNC

General Partner and Manager of Béro SCA

Permanent representative of Béro SCA as Chairman of Ponthieu Rabelais SAS

In other countries:

Chairman of Rothschild Holding AG (Switzerland)

Chairman of Rothschild Asset Management Holdings AG (Switzerland)

Member of the Board of Directors of Continuation Investments NV (the Netherlands)

Member of the Board of Directors of Rothschilds Continuation Holdings AG (Switzerland)

Member of the Board of Directors of Rothschild Concordia AG (Switzerland)

Member of the Board of Directors of The Rothschild Archive Ltd (United Kingdom)

Member of the Board of Directors of Rothschild Employee Trustees Ltd (United Kingdom)

Other directorships and positions held outside the Group

In France:

Permanent representative of Béro SCA as:
- Chairman of Société du Château Rieussec SAS
- Manager of Château Lafite Rothschild SC
- Manager of Château Duhart-Milon SC
- Manager of La Viticole de Participation SCA

Chairman of Fondation Nationale des Arts Graphiques et Plastiques

Member of the Supervisory Board of Milestone SAS

Member of the Supervisory Board of SIACI Saint-Honoré SA

Member of the Board of Directors of Baronnes et Barons Associés SAS

Member of the Board of Directors of Christie's France SA

Member of the Board of Directors of Société des Amis du Louvre

Member of the Board of Directors of Centre National de la Photographie

In other countries:

Chairman and Director of DBR USA Inc. (United States of America)

Member of the Board of Directors of Los Vascos SA (Chile)

Positions no longer held (but held within the last five years)

In France:

None

In other countries:

Chairman of Rothschild Bank AG (Switzerland) (2014)

Member of the Board of Directors of NM Rothschild & Sons Ltd (United Kingdom) (2014)

Member of the Remuneration and Nomination Committee of Rothschilds Continuation Holdings AG (Switzerland) (2013)

Member of the Board of Directors of Rothschild North America Inc. (United States of America) (2013)

André LÉVY-LANG

Directorships and positions held within Paris Orléans SCA:

Independent Vice-Chairman of the Supervisory Board

Member of the Audit Committee

Member of the Remuneration and Nomination Committee

Member of the Strategy Committee

General information and biography

French

Born on 1937

Date of first appointment: 29 October 2004

Date of last renewal: 25 September 2014

End of term of office: AGM to be held in 2017

Number of Paris Orléans' shares held as at 31 March 2015: 4,305

André Lévy-Lang began his career in 1960 at the Atomic Energy Commission (Commissariat à l'Énergie Atomique). After holding various management positions within Schlumberger Group from 1965 to 1974 both in France and abroad, he joined Paribas and became Chairman of the Executive Board from 1990 to 1999 until the merger with BNP, creating BNP Paribas.

He is graduated from the École Polytechnique and has a PhD from Stanford University.

Other directorships and positions held within the Group

In France:

None

In other countries:

None

Other directorships and positions held outside the Group

In France:

Chairman of the Supervisory Board of Les Échos SAS

Chairman of La Fondation du Risque (association)

Chairman of Institut Français des Relations Internationales (association)

Chairman of Institut Louis Bachelier (association)

Member of the Board of Directors of Hôpital Américain de Paris (association)

Member of the Board of Directors of Institut des Hautes Études Scientifiques (association)

Member of the Board of Directors of Paris Sciences et Lettres (association)

In other countries:

None

Positions no longer held (but held within the last five years)

In France:

Chairman of the Audit Committee of Paris Orléans SCA* (2013)

Vice-Chairman of Institut Europlace de Finance (association) (2013) (outside the Group)

Member of the Board of Directors of Groupe des Écoles Nationales d'Economie et Statistique (2013) (outside the Group)

Member of the Board of Directors of Scor (2011) (outside the Group)

In other countries:

None

**Listed company*

François HENROT

Directorships and positions held within Paris Orléans SCA:

Vice-Chairman of the Supervisory Board

Member of the Strategy Committee

General information and biography

French

Born in 1949

Date of first appointment: 29 March 2012

Date of last renewal: 25 September 2014

End of term of office: AGM to be held in 2017

Number of shares held as at 31 March 2015: 762,460

François Henrot was formerly a member of the French State Council (*Conseil d'État*) and he worked at the French Telecommunications Department where he oversaw the design, development and marketing of the Minitel programme. He subsequently moved to the private sector, where he became Chief Executive Officer then Chairman of la Compagnie Bancaire. After holding the position as Chairman of Crédit du Nord and member of the Executive Board of Paribas from 1995 to 1997, he joined Rothschild & Cie as a Managing Partner.

He graduated from the École Nationale d'Administration (ÉNA) and from Stanford University.

Other directorships and positions held within the Group

In France:

Manager of FH GFA SARL, General Partner and Manager of Rothschild & Cie SCS

Manager of FH GFA SARL, Managing Partner of RCB Partenaires SNC

Managing Director of Rothschild & Cie Banque SCS

Chief Executive Officer of Paris Orléans Holding Bancaire (POHB) SAS

In other countries:

None

Other directorships and positions held outside the Group

In France:

Member of the Supervisory Board of Rexel SA*

Non-voting member (*censeur*) of the Supervisory Board of Vallourec SA*

In other countries:

Chairman of the Board of Directors of Cobepa (Belgium)

Member of the Board of Directors of Yam Invest NV (the Netherlands)

Positions no longer held (but held within the last five years)

In France:

General Partner and Manager of Rothschild & Cie SCS (2014)

Managing Partner of RCB Partenaires SNC (2014)

Member of the Supervisory Board of 3 Suisses SA (2013) (outside the Group)

In other countries:

Member fo the Board of Directors of Rothschilds Continuation Holding AG (Switzerland) (2013)

**Listed company*

Martin BOUYGUES

Directorships and positions held within Paris Orléans SCA:

Independent member of the Supervisory Board

General information and biography

French

Born in 1952

Date of first appointment: 7 December 2007

Date of last renewal: 25 September 2014

End of term of office: AGM to be held in 2017

Number of shares held as at 31 March 2015: 35,697

Martin Bouygues has served as Chairman and Chief Executive Officer of Bouygues since 1989 and Director of TF1 since 1987. He was the founder and Chairman of Maison Bouygues from 1978 to 1986, and Chairman and Chief Executive Officer of Saur from 1986 to 1997.

Other directorships and positions held within the Group

In France:

None

In other countries:

None

Other directorships and positions held outside the Group

In France:

Chairman and Chief Executive Officer of Bouygues SA*

Chairman of SCDM SAS

Member of the Board of Directors of TF1 SA*

Chairman of the Selection Committee of TF1 SA*

Member of the Board of Directors of Fondation d'entreprise Francis Bouygues

Permanent representative of SCDM SAS as:

- Chairman of SCDM Invest 3 SAS
- Chairman of SCDM Participations SAS
- Chairman of Actiby SAS

In other countries:

Member of the Board of Directors of Fondation Skolkovo (Russia)

Positions no longer held (but held within the last five years)

In France:

Member of the Strategy Committee of Paris Orléans SCA* (2014)

Permanent representative of SCDM SAS as Chairman of FI Participations (2010) (outside the Group)

In other countries:

Member of the Board of Directors of SODECI (Ivory Coast) (2010) (outside the Group)

Member of the Board of Directors of Compagnie Ivoirienne d'Électricité (CIE) (Ivory Coast) (2010) (outside the Group)

**Listed company*

Dr. Daniel DAENIKER

Directorships and positions held within Paris Orléans SCA:

Independent member of the Supervisory Board

Member of the Risk Committee

Member of the Strategy Committee

General information and biography

Swiss

Born in 1963

Date of first appointment: 25 September 2014

Date of last renewal: n/a

End of term of office: AGM to be held in 2016

Number of shares held as at 31 March 2015: 2,010

Dr. Daniel Daeniker studied law at the Universities of Neuchâtel and Zurich, where he obtained a doctorate in 1992, and at the University of Chicago, from where he graduated as a Master of Law in 1996. He spent most of his professional career at Homburger AG, one of Switzerland's leading law firms based in Zurich, where he became a partner in 2000 and head of the Corporate/M&A practice group in 2009. Since 2013, he has been the firm's Managing Partner. His practice focuses on mergers & acquisitions, equity capital markets, financial services regulation and corporate governance.

Dr. Daniel Daeniker is a Director of Kaba Holding AG, where he chairs the Audit Committee, and of GAM Holding AG. He served as an independent director of Rothschilds Continuation Holdings AG from 2001 to 2014.

Other directorships and positions held within the Group

In France:

None

In other countries:

None

Other directorships and positions held outside the Group

In France:

None

In other countries:

Member of the Board of Directors of GAM Holding AG* (Switzerland)

Member of the Board of Directors of Kaba Holding AG* (Switzerland)

Member of the Board of Directors of Homburger AG (Switzerland)

Positions no longer held (but held within the last five years)

In France:

None

In other countries:

Independent member of the Board of Directors of Rothschilds Continuation Holdings AG (Switzerland) (2014)

**Listed company*

Sylvain HÉFÈS

Directorships and positions held within Paris Orléans SCA:

Member of the Supervisory Board

Chairman of the Remuneration and Nomination Committee

Member of the Audit Committee

General information and biography

French

Born in 1952

Date of first appointment: 29 March 2012

Date of last renewal: 8 June 2012

End of term of office: AGM to be held in 2015

Number of shares held as at 31 March 2015: 10

Financial Attaché with the French Embassy in Canada in 1974, Sylvain Héfès started his career at Rothschild Bank in Paris in 1976 (until 1980). He joined NMR in London for two years before returning to the Paris-based bank where he was Deputy Chief Executive Officer from 1982 to 1989.

In 1990, Sylvain Héfès joined Goldman Sachs in London where he was a General Partner from 1992 to 2004. He held the positions of Head of French Operations, Chief Executive Officer for the European private banking operations, Co-Chairman of the International Advisory Board of Goldman Sachs International and Chairman of the Board of Directors of Goldman Sachs Bank AG. He graduated from HEC Paris.

Other directorships and positions held within the Group

In France:

Member of the Board of Directors of Rothschild Concordia SAS

Member of the Advisory Committee of Five Arrows Managers SAS

In other countries:

Senior Advisor of NM Rothschild & Sons Ltd (United Kingdom)

Member of the Investment Committee of Five Arrows Principal Investments SCA SICAR (Luxembourg)

Member of the Board of Directors of Five Arrows Capital Ltd (British Virgin Islands)

Chairman of Francarep, Inc. (United States of America)

Other directorships and positions held outside the Group

In France:

None

In other countries:

Member of the Board of Directors of IntercontinentalExchange Group Inc* (United States of America)

Positions no longer held (but held within the last five years)

In France:

Chairman of the Executive Board of Paris Orléans SA* (until 29 March 2012)

Member of the Rothschild Group Risk Committee (2014)

In other countries:

Director of NYSE Euronext Inc. (United States of America) (2013) (outside the Group)

Member of the Advisory Committee of General Atlantic LLC (United States of America) (2013) (outside the Group)

Member of the Audit Committee of Rothschild Bank AG (Switzerland) (2013)

Member of the Board of Directors of Rothschild Bank AG (Switzerland) (2013)

Non-executive member of the Board of Directors of Rothschilds Continuation Holdings AG (Switzerland) (2013)

**Listed company*

Angelika GIFFORD

Directorships and positions held within Paris Orléans SCA:

Independent member of the Supervisory Board

General information and biography

German

Born in 1965

Date of first appointment: 25 September 2014

Date of last renewal: n/a

End of term of office: AGM to be held in 2016

Number of shares held as at 31 March 2015: 10

Angelika Gifford completed the Young Manager's MBA Programme at INSEAD in Fontainebleau, France. She started her career in the International Banking Department of Deutsche Bank in Düsseldorf, before moving into the IT industry. From 1992 to 2013 she held various directorships and management functions at Microsoft EMEA and Microsoft Germany GmbH, where from 2006 to 2011 she was a member of the Executive Board. In 2009 she was voted "Female Manager of the Year" for Germany by an independent organisation. She is currently Executive Director and Vice-President at Hewlett-Packard GmbH, and recently served as a member of the Board of Directors of TUI AG in Hanover, Germany.

Angelika Gifford is a member of the Executive Board of the Atlantik-Brücke e.V. and a corporate member at European Women's Management Development Network e.V.

Other directorships and positions held within the Group

In France:

None

In other countries:

None

Other directorships and positions held outside the Group

In France:

None

In other countries:

Executive Director and Vice-President of Hewlett-Packard GmbH (Germany)

Member of the Board of Directors of TUI AG* (Germany)

Member of the Executive Board of Atlantik-Brücke e.V. (Germany)

Positions no longer held (but held within the last five years)

In France:

None

In other countries:

Member of the Executive Board of Microsoft Germany GmbH (Germany) (2011) (outside the Group)

**Listed company*

Lord LEACH

Directorships and positions held within Paris Orléans SCA:

Independent member of the Supervisory Board

Member of the Strategy Committee

General information and biography

British

Born in 1934

Date of first appointment: 8 June 2012

Date of last renewal: n/a

End of term of office: AGM to be held in 2015

Number of shares held as at 31 March 2015: 10

Since 1984, Lord Leach has been a Director of Jardine Matheson, Jardine Strategic, Dairy Farm, Hong Kong Land and Mandarin Oriental. He is also Vice-President of Jardine Lloyd Thompson. He dedicated his career to banking and merchant banking businesses.

Other directorships and positions held within the Group

In France:

None

In other countries:

None

Other directorships and positions held outside the Group

In France:

None

In other countries:

Member of the Board of Directors of Jardine Lloyd Thompson Group Plc* (United Kingdom)

Member of the Board of Directors of Dairy Farm International Holdings Ltd (Bermuda)

Member of the Board of Directors of Hong Kong Land Holdings Ltd (Bermuda)

Member of the Board of Directors of Jardine Matheson Holdings Ltd (Bermuda)

Member of the Board of Directors of Jardine Strategic Holdings Ltd (Bermuda)

Member of the Board of Directors of Mandarin Oriental International Ltd (Bermuda)

Member of the Board of Directors of Matheson & Co. Ltd (United Kingdom)

Positions no longer held (but held within the last five years)

In France:

None

In other countries:

None

**Listed company*

Arielle MALARD de ROTHSCHILD

Directorships and positions held within Paris Orléans SCA:

Member of the Supervisory Board

General information and biography

French

Born in 1963

Date of first appointment: 25 September 2014

Date of last renewal: n/a

End of term of office: AGM to be held in 2016

Number of shares held as at 31 March 2015: 10

Arielle Malard de Rothschild received a PhD in economic sciences from the Paris Institute of Political Sciences ("Sciences Po") and a masters degree in Bank and Finance from Paris University.

After ten years at Lazard Frères & CIE, she joined Rothschild & Cie SCS in 1999, in the Global Financial Advisory (GFA) Paris based entity of the Rothschild Group where she started the Emerging Markets department in the GFA business. Managing Director at Rothschild & Cie SCS since 2006, she also serves as Director of Groupe Lucien Barrière (France) and Imerys (France), and is a member of the Nomination and Remuneration Committee at Imerys as well. She is also Vice-Chairwoman of CARE International (Switzerland) and Chairwoman of CARE France.

Arielle Malard de Rothschild has been a Director of the Rothschild Foundation for many years.

Other directorships and positions held within the Group

In France:

Managing Director of Rothschild & Cie SCS

In other countries:

None

Other directorships and positions held outside the Group

In France:

Chairwoman of CARE France

Member of the Board of Directors of Groupe Lucien Barrière SAS

Member of the Board of Directors of Imerys SA*

Member of the Remuneration and Nomination Committee of Imerys SA*

In other countries:

Vice-Chairwoman of CARE International (Switzerland)

Member of the Board of Directors of Electrica SA (Romania and United Kingdom)

Positions no longer held (but held within the last five years)

In France:

None

In other countries:

None

**Listed company*

Lucie MAUREL-AUBERT

Directorships and positions held within Paris Orléans SCA:

Member of the Supervisory Board

Member of the Strategy Committee

General information and biography

French

Born in 1962

Date of first appointment: 8 June 2012

Date of last renewal: n/a

End of term of office: AGM to be held in 2015

Number of shares held as at 31 March 2015: 10

Lucie Maurel-Aubert has been a business lawyer at Gide Loyrette Nouel for fifteen years, where she practiced Community law, Competition, Industrial Property and Corporate law. She was also lecturer at HEC and at the ISA from 1987 to 1992. In 2002, Mrs Lucie Maurel-Aubert joined the family bank, of which she has been a Director since 1999. Appointed Deputy Chief Executive Officer of Compagnie Financière Martin-Maurel in 2007, she is a member of the Executive Board of Directors of Banque Martin-Maurel.

She is also a Director of the Hôpital Saint-Joseph foundation, the first private non-profit hospital in France.

Other directorships and positions held within the Group

In France:

None

In other countries:

None

Other directorships and positions held outside the Group

In France:

Member of the Supervisory Board of Martin Maurel Gestion SA

Member of the Supervisory Board of BBR Rogier SA

Member of the Supervisory Board of Fonds de garantie des dépôts et de résolution

Member of the Supervisory Board of Aéroport Marseille Provence

Chairwoman of Grignan Participations SAS

Chairwoman of Hoche Paris SAS

Chairwoman of Immobilière Saint Albin SAS

Chairwoman of Groupement Européen de Banques

Member of the Executive Board and Chief Executive Officer of Banque Martin Maurel SA

Chairwoman of the Supervisory Board of International Capital Gestion SA

Chairwoman of the Supervisory Board of Hoche Gestion Privée SA

Vice-Chairwoman, Deputy Chief Executive Officer and Director of Compagnie Financière Martin Maurel SA

Member of the Board of Directors of Fondation Hôpital Saint-Joseph

Permanent representative of Banque Martin Maurel as member of the Supervisory Board of Optigestion SA

In other countries:

Manager (Type A) of Mobilim Participations Sàrl (Luxembourg)

Positions no longer held (but held within the last five years)

In France:

Member of the Supervisory Board of Foncière INEA SA (2014) (outside the Group)

Vice-Chairwoman of the Supervisory Board of Optigestion SA (2013) (outside the Group)

In other countries:

None

Carole PIWNICA

Directorships and positions held within Paris Orléans SCA:

Independent member of the Supervisory Board

Member of the Audit Committee

Member of the Strategy Committee

General information and biography

Belgian

Born in 1958

Date of first appointment: 25 September 2014

Date of last renewal: n/a

End of term of office: AGM to be held in 2016

Number of shares held as at 31 March 2015: 10

Carole Piwnica received a Bachelor of Law from Brussels University and a Master of Law from New York University. She is a member of the New York bar. She started her career in New York at Proskauer Rose and joined the M&A department of Shearman & Sterling in Paris. She spent fifteen years in the food and agricultural processing industries and was Chairwoman of the Amylium Group (Belgium) and a Director and Vice-Chairwoman of Tate and Lyle (UK). She was an independent director of Aviva Plc. Since 2010 she has served as an independent Director of Eutelsat Communications and a member of the Audit Committee of Sanofi (France) and as an independent Director and Chairwoman of the Governance, Remuneration and Selection Committee of Eutelsat Communications (France).

Since 2006, Carole Piwnica has been a Director Founder of Naxos UK Ltd (United Kingdom) and holds various directorships in Naxos Portfolio companies in the US and the UK.

Other directorships and positions held within the Group

In France:

None

In other countries:

None

Other directorships and positions held outside the Group

In France:

Independent member of the Board of Directors of Sanofi SA*

Member of the Audit Committee of Sanofi SA*

Independent member of the Board of Directors of Eutelsat Communications SA*

Chairwoman of the Governance, Remuneration and Selection Committee of Eutelsat Communications SA*

In other countries:

Member of the Board of Directors of Naxos UK Ltd (United Kingdom)

Member of the Board of Directors of Big Red (United States of America)

Member of the Board of Directors of Elevance (United States of America)

Member of the Board of Directors of Amyris Inc.* (United States of America)

Member of the Board of Directors of I20 (United Kingdom)

Member of the Board of Directors of RecyCoal Ltd (United Kingdom)

Positions no longer held (but held within the last five years)

In France:

None

In other countries:

Member of the Board of Directors of Louis Delhaize* (Belgium) (2013) (outside the Group)

Member of the Board of Directors of Dairy Crest Plc* (United Kingdom) (2011) (outside the Group)

Member of the Board of Directors of Aviva Plc* (United Kingdom) (2011) (outside the Group)

Chairwoman of the Corporate Social Responsibility of Aviva Plc* (2011) (United Kingdom) (outside the Group)

Member of the Remuneration Committee of Aviva Plc* (United Kingdom) (2011) (outside the Group)

Member of the Ethic Committee of Monsanto* (United States of America) (2010) (outside the Group)

**Listed company*

Anthony de ROTHSCHILD

Directorships and positions held within Paris Orléans SCA:

Member of the Supervisory Board

General information and biography

British

Born in 1977

Date of first appointment: 8 June 2012

Date of last renewal: n/a

End of term of office: AGM to be held in 2015

Number of shares held as at 31 March 2015: 10

Anthony de Rothschild is a non-executive Director and Brand Ambassador for the TrueStart, a consumer and retail innovation incubator. Over the last fifteen years, he has focused on developing a broad portfolio of investments, including music, fashion and retail companies. Creative at heart, he has worked with major international consumer companies, including Nike and Belstaff.

Other directorships and positions held within the Group

In France:

Member of the Board of Directors of Rothschild Concordia SAS

In other countries:

None

Other directorships and positions held outside the Group

In France:

None

In other countries:

Member of the Board of Directors of Ascott Farms Ltd (United Kingdom)

Member of the Board of Directors of Ascott Nominees Ltd (United Kingdom)

Member of the Board of Directors of Ascott Properties Ltd (United Kingdom)

Member of the Board of Directors of Southcourt Stud Company Ltd (United Kingdom)

Member of the Board of Directors of Sculpt the future Company Ltd (United Kingdom)

Positions no longer held (but held within the last five years)

In France:

None

In other countries:

Member of the Board of Directors of William and Suzue Curley Ltd (United Kingdom) (2014) (outside the Group)

Member of the Board of Directors of Rothschilds Continuation Holdings AG (Switzerland) (2013)

Member of the Board of Directors of A7 Music Ltd (United Kingdom) (2013) (outside the Group)

Jacques RICHIER

Directorships and positions held within Paris Orléans SCA:

Independent member of the Supervisory Board

General information and biography

French

Born in 1955

Date of first appointment: 27 September 2010

Date of last renewal: 25 September 2014

End of term of office: AGM to be held in 2017

Number of shares held as at 31 March 2015: 10

Jacques Richier is Chairman and Chief Executive Officer of Allianz Vie, one of Paris Orléans' main shareholders. He is also Chairman and Chief Executive Officer of Allianz IARD. He has held several positions in the insurance industry.

Jacques Richier has a French Master's degree in physics of materials, a Master in Business Administration (MBA) from HEC and is an engineer from the INSA of Lyon.

Other directorships and positions held within the Group

In France:

None

In other countries:

None

Other directorships and positions held outside the Group

In France:

Chairman and Chief Executive Officer of Allianz IARD SA

Chairman and Chief Executive Officer of Allianz Vie SA

Chairman and Chief Executive Officer of Allianz France SA

Chairman of the Supervisory Board of Allianz Worldwide Care SA

Chairman of Allianz Worldwide Partners SAS

Member of the Supervisory Board of Euler Hermès SA*

In other countries:

None

Positions no longer held (but held within the last five years)

In France:

Member of the Supervisory Board of Allianz Global Assistance SAS (2013) (outside the Group)

Member of the Supervisory Board of Oddo & Cie SCA (2012) (outside the Group)

In other countries:

Chairman of Allianz Worldwide Care Ltd (Ireland) (2014) (outside the Group)

Member of the Supervisory Board of Allianz Global Corporate & Specialty AG (Germany) (2013) (outside the Group)

**Listed company*

Sipko SCHAT

Directorships and positions held within Paris Orléans SCA:

Independent member of the Supervisory Board

Chairman of the Risk Committee

General information and biography

Dutch

Born in 1960

Date of first appointment: 8 June 2012

Date of last renewal: n/a

End of term of office: AGM to be held in 2015

Number of shares held as at 31 March 2015: 10

Sipko Schat worked in the Rabobank Group for over twenty-five years, where he was a member of the Executive Board of Rabobank Nederland. He was also responsible for the Wholesale Clients division of Rabobank International and managed the Wholesale Management Team.

Other directorships and positions held within the Group

In France:

None

In other countries:

None

Other directorships and positions held outside the Group

In France:

None

In other countries:

Chairman of the Supervisory Board of Vion N.V. (the Netherlands)

Non-executive member of the Board of Directors of OCI N.V* (the Netherlands)

Positions no longer held (but held within the last five years)

In France:

Permanent Representative of Rabobank as member of the Board of Directors of NYSE Euronext (2013) (outside the Group)

In other countries:

Member of the Executive Board of Rabobank Nederland (the Netherlands) (2013) (outside the Group)

Chairman of the Wholesale Management Team of Rabobank International (the Netherlands) (2013) (outside the Group)

Member of the Board of Directors of Bank Sarasin & Cie AG (Switzerland) (2013) (outside the Group)

Member of the Board of Directors of Rabo Real Estate (the Netherlands) (2013) (outside the Group)

Permanent Representative of Rabobank as Director of VNO-NCW (Confederation of Netherlands Industry and Employers) (2013) (outside the Group)

**Listed company*

Peter SMITH

Directorships and positions held within Paris Orléans SCA:

Independent member of the Supervisory Board

Chairman of the Audit Committee

Member of the Remuneration and Nomination Committee

Member of the Strategy Committee

General information and biography

British

Born in 1946

Date of first appointment: 27 September 2012

Date of last renewal: n/a

End of term of office: AGM to be held in 2015

Number of shares held as at 31 March 2015: 10

Peter Smith is non-executive Chairman of the Boards of Directors of Savills Plc and Templeton Emerging Markets Investment Trust Plc, and performs non-executive Director functions in Associated British Foods Plc. He was UK Senior Partner at PricewaterhouseCoopers (and previously at Coopers & Lybrand) from 1994 to 2000.

Other directorships and positions held within the Group

In France:

None

In other countries:

Non-executive Chairman and member of the Board of Directors of NM Rothschild & Sons Ltd (United Kingdom)

Member of the Board of Directors of Rothschild Bank AG (Switzerland)

Member of the Audit Committee of Rothschild Bank AG (Switzerland)

Other directorships and positions held outside the Group

In France:

None

In other countries:

Non-executive Chairman of the Board of Directors of Savills Plc* (United Kingdom)

Non-executive Chairman of the Board of Directors of Templeton Emerging Markets Investment Trust Plc (United Kingdom)

Chairman of the Board of Directors of Land Restoration Trust (a charity) (United Kingdom)

Member of the Board of Directors of Associated British Foods Plc (United Kingdom)

Positions no longer held (but held within the last five years)

In France:

None

In other countries:

Non-executive member of the Board of Directors of Rothschilds Continuation Holdings AG (Switzerland) (2014)

Chairman of the Audit Committee of Rothschilds Continuation Holdings AG (Switzerland) (2013)

Member of the Remuneration Committee of Rothschilds Continuation Holdings AG (Switzerland) (2013)

Deputy Chairman of The Equitable Life Assurance Society (United Kingdom) (2010) (outside the Group)

**Listed company*

Luisa TODINI

Directorships and positions held within Paris Orléans SCA:

Independent member of the Supervisory Board

Member of the Remuneration and Nomination Committee

General information and biography

Italian

Born in 1966

Date of first appointment: 25 September 2014

Date of last renewal: n/a

End of term of office: AGM to be held in 2016

Number of shares held as at 31 March 2015: 10

Luisa Todini graduated in Law and began her entrepreneurial activities in Italy at Todini Costruzioni Generali SpA within the Human Resources Department, then creating and heading the in-house law department. She co-operated in late 1980s with Compagnie Générale des Eaux. She was member of the European Parliament between 1994 and 1999.

From 2010 to 2012 she was Chairwoman of the European Construction Industry Federation and from 2012 to 2014 she was member of the Board of RAI SpA. Luisa Todini currently chairs Todini Costruzioni Generali SpA, Todini Finanziaria SpA (holding stakes in realty, construction, renewable and energy efficiency, agribusiness and hospitality sectors) and Comitato Leonardo; co-chairs the Italian and Russian Civil Society Dialogue Forum and she is also member of the Board of Salini Costruttori SpA.

On 2 May 2014, she was appointed as Chairwoman of Poste Italiane SpA upon recommendation of the Italian Government.

Other directorships and positions held within the Group

In France:

None

In other countries:

None

Other directorships and positions held outside the Group

In France:

None

In other countries:

Chairwoman of Poste Italiane (Italy)

Chairwoman of Todini Costruzioni Generali SpA (Italy)

Chairwoman of Todini Finanziaria SpA, Ecos Energia Srl, Uni-Esco Srl (Italy)

Sole Managing Director of Proxima Srl (Italy)

Chairwoman of Comitato Leonardo – Italian Quality Committee (Italy)

Co-Chairwoman of the Italian and Russian Civil Society Dialogue Forum (Italy)

Member of the Board of Directors of Salini Costruttori SpA (Italy)

Member of the Board of Directors of Foundation Child for Study and Research into Childhood and Adolescence (Italy)

Member of the Steering Committee of Assonime (Italy)

Positions no longer held (but held within the last five years)

In France:

None

In other countries:

Member of the Board of Directors of RAI SpA* (Italy) (2014) (outside the Group)

Member of the Board of Directors of Cediv SpA (Italy) (2014) (outside the Group)

Chairwoman of FIEC (European Construction Industry Federation) (Italy) (2012) (outside the Group)

Chairwoman of Cantina Todini Srl (Italy) (2013) (outside the Group)

Member of the Board of Directors of Salini SpA (Italy) (2013) (outside the Group)

Member of the Board of Directors of Tiesse Holding Srl (Italy) (2013) (outside the Group)

Member of the Board of Directors of AGI (Italy) (2011) (outside the Group)

Vice-President of IPI SpA (Institute for Industrial Promotion) (Italy) (2010) (outside the Group)

**Listed company*

II. Report of the Chairman of the Supervisory Board
on corporate governance and on the internal control and risk management procedures implemented by the Company

This report, established pursuant to paragraphs 7 to 9 of Article L. 225-68 of the French Commercial Code with reference to Article L. 226-10-1 of that code, sets forth the principles of corporate governance and the internal control and risk management procedures implemented by Paris Orléans.

The other Group companies do not fall within the scope of this report. They are nonetheless under an obligation to apply the procedures defined by the Group, particularly with regards to the Group's internal control policies and procedures.

This report, drawn up under the responsibility of the Chairman of the Supervisory Board, has been prepared with the assistance of the Secretary of the Supervisory Board. The second part of the report relating to internal control and risk management was reviewed by the Risk Committee and the Audit Committee at their meetings respectively on 12 June 2015 and 17 June 2015.

All of the work that went into the preparation of this report was presented to the Supervisory Board, which approved its terms at its meeting on 24 June 2015.

A. Corporate governance

A presentation of the Company's management and control bodies is provided in the section on corporate governance on pages 67 onwards.

This report describes the Supervisory Board's powers and duties, the duties of its members, and the status, powers and duties of the Supervisory Board's specialised committees. These arise from the provisions of the Company's Articles of Association and the Supervisory Board's Internal Rules of Procedure and the terms of reference of the specialised committees.

1. Composition and powers of the Supervisory Board, status and duties of the Supervisory Board members

1.1. Composition of the Supervisory Board

In accordance with the Articles of Association, the Supervisory Board is composed of a maximum of eighteen members, all of whom are shareholders in the Company. The Supervisory Board members are appointed by the Ordinary General Meeting of shareholders, which, in accordance with the Articles of Association, sets the duration of their term of office. The number of members of the Supervisory Board over the age of seventy-five years may not exceed one third of the members in office; if this proportion is exceeded, the members who are required to leave the Supervisory Board in order to restore compliance with this proportion will be considered to have resigned, starting with the oldest.

At the date of this report, the Supervisory Board is composed of sixteen members: Éric de Rothschild (Chairman), François Henrot (Vice-Chairman), André Lévy-Lang (Vice-Chairman), Martin Bouygues, Dr. Daniel Daeniker, Angelika Gifford, Sylvain Héfès, Lord Leach, Arielle Malard de Rothschild, Lucie Maurel-Aubert, Carole Piwnica, Jacques Richier, Anthony de Rothschild, Sipko Schat, Peter Smith and Luisa Todini.

Among the sixteen members of the Supervisory Board, ten members are independent members: Martin Bouygues, Dr. Daniel Daeniker (also member of the Strategy Committee and Risk Committee), Angelika Gifford, André Lévy-Lang (also member of the Audit Committee, Strategy Committee and Remuneration and Nomination Committee), Lord Leach (also member of the Strategy Committee), Carole Piwnica (also member of the Strategy Committee and Audit Committee), Jacques Richier, Sipko Schat (also Chairman of the Risk Committee), Peter Smith (also Chairman of the Audit Committee, and member of the Strategy Committee and Remuneration and Nomination Committee) and Luisa Todini (also member of the Remuneration and Nomination Committee).

Five new members were appointed during the 2014/2015 financial year at the Combined General Meeting of shareholders held on 25 September 2014, as follows: Dr. Daniel Daeniker, Angelika Gifford, Arielle Malard de Rothschild, Carole Piwnica and Luisa Todini. During its meeting on 25 June 2014, the Supervisory Board, upon recommendation of the Remuneration and Nomination Committee, deliberated on the selected candidates and was satisfied that they bring both the necessary skills and diversity which add value to the Supervisory Board's composition, in line with the Group's organisation and its international dimension.

In connection with those new appointments, a training session aiming among other things at presenting the Paris Orléans Group businesses was organised for the new members before taking up their appointed role.

One member resigned from his function as a member of the Supervisory board during the 2014/2015 financial year. Alexandre de Rothschild resigned on 25 September 2014; since then, he participates to the meetings of the Management Board of PO Gestion SAS, Managing Partner of Paris Orléans.

More detailed information on each Supervisory Board member, in particular each member's nationality, age, positions and functions held within and outside of the Paris Orléans Group, date of first appointment, term of office and the number of Paris Orléans shares held, is provided on pages 70 onwards. This information is deemed to form an integral part of this report.

Stéphane Moal, Group Company Secretary and *Directeur Juridique* of the Company, acts as Secretary to the Supervisory Board under the supervision of the Chairman of the Supervisory Board.

1.2. Powers of the Supervisory Board

The Supervisory Board continually monitors the way in which the Company is managed by the Managing Partner, including in particular the Company's financial and accounting reporting system and its internal control mechanisms applicable to risk, compliance and internal audit, in accordance with the laws and regulations applicable to the Company.

The Supervisory Board may call a General Meeting of shareholders.

In order to exercise its authority in the area of permanent oversight:

- the Supervisory Board conducts such checks and controls that it considers appropriate at any time of the year, and may ask to be provided with such documents it considers useful to perform its duties;
- every three months (or more frequently if requested by the Supervisory Board), the Managing Partner presents a report to the Supervisory Board on the status and conduct of corporate affairs, such report to be drawn up as directed by the Board;
- within three months of the end of each financial year, the Managing Partner presents the annual and consolidated financial statements to the Supervisory Board for verification and control purposes;
- the Managing Partner submits its annual operating objectives to the Supervisory Board and, at least once a year, its long-term strategic projects;
- the Supervisory Board presents a report to shareholders at the annual General Meeting of shareholders in which it reports any discrepancies and/or inaccuracies in the annual and consolidated financial statements and comments on the way in which the Company is managed;
- the Supervisory Board approves the Chairman's report on the composition of the Board and the application of the principle of equal representation of men and women on the Board, the terms and conditions according to which the Board prepares and organises its work, and the internal control and risk management procedures implemented by the Company;
- it decides each year on the Company's policy in terms of professional equality and equal pay;
- the agreements and commitments relating to the combined provisions of Article L. 226-10 and L. 225-38 to L. 225-43 of the French Commercial Code are submitted to the Supervisory Board for prior authorisation;
- it checks the quality of information issued by the Paris Orléans group to shareholders and the financial markets, through the Company and Group financial statements prepared by Managing Partner and the annual report drawn up by Managing Partner, or at the time of major transactions.

In addition to the powers granted to it by law, using the methods set forth in Article 10.2.3 of the Company's Articles of Association, the Supervisory Board issues:

- an advisory opinion to Management in respect of:
  - the strategic policies, annual budget and three-year business plan of the Paris Orléans group,
  - any significant acquisition or disposal of a business or part of a business, and
  - any strategic initiative or major refocusing of the business of the Paris Orléans group, and
- a recommendation to shareholders regarding the Company's dividend policy.

Moreover, the Supervisory Board presents a report to the shareholders and a reasoned opinion on any resolution submitted to the shareholders at their General Meeting and on any matter that is the subject of a report by the Company's Statutory Auditors.

The Supervisory Board may be assisted by experts of its choosing, whose expenses shall be paid by the Company. It has the broadest powers of investigation and may submit written questions to, or seek the opinion of the Managing Partner at any time.

1.3. Duties of the Supervisory Board members

Before assuming a seat on the Supervisory Board, each member must be aware of the general and special obligations incumbent on them. In particular, they must familiarise themselves with the laws and regulations governing the duties of Supervisory Board members.

The Company provides new members with its Articles of Association and the Supervisory Board's Internal Rules of Procedure before they take office. By accepting a seat on the Supervisory Board, members agree to abide by its Internal Rules of Procedure.

When taking part in Supervisory Board meetings and casting a vote, Supervisory Board members are representing all of the Company's shareholders and acting in the interests of the Company.

Supervisory Board members must allocate the necessary time to preparing for Board meetings and meetings of any Committees on which they sit (as the case may be) by carefully reading the documentation provided to them. They may ask the Chairman for any further information that they require.

The Supervisory Board members must attend all Supervisory Board meetings and meetings of any Committees of which they are members (as the case may be), as well as General Meetings of shareholders, unless subject to an impediment and provided that they notify the Chairman and/or the Secretary accordingly beforehand.

Documentation for Supervisory Board meetings as well as information collected before or during Supervisory Board meetings are confidential. In accordance with applicable regulations, Supervisory Board members and all other persons invited to attend the meetings may not pass on such information to a third person other than within the ordinary scope of their work or occupation, or use for any purpose or activity other than those for which the information was provided to them. They take appropriate measures to protect the confidentiality of such information. Such information ceases to be personal and confidential when published externally by the Company, particularly in the form of a press release.

The Supervisory Board members are not permitted to use their position and/or duties to procure any kind of benefit, whether financial or otherwise, either for themselves or for a third party.

The Members must notify the Supervisory Board of any actual or potential conflicts of interest with the Group. They must abstain from voting on the corresponding decision and from taking part in the discussion held prior to the vote.

The direct or indirect involvement of any Supervisory Board member in an operation or a transaction in which the Group has a direct interest, or of which he or she is aware as a result of his or her membership of the Board, must be disclosed to the Supervisory Board prior to the conclusion of such operation or transaction.

The Supervisory Board members are not permitted to assume personal responsibilities in undertakings or affairs that compete directly or indirectly with those of the Group without notifying the Board in advance.

The Supervisory Board members and all other persons who are invited to attend Board meetings must not engage (either in person or via an intermediary) in transactions involving financial instruments of the Company and/or any other issuer for as long as they possess (as a result of their duties or presence at a Board meeting) confidential information that might have a material effect on the price of the said financial instruments or on the price of related financial instruments. This duty applies without the Company being required to stipulate that the relevant information is confidential or privileged. Similarly, the Supervisory Board members must refrain from disclosing such information to any other person outside the ordinary scope of their functions or for any purpose other than those for which the information was provided to them. Lastly, the Supervisory Board members must refrain from advising any other person to purchase or sell the financial instruments to which such information relates.

To this end, the following measures in particular must be taken:

- the Company's shares held by a Board member personally or by a member's cohabiting spouse, minor child (not of full age) or any other intermediary must be registered, either in a registered account managed by the holder of the Company's register or in the books of a French custodian account keeper whose details shall be provided to the Board's Secretary;
- members are not permitted to engage in any short or deferred transaction involving derivatives or financial instruments relating to securities issued by the Company (financial futures, warrants, exchangeable bonds, etc.);
- transactions involving Paris Orléans shares, including hedge transactions, effected during the 30 calendar days prior to publication of the annual parent company and consolidated financial statements, half-yearly financial statements and (where applicable) the full quarterly financial statements (such period being reduced to 15 days with regard to the publication of quarterly financial information) and on the publication date, may not be effected by Supervisory Board members or any other person who attended the Board meeting at which the results were reviewed. The same rule applies with respect to the announcement of projected annual and half-yearly results.

2. Organisation and operation of the Supervisory Board

2.1. Notice of meeting

On a proposal by its Chairman, the Supervisory Board prepares a schedule of meetings each year, for the following year.

The Supervisory Board meets as often as required in the interests of the Company and at least four times a year, further to a notice of meeting issued by any means by the Chairman, at least one half of Supervisory Board members, the Managing Partner, PO Gestion SAS, or a General Partner, subject to reasonable notice unless circumstances require a meeting to be called at very short notice.

The person(s) who call(s) a Supervisory Board meeting prepares the agenda of the meeting and informs the Supervisory Board members in a timely manner and by any appropriate means.

All Supervisory Board members may consult the Secretary and benefit from the latter's services. The Secretary is responsible for all procedures relating to the Supervisory Board practices and for the organisation of the meetings.

Documents provided to Supervisory Board members to enable them to express an opinion in full knowledge of the facts on items included on the agenda are provided to Supervisory Board members at least 48 hours prior to Supervisory Board meetings, except in an emergency or if there is a requirement to keep such documents strictly confidential.

The Managing Partner and Senior management are informed of Supervisory Board meetings, and may attend such meetings in an advisory capacity. Any other person outside the Supervisory Board may be invited to attend the whole or part of a Supervisory Board meeting by the Chairman of the Supervisory Board.

2.2. Organisation of meetings

Under any circumstances, at any of its meetings, in the event of an emergency and on a proposal by the chairman of the meeting, the Supervisory Board may discuss matters referred to its members that are not included on the agenda.

At each Supervisory Board meeting, the Chairman informs Supervisory Board members of the main facts and significant events concerning the Group's operations that have occurred since the date of the previous Supervisory Board meeting.

Supervisory Board meetings may be held at the registered office or at any other location indicated in the notice of meeting, as well as by videoconferencing or teleconferencing facilities that identify members of the Supervisory Board and guarantee their effective involvement through the use of technical resources that continually and simultaneously transmit discussions. Meetings shall be chaired by the Chairman or, in the latter's absence, by the longest-standing Vice-Chairman present or, in the absence of a Vice-Chairman, by the member appointed for that purpose by the Supervisory Board.

2.3. Attendance and majority

The Supervisory Board members are entitled to be represented at any meeting by another member, pursuant to specific authorisation set out in a letter, a fax, an email or any other method of communication deemed reasonable and acceptable by both parties.

The Supervisory Board members who take part in a Supervisory Board meeting via the technical resource methods referred to above are deemed present, except where the Supervisory Board is meeting to verify and check the annual report and the statutory and consolidated financial statements.

Decisions are taken by an ordinary majority of members who are present or represented and authorised to vote. In the event of a tie, the chairman of the meeting shall have a casting vote.

2.4. Review of the Supervisory Board's activity

The Supervisory Board meets at least four times a year in March, June, September and November. The Supervisory Board met four times during the 2014/2015 financial year, with an average attendance rate of 83.82% for all meetings. Before each meeting, every member receives a file containing all the documentation, notes and reports relating to each item on the agenda.

Each meeting of the Supervisory Board is preceded by a meeting of the Audit and Risk Committees.

At its meeting on 25 June 2014, the Supervisory Board, in particular:

- reviewed the annual and consolidated financial statements for the 2013/2014 financial year and the draft results announcement;
- reviewed the overall situation of the Group's activities and prospects;
- considered the reports from the Audit Committee and the Remuneration and Nomination Committee;
- considered the agenda and the draft resolutions submitted by the Managing Partner to the Combined General Meeting of shareholders;
- approved the report of the Chairman of the Supervisory Board , the terms of its report to shareholders, and a regulated agreement;
- and upon recommendations from the Remuneration and Nomination Committee, deliberated on the five proposed candidates appointed by the Combined General Meeting on 25 September 2014.

At its meeting on 25 September 2014, the Supervisory Board, in particular:

- following the re-election at the Combined General Meeting on the same day of Éric de Rothschild, François Henrot and André Lévy-Lang as members of the Supervisory Board, re-appointed them respectively as Chairman and Vice-Chairmen of the Supervisory Board;
- considered the Group Performance review (results for 4 months ended 31 July 2014);
- considered a report from the Audit Committee; and
- considered the Group Strategic Risk Assessments.

At its meeting on 25 November 2014, the Supervisory Board, in particular:

- considered the Group Performance review (results to 30 September 2014 and forecast for the year to 31 March 2015);
- reviewed the half-yearly financial statements for the 2014/2015 financial year and the draft results announcement; and
- considered a report from the Audit Committee.

During its November meeting, the Supervisory Board took note in particular of the implementation of the CRD IV directive on governance and internal control by means of a Ministerial Decree *(arrêté)* dated 3 November 2014, which repeals the CRBF regulation 97-02 on internal control. Based on a review of these new regulatory provisions and in particular, its provisions relating to risk committees applicable as from 1 January 2015. It was noted in particular that under the Ministerial Decree, the risk committee provisions include some tasks assigned to the Audit Committee, for example on risk monitoring, notwithstanding the fact that under legal provisions, audit committees of listed companies are required to review the effectiveness of the internal control and risk management systems.

In response to those new regulatory provisions in order to achieve a fully operational structure and to ensure that the Group develops the appropriate responses, the Supervisory Board set up a Risk Committee.

At its meeting on 26 March 2015 the Supervisory Board, in particular:

- considered the Group Performance review (results for 10 months ended 31 January 2015), outlook for the 12 months to 31 March 2015 and overall Group budget to 31 March 2016, and the Group business budget for the year to 31 March 2016, a report from the Audit Committee, a report from the Remuneration and Nomination Committee, the remuneration and regulatory developments and an amended Group Remuneration Policy; and
- received information on the disposal project of a business operated by a Group entity;
- examined the Group internal control reports to be submitted to the ACPR in respect of 2014;
- decided upon the remuneration allocated to the members of the Supervisory Board for 2014/2015.

3. Assessment of the Supervisory Board's organisation and working methods

In accordance with the AFEP-MEDEF Corporate Governance Code for listed corporations to which Paris Orléans refers, the Group Company Secretary, in liaison with the Remuneration and Nomination Committee, conducted an assessment of the Supervisory Board's organisation and working methods as regards the 2014/2015 financial year.

The method used was based on the following objectives:

- reviewing the operations of the Supervisory Board and its Committees;

- checking that important issues are properly prepared and discussed;
- thinking about the corporate governance structure and best practices of the Group.

The Supervisory Board's self-assessment was based on a questionnaire with a grading system with scores ranging from 1 (excellent) to 4 (poor), with possibility to provide further comments. Six general topics were covered in the questionnaire: membership, organisation and functioning, work of the Supervisory Board and its committees, internal control and risk management supervision, communication with shareholders and general assessment of the governance.

The results of the self assessment questionnaire were collected by the Group Company Secretary and the summary thereof was communicated to the Remuneration and Nomination Committee and the Supervisory Board.

The overall results of the self-assessment by grade show a satisfactory average rating of 1.56.

Generally speaking, members are particularly satisfied about the Supervisory Board's composition, in particular as regards the gender, nationalities and competence criteria and as regards the new members' selection process.

As regards the organisation and functioning of the Supervisory Board and its Committees, members expressed their satisfaction about the quality of the documentation provided to them and the information concerning the Group's business activities and the accounts which allow them to discuss the important issues properly. Members are satisfied by the good quality of discussions and the freedom of expression.

4. Specialised committees of the Supervisory Board

In accordance with legal and regulatory provisions, the Supervisory Board set up an Audit Committee, a Remuneration and Nomination Committee and a Risk Committee, and defined the composition of those committees as well as their tasks and practices.

In addition, according to the Articles of Association which provide the creation of any additional committee to assist the Supervisory Board, the Supervisory Board decided to set up a Strategy Committee.

Only members of the Supervisory Board may sit on these committees and only for their term of office on the Supervisory Board. The composition of each committee is determined by the Supervisory Board.

4.1. The Audit Committee

4.1.1. Composition

At the date of this report, the Audit Committee is comprised of four members: Peter Smith (Chairman and independent member), Carole Piwnica (independent member appointed on 25 September 2014), Sylvain Héfès and André Lévy-Lang (independent member).

4.1.2. Responsibilities

The terms of reference of the Audit Committee were amended by the Supervisory Board during its meeting on 26 March 2015, to reflect the analysis conducted by the Group following the implementation of the CRD IV directive on governance and internal control by means of a Ministerial Decree (*arrêté*) dated 3 November 2014 and the response of the Group by creating a Risk Committee.

Specifically the Audit Committee is responsible for:

- reviewing the process of drawing up financial information, the statutory audit of the annual accounts and consolidated accounts by the Statutory Auditors and the independence and objectivity of theStatutory Auditors;
- checking that the information provided is clear and providing an appraisal of the relevance of the accounting methods used to draw up the individual and consolidated accounts;
- reviewing the effectiveness of the internal control and risk management systems both at the Group and Paris Orléans levels;
- providing an appraisal both of the internal control systems, in particular, examining whether the measurement, monitoring and risk control systems are consistent and, where necessary, suggesting further actions in this respect.

The Audit Committee can draw on the help of Company employees as necessary. It is empowered to obtain any information it considers necessary to fulfil its task from the Company's executive body, its staff, and the Company's or its subsidiaries' Statutory Auditors. Audit Committee members have the opportunity, if necessary, to seek the opinion of the senior executives of the Group as well as that of the Statutory Auditors.

4.1.3. Activity

The Audit Committee meets at least four times a year in March, June, September and November, or more frequently if so required. The Audit Committee met five times during the 2014/2015 financial year, with an average attendance rate of 95% for all meetings. Before each meeting, every member receives a file containing all the documentation, notes and reports relating to each item on the agenda.

The Group Finance Director, the Group External Reporting Director, the Group Head of Internal Audit, the Group Head of Legal and Compliance, the Group Chief Risk Officer, the Group Company Secretary and the Statutory Auditors are permanent attendees to the meetings of the Audit Committee.

The Chief Executive Officers of PO Gestion SAS may be invited to participate for part of the meeting, if so required by the Chairman of the Audit Committee.

The June and November meetings are mainly focused respectively on the review of annual and half-year accounts and the presentation by the Statutory Auditors of their report after review of these accounts. In addition, at the June meeting, the Audit Committee reviews the section of the chairman's report issued in accordance with the provisions of Article L. 225-37 of the French Commercial Code, on risk management procedures implemented by the Company on pages 95 onwards of this report. The June meeting includes in addition a focus on the Banking book and the November meeting includes a review of the Merchant Banking Division.

The March and September meetings mainly focus on internal control matters. In March, the Audit Committee receives for consideration, the Group internal control report to be submitted to the *Autorité de contrôle prudentiel et de resolution* (the "ACPR"). In advance of each meeting, the Audit Committee members receive the Internal Audit status report and the status of Statutory Auditors recommendations. The activities of the Group subsidiary audit committees are also presented to the Audit Committee during those two meetings.

At the end of each meeting, the Audit Committee usually meets with the Group Head of Internal Audit and the Statutory Auditors without the presence of any representative of Senior management.

After each meeting of the Audit Committee, the Chairman of the Audit Committee submits a report on the work of the Audit Committee to the Supervisory Board members.

In addition, the Audit Committee receives, in advance of each meeting, the Group Risk and Compliance quarterly report presented to the Group Risk Committee.

4.2. The Remuneration and Nomination Committee

4.2.1. Composition

At the date of this report, the Remuneration and Nomination Committee is composed of four members: Sylvain Héfès (Chairman), André Lévy-Lang (independent member), Peter Smith (independent member) and Luisa Todini (independent member appointed on 25 September 2014).

4.2.2. Responsibilities

The role of the Remuneration and Nomination Committee is to assist the Supervisory Board with its remuneration related duties and in particular with the preparation of its decisions in correction with the Group's remuneration policy principles. It also makes recommendations to the Supervisory Board on all matters relating to the composition of the Supervisory Board, such as appointments or renewals of terms of office, or the compliance with AFEP-MEDEF recommendations.

Specifically the Remuneration and Nomination Committee is responsible for:

- setting the principles and parameters of remuneration policy for the Group as a whole and periodically reviewing the policy's adequacy and effectiveness taking into account all factors which it deems necessary including the Group's strategy from time to time;
- supervising and reviewing the broad policy framework for the remuneration of the Group Management Committee and the principles of the remuneration policy applicable to Regulated Persons;
- supervising the remuneration paid/awarded to members of the Compliance and Risk divisions and, where appropriate, the employment and remuneration arrangements of the Group Management Committee;
- identifying Regulated Persons as we define them in each of Paris Orléans, Rothschild & Cie Banque SCS and its subsidiaries, NM Rothschild & Sons Limited and its subsidiaries Rothschild Wealth Management for the purposes of the ACPR, FCA and PRA as appropriate;
- participating in the selection and nomination process of members of the Supervisory Board, as provided by the AFEP MEDEF Corporate code of Governance;
- reviewing the nature and scale of the Group's short and long-term incentive performance arrangements to ensure that they encourage enhanced performance and reward individuals in a fair and responsible manner for their contribution to the success of the Group in light of an assessment of the Group's financial situation and future prospects;
- discussing and reviewing with PO Gestion SAS the determination and quantum of the total bonus pool; and
- undertaking any other remuneration related obligations placed upon the Remuneration and Nomination Committee by either the lead regulator or a local regulator.

4.2.3. Activity

The Remuneration and Nomination Committee met six times during the 2014/2015 financial year, with an average attendance rate of 95.83% for all meetings. Before each meeting, every member receives a file containing all the documentation, notes and reports relating to each item on the agenda.

The meetings of the Remuneration and Nomination Committee were mainly convened to set and to periodically review the principles and parameters of its remuneration policies and their adequacy and effectiveness, review developments in remuneration regulations and ensure that PO Gestion SAS and business divisions are in compliance.

In addition, the Remuneration and Nomination Committee reviews the proposals submitted by business divisions regarding fixed and variable compensation with absolute discretion to adjust fixed compensation proposals, bonus pools and individual payments, and supervise and review the broad policy framework for the remuneration of senior employees, including the Regulated Population across the Paris Orléans Group.

No Group employee was permitted to participate in discussions or decisions relating to his or her remuneration.

The Chairman of the Supervisory Board, the Chairman and the Chief Executive Officers of PO Gestion SAS, the Human Resources Director and the Group Finance Director are permanent attendees to the meetings of the Remuneration and Nomination Committee.

In addition, as regards the meetings of the Remuneration and Nomination Committee to review the proposals submitted by business divisions regarding fixed and variable compensation, the Heads of Group business divisions attend the meetings for part of the meeting to present their own business division.

4.3. The Risk Committee

4.3.1. Composition

At the date of this report, the Risk Committee is composed of two members: Sipko Schat (Chairman and independent member) and Dr. Daniel Daeniker (independent member appointed on 25 September 2014).

4.3.2. Responsibilities

Specifically the Risk Committee is responsible for:

- advising the Supervisory Board on the overall current and future risk appetite and strategy, both at the Group and Paris Orléans levels;
- assisting the Supervisory Board in overseeing the implementation of that strategy;
- reviewing on a consolidated basis the material risks of the Group, and the total exposures of the Group's activities to such risks;
- reviewing the results of the Group's risk assessment that identifies and evaluates exposures to risk in the light of internal and external factors;
- reviewing the Group's broad guidelines relating to risk management and examining the effectiveness of the risk management policies put in place;
- reviewing all material new products and new classes of products and funds that have been approved pursuant to the Group's New Products Policy; and
- examining incentives provided by remuneration policies and practices to ensure they are consistent in the light of the risk, capital, liquidity and the likelihood and timing of expected earnings for entities.

4.3.3. Activity

The Risk Committee meets at least four times a year in March, June, September and November, or more frequently if so required. Since the Risk Committee was established in November 2014, it met only once during the 2014/2015 financial year, with an average attendance rate of 100%. Before each meeting, every member receives a file containing all the documentation, notes and reports relating to each item on the agenda.

The Chairman of the Audit Committee, the Group Heads of Risk, Legal and Compliance and Internal Audit, the Group Finance Director, the Group External Reporting Director and the Group Company Secretary are permanent attendees to the meetings of the Risk Committee.

The Chief Executive Officer of the Managing Partner to who the Group Chief Risk Officer reports, and the Statutory Auditors may be invited to participate for part of the meeting, if so required by the Risk Committee.

4.3.4. Cooperation with the Audit Committee

The Chairmen of the Audit Committee and the Risk Committee consult each other, whenever they deem it necessary and at least once a year, on various subjects, including but not limited to, subjects of common interest and/or cross-cutting topics falling within the missions assigned to them, related to the internal control and risk management system.

4.4. The Strategy Committee

4.4.1. Composition

At the date of this report, the Strategy Committee is comprises eight members: Éric de Rothschild, Dr. Daniel Daeniker (independent member appointed on 25 September 2014), François Henrot, André Lévy-Lang (independent member), Lord Leach (independent member), Lucie Maurel-Aubert, Peter Smith (independent member) and Carole Piwnica (independent member appointed on 25 September 2014).

4.4.2. Responsibilities

The main role of this committee is to support the Supervisory Board in advising PO Gestion SAS, on strategy matters.

Meetings of the Strategy Committee are prepared beforehand by PO Gestion SAS assisted by the Group Management Committee.

4.4.3. Activity

The Strategy Committee meets at least once a year, or more frequently if so required. The Strategy Committee met once during the 2014/2015 financial year, with an attendance rate of 66.67%. Before each meeting, every member receives a file containing all the documentation, notes and reports relating to each item on the agenda.

The Chairman and the members of the Management Board of PO Gestion SAS, the Group Finance Director, the Group Head of Strategy and Corporate Developments, Senior Group advisors and the Group Company Secretary are permanent attendees to the meetings of the Strategy Committee.

In addition, the Group Heads of Business Divisions may be invited to participate for part of the meeting, if so required by the Strategy Committee.

5. Corporate governance code

The Company has decided voluntarily to adhere to the Corporate Governance code for listed Corporations published by the AFEP and the MEDEF, last amended on 16 June 2013 and available at http://www.medef.com/ (the "AFEP-MEDEF code").

The Company is very committed to the principles of good governance and to the recommendations of the AFEP-MEDEF code. It should however be stressed that the very principle of partnerships limited by shares, the Company's form of incorporation, gives a unique structure to governance providing a clear separation of powers between the Managing Partner, PO Gestion SAS, and the Supervisory Board, which cannot comply with the AFEP-MEDEF recommendations without adaptation. In this situation, the Board takes into account the specific characteristics of this form of incorporation, and the Board is organised in a way that is adapted to the nature of the functions conferred upon it by law and the Articles of Association as well as by the recommendations of the AFEP-MEDEF code.

Pursuant to the AMF recommendations, the recommendations of the AFEP-MEDEF code not applied by the Company are described in the table below, with an explanation for each of them:

AFEP-MEDEF recommendations	Explanations by the Company
Independence criterion for members of the Supervisory Board related to the length of office (§ 9.4 of the AFEP-MEDEF code): Criterion providing that in order to be considered as independent a Director must not *"have been a Director for more than twelve years"*.	Given the Company's ownership structure, which is controlled by an enlarged Rothschild family concert acting in concert, by companies owned by members of the Rothschild family and by other shareholders with long-standing ties to the Rothschild family, and given the legal and statutory characteristics of a French partnership limited by, shares the Supervisory Board has expressly decided to waive the criterion relating to the duration of Supervisory Board members' terms of office. This particular criterion was therefore expressly waived in the Supervisory Board's Internal rules of procedure as follow: *"The independence criteria that apply are those referred to in Article 9.4 of the AFEP/MEDEF Corporate Governance code of December 2008, amended in June 2013, excluding the criteria relating to terms of office, which is expressly set aside."* The Supervisory Board considers that the length of service is a key element for assessing and understanding the Paris Orléans Group's activities and that the effectiveness of the Supervisory Board is ensured by a wide-ranging composition in terms of diversity, professional experience and expertise of its members.
Independence criterion for members of the Supervisory Board related to directorship in a company the corporation consolidates (§ 9.4 of the AFEP-MEDEF code): Criterion providing that in order to be considered as independent a Director must not *"be an employee or executive director of the corporation, or an employee or director of its parent or a company that the latter consolidates, and not having been in such a position for the previous five years"*.	Peter Smith is non executive Chairman of the Board of Directors of NM Rothschild & Sons Ltd (NMR) and non-executive Director of the Board of Directors of Rothschild Bank AG, two Group's entities. However the Supervisory Board considered that bearing in mind that Peter Smith performed duties in important international groups, this gives him a good perspective and a strong vision which contributes to the effectiveness of the Supervisory Board. Moreover, his experience and Group knowledge give him a freedom of speech and opinion which is, a guarantee of independence. He is therefore able to challenge the Supervisory Board and make an extremely valuable contribution to the discussions of the Supervisory Board. Sipko Schat is a senior advisor at NMR. However he performed management duties in an important banking group and it gives him expertise and capacity of judgement which contributes to the effectiveness of the Supervisory Board. Accordingly, the Supervisory Board considers their situations do not affect their independence and they can be deemed as independent members.
Assessment of the actual contribution of each director of the Supervisory Board (§ 10.2 of the AFEP-MEDEF code): The evaluation should measure *"the actual contribution of each director to the Board's work through his or her competence and involvement in discussions."*	The self-assessment questionnaire of the Supervisory Board does not expressly measure the actual contribution of each. All members of the Supervisory Board expressed a positive assessment on the collective functioning of the Supervisory Board which implies that the individual contribution is also positive. Measuring the actual contribution of each director creates a risk to the general climate of confidence within the Supervisory Board. However, the current evaluation process allows the directors to express their personal opinion on the individual contribution as general remark.
Status of the Chairman of the Remuneration and Nomination Committee (§ 18.1 of the AFEP-MEDEF code): *"The committee (in charge of compensation) should not include any executive directors, and should have a majority of independent directors. It should be chaired by an independent director. It is advised that an employee director be a member of this committee."*	Mr Sylvain Héfès, non-independent member of the Supervisory Board, is the Chairman of the Remuneration and Nomination Committee despite his status of non independent member. Mr Héfès' experience and expertise in the banking area make him fully aware of the governance practices to be followed in a group such as Paris Orléans, in particular concerning remuneration and nomination matters. Therefore, the Supervisory Board considers his situation as not jeopardising his ability to be the Chairman of the Remuneration and Nomination Committee and the act in the best interest of the Paris Orléans Group.

6. Equal representation of men and women on the Supervisory Board

The Supervisory Board has set objectives for changing its composition to meet the deadlines set by Law No. 2011-103 of 27 January 2011, which imposed the representation of both genders on the Supervisory Board as follows:

- at least one woman from the publication of the aforementioned law;
- at least 20% of female representation as from the Annual General Meeting to be held in 2014;
- at least 40% of female representation as from the Annual General Meeting to be held in 2017.

The appointment of Mrs Lucie Maurel-Aubert on 8 June 2012 introduced the presence of a woman on the Supervisory Board, per a total of fourteen members at the time (7.14%), complying with the first representation.

The General Meeting of shareholders of 25 September 2014 appointed five new Supervisory Board members, including four women, increasing the presence of women to five members, for a total of sixteen members (31.25%), complying with the second representation imposed by the aforementioned law.

It is also hereby specified that this representation is also respected in the Audit Committee (25%), the Remuneration and Nomination Committee (25%) and the Strategy Committee (25%).

7. Terms and conditions of shareholders' attendance of General Meetings

General Meetings are convened by the Managing Partner or by the Supervisory Board and decisions are made, in the conditions provided for by law, by a simple majority of the votes of shareholders attending or represented at the meeting in the case of Ordinary General Meetings and by a two-thirds majority of the votes of shareholders attending or represented at the meeting in the case of Extraordinary General Meetings.

General Meetings are held at the registered office or any other place indicated in the notice of meeting. General Meetings are chaired by one of the statutory Managing Partners or, with the agreement of the Managing Partner, by the Chairman of the Supervisory Board; failing this, the General Meeting elects its chairman.

In application of Article 11 of the Company's Articles of Association, any shareholder or holder of voting rights certificates is entitled to attend General Meetings in accordance with the conditions provided for by law and by the Articles of Association. These persons may send their proxy forms or mail voting forms concerning any general meeting in paper format or electronically. The Managing Partner has the power to accept any proxy form, voting form or shareholding certificate received or presented up to the General Meeting. By decision of the Managing Partner to use such telecommunication methods, indicated as such in the notice of meeting or invitation to attend, shareholders and holders of voting rights certificates who attend and vote at General Meetings of shareholders by videoconference or any other telecommunication enables that their identity to be verified are deemed to be present at the meeting for the purposes of quorum and majority.

In case of separation of ownership of shares or voting rights certificates, the voting rights attached to the shares or the voting rights certificates belong to the bare owner (*nus-propriétaires*), except for decisions on the allocation of income, which belongs to the beneficial owners (*usufruitiers*).

More details on the terms and conditions of shareholders' attendance of Paris Orléans' General Meetings are provided to shareholders in the notice of meeting to be published on the Company's website prior to the General Meeting in accordance with law.

B. Internal control and risk management

The information below concerning the Group's internal control system was provided by Executive Management. This section of the report was prepared using information provided by the following Group functions: Legal, Compliance and Risk, Finance, and Internal Audit and based on the Paris Orléans Report on internal control in accordance with Articles 258, 259, 261, 262, 264 and 266 of the 3 November 2014 Ministerial Decree applicable to financial holding companies supervised on a consolidated basis by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and addressed for the attention of the Supervisory Board.

It was submitted to the Audit Committee on 19 June 2014 for the matters falling within its scope, and approved by the Supervisory Board at its meeting on 25 June 2014.

1. Internal control references

Given the fact that Paris Orléans has been designated by the *Autorité de Contrôle Prudentiel et de Résolution* as the Group consolidating entity for the purposes of prudential oversight, the rules applicable to financial holding companies apply to Paris Orléans. The rules which impact upon the Group arrangements for group risk management systems and controls are set out in the French Monetary and Financial code ("*code monétaire et financier*" or "*COMOFI*") and the 3 November 2014 Ministerial Decree, which defines the conditions for implementing and monitoring internal control systems in banks and investment firms. The 3 November 2014 Ministerial Decree lays down the principles relating to control systems for transactions and internal procedures, accounting systems and information processing, risk and performance measurement systems, risk supervision and control systems, and internal control documentation and reporting systems.

As required by the 3 November 2014 Ministerial Decree, Paris Orléans has established a Group internal control system in which distinct organisations and managers are in charge of permanent controls (including Compliance and Risk Management) and periodic controls.

The internal control system of Paris Orléans must also take into account, as appropriate, the AMF's (French Securities Regulator) General Regulations, local regulations applicable to branches and subsidiaries outside France and to specialised operations such as portfolio management, the most widely accepted industry practices in this area and the recommendations of international bodies dealing with the capital adequacy framework issues of international banks, foremost among which are the Basel Committee, the Financial Stability Board and the European authorities (European Banking Authority, European Securities and Markets Authority).

2. Definition, objectives and scope of internal control

The internal control system refers to Paris Orléans' own internal control system and the Group's internal control system on a consolidated basis.

The internal control system seeks to provide directors, officers and shareholders with reasonable assurance that the following objectives are achieved:

- the effectiveness and efficiency of the entity's operations;
- the prevention and detection of fraud;
- compliance with laws and regulations, internal standards and rules;
- the reliability of accounting and financial information; and
- protection of the entity's assets.

It also fulfills the internal control objectives specific to financial companies supervised by the *Autorité de Contrôle Prudentiel et de Résolution* on a consolidated basis.

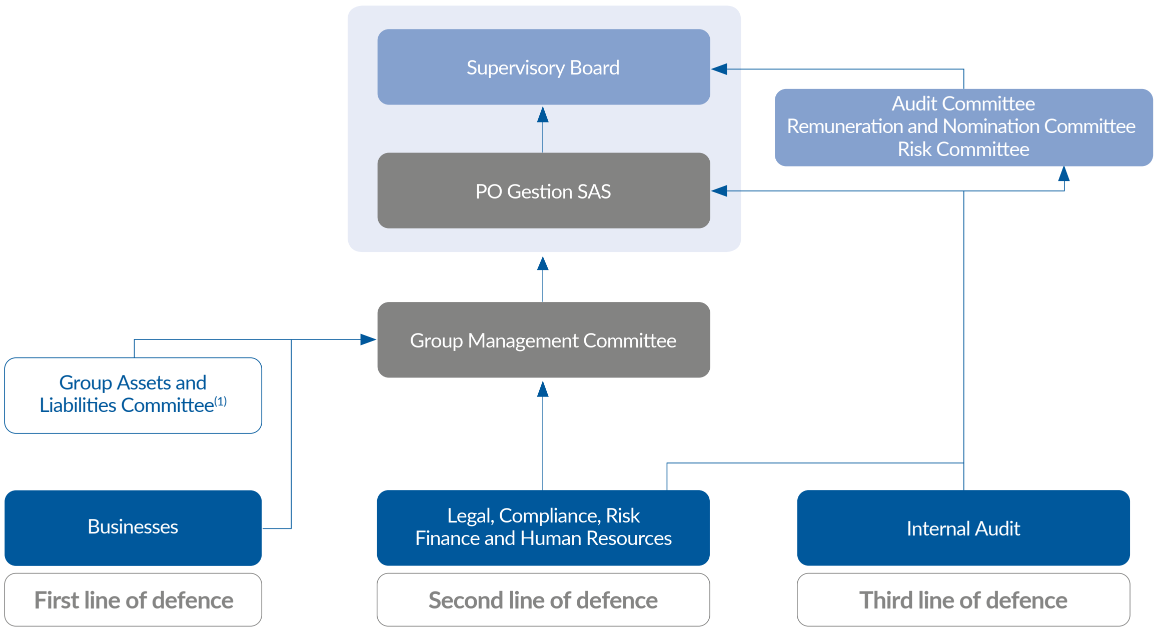
3. Organisation of internal control

Internal control at Paris Orléans consists of permanent and periodic controls. While they are complementary, they are distinct and independent of one another:

- permanent control is the overall process for monitoring the risks to which the Group is exposed as a result of its on-going activities and operations. It is carried out by operational staff, and their line managers, and by independent permanent control functions either within or independent of these operational entities;
- periodic control is the overall process for ex post verification of the operations of the Group, based on investigations that are conducted by the Group Internal Audit function, which performs periodic checks on an independent basis on the design and the effectiveness of the two first lines of defence.

Paris Orléans' internal control framework is based on the "three lines of defence" model. The first line comprises front-line management of the business itself. The second line includes independent Risk, Compliance and Legal functions and to a lesser extent Finance and Human Resources to monitor on a continuous basis the activity of the front-line management and the third line comprises Internal Audit as well as the Group's external auditors who both oversee Group's activities.

The chart below shows as at 31 March 2014 the internal control governance structure through which Paris Orléans seeks to comply with these obligations.



(1) The Group Assets and Liabilities Committee is responsible for medium-term capital planning, having regard for the Group's business plans and regulatory constraints.

4. The principal parties involved in internal control and their main duties

4.1. Executive Management

PO Gestion SAS exercises management through its Chairman, David de Rothschild, assisted by the Management Board and the Group Management Committee in performing its duties (PO Gestion SAS and the Group Management Committee are referred to as “Executive Management”). Executive Management, reporting to the Supervisory Board, is responsible for the Group’s overall internal control system. PO Gestion SAS, assisted by the Group Management Committee defines the general guidelines of the internal control and risk management systems and monitors the actions implemented within the Group that are supervised by the internal audit functions of the Group and the local management committees of each business unit.

4.2. Independent permanent control functions (“second-level” controls)

- **Group Legal and Compliance** ensures that the Group conforms to legal and regulatory provisions, professional standards and codes of conduct, as well as the overall strategy of the Supervisory Board and Executive Management directives. The responsibilities of Group Legal & Compliance mainly include: development and maintenance of compliance policies and procedures (together with legal policies and procedures), operation of monitoring programmes, or the supervision of monitoring programmes, identification of any failure to follow compliance policies and procedures, monitoring and review of legislation and regulatory developments which might affect the Group’s business and reporting results of monitoring programmes to Senior Management and agreeing any remedial action or changes to relevant procedures with Senior Management. This independent internal control function reports to the Group Head of Legal, Compliance and Risk, who is a member of the Group Management Committee. The Group Head of Legal, Compliance and Risk reports to Executive Management and boards around the Group.
- **Group Risk** is responsible for ensuring that suitable risk management processes are in place across the Group and for reporting a consolidated view of risk exposures across the Group. As part of its role, Group Risk assesses the risks run in each business and how they are managed, aims to establish a forward-looking view over emerging risks within the businesses or the external environment and delivers an independent and objective perspective on the risks in the business and whether they are consistent with approved strategy and risk appetite. The Group Chief Risk Officer reports to Olivier Pécoux, in his capacity as Chief Executive Officer, and to the Paris Orléans Risk Committee. Group Risk reports to Executive Management on significant incidents in accordance with the provisions of the Group Operational Risk Policy. This policy sets out the criteria and thresholds for identifying significant operational risk incidents and the process for escalating them and ensuring that any remedial actions are appropriately monitored.
- **Group Finance** is responsible for the preparation of statutory financial reports, in accordance with legal requirements and accounting standards; preparation of Group management accounts reports; maintenance and development of the Group reporting system; preparation and submission of regulatory reports; and monitoring of compliance with regulatory capital requirements, coordination of business planning and budget process; and planning and implementation of tax planning and Group structuring arrangements. Through the Regulatory Capital Monitoring Division, Group Finance is also responsible for the Group’s capital monitoring and the follow-up of large exposures monitoring. Its head, the Group Finance Director, who is a member of the Group Management Committee, reports directly to Executive Management.
- **Other functions** are important and participate in the internal control system in their specific areas of responsibilities such as **Group Human Resources**.

4.3. Periodic controls (“third-level” control)

Periodic control is independently exercised by **Group Internal Audit**. The Group Head of Internal Audit meets formally every three to four months with the Group’s two Co-Chief Executive Officers, and whenever necessary, to present the activity of the Internal Audit function and discuss any material findings raised during the period. The Group Head of Internal Audit presents the activity of Internal Audit to the Audit Committee which meets four times a year. In March, the Audit Committee approves the audit plan for the coming year and during its meetings in March and September it reviews in detail the activity of the internal audit function as described below. The Group Head of Internal Audit meets regularly, usually every quarter, with the heads of the main lines of business to discuss the evolution of the activity and the evolution of risks for their respective area of responsibility. This forms part of the regular information of the internal audit function on the evolution of the Group’s risk profile.

Each of the Internal Audit Officers is responsible for the audit coverage of some specific lines of business: Global Financial Advisory, Wealth and Trust, Asset Management, Merchant Banking, Banking and Treasury and Information Technology, in parallel to their local geographical coverage. The other members of the Audit function are not specialised by business and are assigned to the different audits according to the scheduling of the annual audit plan.

4.4. The Supervisory Board

The Supervisory Board, through the workings of the Risk Committee and the Audit Committee, ensures the implementation by Executive Management of reliable procedures and processes for monitoring the internal control systems of the Group in order to identify, assess and manage risk.

Every quarter, a Group Legal, Compliance and Risk report is presented to the Paris Orléans Risk Committee and Audit Committee. The Supervisory Board receives the minutes of these committees and asks the chairmen to comment on any key issues for the Group covered in the report and highlight any material risks.

The Heads of the Compliance, Risk and Internal Audit functions report on the performance of their duties to Executive Management, and whenever Executive Management or the Supervisory Board considers it necessary, to the Supervisory Board. They also report to the competent Supervisory Board's committee and may be interviewed by the Supervisory Board or the competent Supervisory Board's committee.

4.5. Risk management

The Group's internal control framework is based on the "three lines of defence" model. The first line comprises front-line management of the business itself, which has overall responsibility for risk management. The second line includes independent Risk, Compliance and Legal functions and to a lesser extent Finance and Human Resources to monitor on a continuous basis the activity of the front line management, and the third line comprises Internal Audit as well as the Group's external auditors who both exercise periodic surveillance of the Group's activities

4.6. Risk appetite

The close involvement of the major shareholder in the active oversight of the Group's businesses is a defining characteristic of the culture and environment within which the Group manages its risks. The guiding philosophy is for management to adopt a prudent and conservative approach to the taking and management of risk.

The principal elements which underpin this approach are the following:

4.6.1. Primacy of reputation

The Rothschild Group is a unique institution with a prestigious reputation which extends beyond normal banking circles and which belies the actual scale of business undertaken. The maintenance of reputation is a fundamental driver of risk management. Business is to be conducted according to the highest ethical standards. The protection of reputation guides the type of clients and businesses the Group will involve itself with.

4.6.2. Family ownership and control

The continuation of family ownership and control shapes the Group's long-term strategy, time horizon for planning, and allocation of capital. Capital allocation is managed within the constraints of raising capital as a family-controlled company.

4.6.3. Management of capital

Business strategy and risk appetite are predicated on the limited access to capital. Capital available to the Group is allocated by the Group Management Committee across the key business lines. Business activities are diversified in terms of the markets within which they operate and the geographical distribution of their activities to reduce the probability of risk concentrations. Responsibility and accountability for the day-to-day management of significant pools of capital is devolved to Group committees and local boards.

4.6.4. Advice and intellect

Advice and intellect are the heart of the Group's business philosophy. The emphasis of the business is towards products which have a high value added intellectual and structured content.

The Group articulates risk appetite through:

- a system of limits (including limits on capital utilisation, credit risk and market risk) and stress tests; and
- a qualitative assessment of the Group's tolerance level for operational risk, including reputational and regulatory compliance risk.

4.7. Risk identification

The Group's activities expose it to several types of risk. Risk arises in Group entities in relation to the specific business activities conducted by them. Responsibility for identifying, communicating and managing risk lies with each business and its management.

The principal Group business activities are:

- Global Financial Advisory – independent financial advice.
- Wealth Management and Trust – private banking and wealth management, trust and fiduciary services.
- Asset Management – French and US institutional and corporate client asset and fund management services.
- Merchant Banking – private equity investment and private equity fund management.

In addition, the Banking and Asset Finance business offers services in private client banking, commercial lending and asset finance.

The following table summarises the material risk categories and the significant exposure to each category by group business activity.

Risk Category	Risk by Business Activity			
	Global Financial Advisory	Wealth & Asset Management	Merchant Banking	Banking & Asset Finance
Group	✓	✓	✓	✓
Business	✓	✓	✓	✓
Capital planning		✓	✓	✓
Credit		✓	✓	✓
Operational (incl. reputational)	✓	✓	✓	✓
Market		✓	✓	✓
Liquidity		✓	✓	✓

The material risk categories are defined as follows:

4.7.1. Group Risk

Group risk is the risk of an occurrence in one part of the Group, such as a failure or a significant reputational event in a line of business, causing damage to another business line in the Group or to the Group as a whole.

4.7.2. Business risk

The Group and each of its business lines are exposed to Business risk. Business risk covers the risk of loss (or opportunity cost) relating to each of the business strategy, economic cycle, competitive business environment, political landscape and strategy execution

4.7.3. Capital Planning risk

This is the risk that the Group and/or entities engaged in banking activities do not hold sufficient capital to protect against expected and unexpected losses arising from the risks described above. For planning purposes, the Group considers credit risk capital requirements from both a regulatory and economic capital perspective.

This includes identification, management and monitoring of the risks of excessive leverage.

4.7.4. Credit and counterparty risk

Credit risk is the risk of loss that may occur through (primarily) an exposure to customer default or counterparty default. This risk is particularly prevalent in individual, corporate and structured lending, corporate hedging, inter-bank lending and traded credit positions with which Banking & Asset Finance are involved (although other Group businesses also have limited exposure to credit risk).

Concentration risk is the risk arising from exposures to each counterparty, including central counterparties, groups of connected counterparties, and counterparties in the same economic sector, geographic region or from the same activity or commodity, and is treated as a subset of credit risk.

Settlement risk is the risk incurred during the period between the time when the payment or delivery order for a financial instrument that has been sold can no longer be unilaterally cancelled and the final receipt of the purchased instrument or corresponding cash, and is considered as part of credit risk.

The Group considers securitisation risk, that is the risks arising from securitisation transactions in relation to which the credit institutions are investor, originator or sponsor, as part of credit risk.

4.7.5. Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems as well as external events.

Operational risk arises in all of the Group's business activities. The Basel Committee on Banking Supervision has identified the following broad areas of operational risk:

- Business Disruption and Systems Failures;
- Clients Products and Business Practices;
- Damage to Physical Assets;
- Employment Practices and Workplace Safety;
- Execution, Delivery and Process Management;
- External Fraud;
- Internal Fraud.

The Group takes the view that the failure to control operational risk can in varying degrees give rise to reputational risk (i.e. the potential that negative publicity regarding the business practices of a member of the group, whether true or not, will cause a decline in the customer base of that entity, costly litigation or revenue reductions) as reputational risk is inherent in most aspects of the business and features as a consideration in all decision-making.

Operational risk also includes regulatory compliance risk, that is the risk that a line of business and/or its employees breach any of the numerous laws, regulations and internal policies and procedures, which apply to the line of business and its employees. It is also the risk that any such breaches are not promptly identified and reported to the relevant Senior Management and regulator(s).

Operational risk includes residual risks which arise due to lack of clarity of the documentation of the product, the actions of the counterparty or legislative changes and court interpretations/proceedings. Legal risk includes risk of non-enforceability of contract or incorrect documentation. Broadly, legal risks may result in (i) claims against the firm, (ii) fines, penalties, punitive damages, (iii) unenforceable contracts resulting from defective documentation, and (iv) loss of institutional reputation.

4.7.6. Market risk

Traded market risk is the risk of loss that may occur through a trading exposure to market factors such as interest rates, exchange rates, implied volatilities, spreads and equities. This risk is particularly prevalent in Banking & Asset Finance through the trading book activities.

Non-traded market risk is the risk of loss due to market factors that may occur through non-trading activities. This risk arises primarily in relation to:

- a liquidity portfolio (traded debt securities);
- balance sheet re-pricing mismatch (asset and liability position);
- equity underwritings; and
- equity investments.

Market risk includes interest rate risk in the banking book, that is risk arising from potential changes in interest rates that affect an entity non-trading activities

4.7.7. Liquidity risk

Liquidity risk is the risk that a subsidiary cannot meet its payment obligations as and when they fall due. This risk arises mainly through a mismatch in maturity of balance sheet assets and liabilities relating to a subsidiary's lending activities and treasury funding activities.

5. Organisation of the Group accounting arrangements

Group Finance has the necessary people to produce the financial, accounting and regulatory information of the Group on a consolidated and regulatory basis. The Finance Department consists of three sections: management accounting, financial accounting (including consolidations) and regulatory reporting.

5.1. Overview of statutory accounting arrangements

The local accounting departments are responsible for local statutory accounts. Group Finance produces the consolidated Paris Orléans accounts only.

5.2. Process for establishing consolidated accounts

The consolidation department of Paris Orléans manages the chart of accounts and the associated databases, performs the Group consolidation, controls the consistency and completeness of data and draws up the consolidated accounts and related notes.

In BFC, the consolidation tool of Group Finance, all subsidiaries report their individual accounting information using a chart of accounts and a format that are common across the whole Group.

Accounting data is reported directly under IFRS in BFC. The Group defines in its data dictionary how to record specific transactions and defines how the notes to the accounts should be prepared. The data dictionary, as well as other accounting guidance, is available for all offices on Paris Orléans' Intranet. There are also quarterly reporting instructions and a quarterly finance newsletter.

Once data has been input into BFC, "blocking" controls defined by the Group are applied in order to validate the consistency of the accounting data, the correctness of the flows and the completeness of the analyses. In addition to these controls, the procedure for preparing the consolidated accounts includes:

- the reconciliation of inter-company transactions and the distribution of shareholdings in the Group's companies;
- checks on the application of consolidation adjustments;
- analysis and justification of shareholders' equity;
- analysis of changes in balances and ratios on a quarterly and year-to-date basis; and
- review at consolidated level of the provisioning policy.

These controls are subsequently repeated at the global Paris Orléans consolidation level.

5.3. Accounting control process

The accounting control process at Group level complements the control systems implemented at each level of the Group's organisation.

5.4. Accounting control mechanisms in the Group

Group Finance relies on a decentralised system where the primary control functions are assigned to the persons responsible locally for producing the financial statements.

Accounting data is collected using BFC, the Group's consolidation tool. The local finance departments are responsible for validating the accounting data entered in BFC through three levels of control:

- a first level – of the self-control type – which is embedded in the local accounting processes. These controls are operated daily;
- a second level, which is operated by accounting managers, for example involving controls on securities positions and consistency controls designed to ensure the reliability and completeness of the accounting and financial information; and
- a third level, which involves the statutory auditors who certify the accounts, carried out on an annual and half-yearly basis. Note that not all entities are audited (but most are) and that only the large entities and the significant balances are reviewed for the half year accounts. The Internal Audit department could also be involved in the control process as a third level control.

Local entities' accounting information is input on an IFRS basis into BFC templates. Once data has been input, "blocking" system controls are applied.

5.5. Accounting control mechanisms at consolidation level

In addition to the control procedures described above, the consolidation process is accompanied by additional checks on the integrity of the consolidated accounting information. These checks are carried out by:

- Group Finance; in addition to the controls on the integrity of the accounting information, Group Finance checks the consistency of the data reported with:
  - its knowledge of the major transactions;
  - the Group management accounts;
  - category-by-category instrument-by-instrument analysis of key balances;
  - papers produced by other relevant Committees (for example, the Remuneration and Nomination Committee, the Assets and Liabilities Committee, the Group Management Committee, etc.);
- PO Gestion SAS, the Managing Partner of Paris Orléans, which approves the consolidated accounts before they are sent to the Paris Orléans Audit Committee;
- the statutory auditors, in the context of the certification of the accounts. Their work is carried out in accordance with professional standards; and
- a final level of control takes place through the work of the Paris Orléans Audit Committee, which is responsible for examining the Paris Orléans consolidated accounts.

For September 2014 reporting, Group Finance recorded the areas of potential improvement of local teams. A presentation which summarised these was presented to the senior local accountants responsible for the key reporting entities. The local team agreed actions with Group Finance to address the observed shortcomings, for follow up at the next quarters' reporting.

5.6. Control framework for regulatory reports

The Group Regulatory Reporting Division draws up the relevant Group procedures and ensures the quality and reliability of calculations of the solvency ratio, credit risk, market risk, operational risk and regulatory capital. At Group level, the regulatory reports prepared for the Autorité de Contrôle Prudentiel et de Résolution are those related to:

- the solvency ratio (COREP);
- IFRS reports on a regulatory scope (FINREP);
- large exposures (SURFI);
- unrealised gains and losses (SURFI);
- list of subsidiaries (SURFI);
- commitments abroad (SURFI); and
- banking deposit guarantee system (SURFI).

This is a free translation into English of the statutory auditors' report prepared in accordance with Article L.226-10-1 of the French Commercial Code, on the report of the Chairman of the Supervisory Board issued in French. It is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory Auditors' report

prepared in accordance with Article L. 226-10-1 of the French Commercial Code, on the report of the Chairman of the Supervisory Board

To the Shareholders,

In our capacity as Statutory Auditors of Paris Orléans S.C.A. and in accordance with Article L. 226-10-1 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of the Supervisory Board of your company in accordance with Article L. 226-10-1 of the French Commercial Code (Code de commerce) for the year ended 31 March 2015.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 226-10-1 particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 226-10-1 of the French Commercial Code (Code de commerce), being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with Article L. 226-10-1 of the French Commercial Code (Code de commerce).

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.226-10-1 of the French Commercial Code (Code de commerce).

Paris-La Défense, on 24 June 2015

KPMG Audit FS II

Pascal Brouard

Partner

Paris, on 24 June 2015

Cailliau Dedouit et Associés

Jean-Jacques Dedouit

Partner

III. Compensation and other benefits received by corporate officers

A. Compensation received by executive corporate officers

1. PO Gestion SAS

In application of Paris Orléans' Articles of Association, no compensation is paid to PO Gestion SAS in respect of its position of Paris Orléans' Managing Partner. Accordingly, the summary tables relating to compensation and other benefits granted to the Managing Partner required in accordance with AMF recommendations are not relevant.

It is however hereby specified that the Company's Articles of Association provide that PO Gestion SAS is entitled to reimbursement of its operating expenses. In this respect, an aggregate amount of €230,166.80 has been paid to PO Gestion SAS as reimbursement of its operating expenses for the financial year ended 31 March 2015.

In accordance with the provisions of Article 14.1 of the Articles of Association, an amount of €653,978.76, equal to 0.5% of the distributable profit of the 2014/2015 financial year, will be automatically allocated for payment to the two general partners, PO Gestion SAS and PO Commandité SAS. But this does not constitute a compensation for their services as general partners.

2. David de Rothschild

Pursuant to the AMF recommendations, the table below presents an overview of compensation due or paid to David de Rothschild, Chairman of PO Gestion SAS, Managing Partner.

In thousands of euros	2014/2015	2013/2014
Fixed compensation	382(1)	363(1)
Variable compensation	-	-
Extraordinary compensation	-	-
Directors fees	-	-
Benefits in kind	4	3(2)
TOTAL	**386**	**366**

(1) Received from controlled companies.
(2) This amount relates to the use of a car for the period as from 1 March 2013.

Moreover, its is hereby specified that David de Rothschild has not benefitted from employment contracts, supplementary pension schemes, compensation or benefits due in the event of termination of office or change in function and non-compensation clauses during the financial year ended 31 March 2015

3. "Say on Pay" advisory opinion

Pursuant the AFEP-MEDEF Code to which the Company refers, compensation paid or due to PO Gestion SAS, as Paris Orléans' Managing Partner, and David de Rothschild, as its Chairman and sole legal representative, will be submitted to the shareholders' consultative vote at the next General Meeting of shareholders on 24 September 2015.

B. Compensation of non-executive corporate officers

1. Compensation policy for Supervisory Board members

Paris Orléans' Articles of Association provide that the Supervisory Board shall freely distribute all or some of any remuneration that the Ordinary General Meeting of shareholders grants to it between its members.

The General Meeting of shareholders of 25 September 2014 set at €500,000 the maximum amount of fees available for allocation to members of the Supervisory Board of Paris Orléans, until a new decision is taken.

During its meeting on 26 March 2015, the Supervisory Board approved, for the financial year 2014/2015 and for the years thereafter until a new decision is taken, a compensation policy based on a fix fee structure for Supervisory Board and Committee memberships, as follows:

	Fees in euro (per member each year)
Supervisory Board membership	20,000
Committees membership (per committee)	5,000
Position as Chairman of Supervisory Board / Committees	10,000

The compensation distribution is subject to the following:

- When a member holds multiple positions in Supervisory Board and Committees, the fees are cumulative. For example, a Supervisory Board member chairing a committee shall receive €35,000 per financial year.
- All compensation are paid on a pro-rated basis at the end of the annual financial year in March. For example, when a Supervisory Board member has been appointed by the General Meeting of shareholders in September, a pro-rated basis, corresponding to the period from the date of the appointment as a member of the Board to date of the end of the financial year, is applied.
- The Supervisory Board decided that, due to their operational functions within other entities in the Group, Mrs. Arielle Malard de Rothschild and Messrs. Éric de Rothschild and François Henrot shall not receive any attendance fees in respect of their positions in the Supervisory Board and its specialised committees.

2. Compensation granted to the members of the Supervisory Board during the 2014/2015 financial year

The table below shows the compensation allocated by the Company to the members of the Supervisory Board in function as at 31 March 2015, in respect of their positions held at Paris Orléans' Supervisory Board and its committees, during the 2014/2015 financial year.

	Supervisory Board	Audit Committee	Strategy Committee	Remuneration and Nomination Committee	Risk Committee	2014/2015 gross remuneration
Éric de Rothschild	Chairman; Non-independent member		Non-independent member			-
André Lévy-Lang	Vice-Chairman; Independent member	Independent member	Independent member	Independent member		35,000
François Henrot	Vice-Chairman; Non-independent member		Non-independent member			-
Martin Bouygues	Independent member					20,000
Dr. Daniel Daeniker	Independent member		Independent member		Independent member	15,452
Sylvain Héfès	Non-independent member	Non-independent member		Chairman; Non-independent member		40,000
Angelika Gifford	Independent member					10,301
Lord Leach	Independent member		Independent member			25,000
Arielle Malard de Rothschild	Non-independent member					-
Lucie Maurel-Aubert	Non-independent member		Non-independent member			25,000
Carole Piwnica	Independent member	Independent member	Independent member			15,452
Anthony de Rothschild	Non-independent member					20,000
Jacques Richier	Independent member					20,000
Sipko Schat	Independent member				Chairman; Independent member	35,000
Peter Smith	Independent member	Chairman; Independent member	Independent member	Independent member		45,000
Luisa Todini	Independent member			Independent member		12,877
TOTAL						**319,082**

Chairman
Vice-Chairman
Independent member
Non-independent member

Summary of compensation allocated to Supervisory Board members by the Company and Group entities in respect of the 2014/2015 financial year

The table below summarises compensation received by the members of the Supervisory Board (in function during the financial year) in respect of their positions held at Paris Orléans and at any other Group company during the 2014/2015 financial year.

In thousands of euro	2014/2015			2013/2014		
Members of the Supervisory Board	**Paris Orléans[(1)]**	**Other compensation[(2)]**		**Paris Orléans[(1)]**	**Other compensation[(2)]**	
Éric de Rothschild	-	Fixed	-		Fixed	-
		Exceptional	-		Exceptional	50
		Benefits in kind	6		Benefits in kind	6
André Lévy-Lang	35			29		-
François Henrot	-					-
Martin Bouygues	20		-	7		-
Dr. Daniel Daeniker[(4)]	15		-	n/a		n/a
Sylvain Héfès	40	Fixed	-	-	Fixed	339
		Variable	-		Variable	-
		Directors fees	175		Directors fees	-
		Benefits in kind	2		Exceptional	73
Angelika Gifford[(4)]	10		-	n/a		n/a
Lord Leach	25		-	8	-	
Arielle Malard de Rothschild[(4)]	-	Fixed	261	n/a	Fixed	n/a
		Variable	-		Variable	n/a
		Benefits in kind	-		Benefits in kind	n/a
Lucie Maurel-Aubert	25		-	12	-	
Carole Piwnica[(4)]	15		-	n/a		n/a
Alexandre de Rothschild[(3)]	-	Fixed	66	-	Fixed	121
		Variable	-		Variable	291
		Benefits in kind	19		Other	15
Anthony de Rothschild	20		-	9	-	
Jacques Richier	20			9		-
Sipko Schat	35		-	9	-	
Peter Smith	45		159	35	Fixed	144
Luisa Todini[(4)]	13		-	n/a		n/a

(1) Includes compensation due or received from Paris Orléans in respect of the position of member of the Supervisory Board and, if applicable, in its committees.
(2) Received from controlled companies.
(3) Member of the Supervisory Board until 25 September 2014. In consequence, amounts indicated are calculated up to 25 September 2014.
(4) Member of the Supervisory Board as from 25 September 2014.

It is reminded that the compensation policy applicable to the compensation received by the Supervisory Board members from Paris Orléans in respect of their positions within the Board and its committees during the 2013/2014 financial year had been decided by the Supervisory Board during its meeting of 25 June 2014 and was set as follows:

Fixed ordinary attendance fee	€1,000
Variable ordinary attendance fee per meeting	€1,000
Complementary annual compensation allocated to the Chairman of the Audit Committee	€4,000
Fixed supplement for attending Audit Committee meetings	€1,000
Variable supplement for attending Audit Committee meetings	€1,000
Fixed supplement for attending Strategy Committee meetings	€1,000
Variable supplement for attending Strategy Committee meetings	€1,000
Fixed supplement for attending Remuneration and Nomination Committee meetings	€1,000
Variable supplement for attending Remuneration and Nomination Committee meetings	€1,000

IV. Transactions involving the Company's securities by corporate officers

Pursuant to the provisions of Article 223-26 of the AMF General Regulations, the transactions involving the Company's securities during the 2014/2015 financial year executed by persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code, are summarised in the table below. These transactions, disclosed to the AMF and available on its website (www.amf-france.org), are the following :

Name	Quality	Transaction date	Nature of the transaction	Unit price (in euro)	Total amount (in euro)	AMF Decisions(1)
David de Rothschild	Chairman of PO Gestion SAS, Managing Partner	24/10/2014	Sale of shares	17.00	170	2014DD335248
Financière de Tournon SAS	Entity related to David de Rothschild	24/10/2014	(a) Sale of shares	17.00	5,939,052	2014DD335267
			(b) Contribution of shares to Rothschild Concordia SAS	17.00	64,250,225	2014DD335265
Éric de Rothschild	Chairman of the Supervisory Board	24/10/2014	Contribution of shares to Rothschild Concordia SAS	17.00	1,053,575	2014DD335266
Ponthieu Rabelais SAS	Entity related to Éric de Rothschild	24/10/2014	Contribution of shares to Rothschild Concordia SAS	17.00	64,021,575	2014DD335268
Béro SCA	Entity related to Éric de Rothschild	24/10/2014	Contribution of shares to Rothschild Concordia SAS	17.00	18,897,200	2014DD335269
Rothschild Concordia SAS	Entity related to David de Rothschild and Éric de Rothschild	24/10/2014	(a) Acquisition of shares	17.00	5,939,052	2014DD335263
			(b) Acquisition of shares	17.00	170	2014DD335263
			(c) Contribution of shares by Financière de Tournon SAS	17.00	64,250,225	2014DD335264
			(d) Contribution of shares by Béro SCA	17.00	18,897,200	2014DD335264
			(e) Contribution of shares by Ponthieu Rabelais SAS	17.00	64,021,575	2014DD335264
			(e) Contribution of shares by Éric de Rothschild	17.00	1,053,575	2014DD335264
Dr. Daniel Daeniker	Member of the Supervisory Board	05/03/2015	Acquisition of shares	18.05	36,100	2015DD358225

(1) These decisions are available on the AMF website (www.amf-france.org)

Corporate social responsibility

I. Group corporate social responsibility policy

Over the years, the Group has been gradually developing and implementing policies designed to take environmental and social issues into greater account in its businesses, and circulating these among its employees. Given the Group's structure, the initiatives are usually locally taken. However, they are built on a common set of values on which the Group's internal operations, relations with stakeholders and investment decisions are based.

Social and environmental information has become an integral part of the Group's reporting practice.

These issues are governed by a number of committees including an Environment Committee, a Community Investment Committee and a Diversity Committee.

As the parent company of the Rothschild Group, Paris Orléans monitors the policies and activities of these committees on a consolidated basis.

The Group is strongly committed to taking into account the impact of its activities on society and the environment. However, as a group carrying out banking and financial activities, the disclosure of some of the information listed in article R. 225-105-1 of the French Commercial Code is not relevant. Explanation is provided where information has been excluded.

In accordance with the provisions of Article L. 225-102-1 of the French Commercial Code which provides that Corporate Social Responsibility ("CSR") information disclosed in this report must be certified by an independent third party, the Managing Partner has appointed KPMG as the Group's independent certifier. The report by KPMG on this report is presented on pages 118 and 119.

II. Methodology

A. Reporting procedure

Coordination of the CSR reporting procedure is conducted at the Group level by members of the Group Human Resources, the Central Group in charge of the Environment and Community Partnerships, Group External Reporting, Property and Corporate Services and Group Company Secretary departments (the "CSR Working Group").

The CSR Working Group has met on a periodic basis to set up the scope of the reporting, to organise the collection of the relevant information for the 2014/2015 period and consolidate the indicators included in the reporting campaign.

In the absence of recognised reporting standards on CSR that are relevant to the Group's activities, Paris Orléans has defined during the 2013/2014 financial year its own reporting procedures based on best practice and on information required by the legal provisions, consolidated in the Rothschild CSR Reporting Guidelines.

This document sets out a formal framework by covering the human resources, environmental and community components and provides guidelines on methodology for all those involved in preparing the CSR information to be included in this report. These guidelines have been written and updated by the CSR Working Group and will be reviewed and validated annually by Paris Orléans to incorporate changes affecting the Group or the performance indicators.

B. Reporting scope

For the 2013/2014 financial year, given the Group's organisation complexity, the scope of the reporting did not include all of its entities. It had been decided to take into account, for the disclosed information, Paris Orléans and its four main subsidiaries.

For the environmental information, it has been decided to extend that scope, with the overall objective of a better qualitative approach and an improved verification process based on the following:

- **Completeness:** the Group strives to provide the most comprehensive information possible, notably by including indicators covering the most significant consolidated entities;
- **Materiality:** the published information is significant and representative of the Group's business. The Group's performance data is presented within the social, economic and environmental context, taking into account the challenges facing the Group.

In consideration of the above, the environmental reporting scope in respect of this report has been defined as follows:

- The Paris office, including among others Paris Orléans, Rothschild & Cie Banque SCS ("RCB") and its sub-group;
- The Zurich office, including among others Rothschild Bank AG;
- The London office, including NM Rothschild & Sons Ltd and its sub-group;
- The New York office, including among others Rothschild North America Inc.;
- The Frankfurt office, including Rothschild GmbH;
- The Johannesburg office, including Rothschild (South Africa) Proprietary Ltd.

This environmental reporting on 6 offices in 6 countries over 43 of total Group locations covers around 70% of the total Group headcount.

The information collected covers the period from 1 April 2014 to 31 March 2015. Data is also provided for the 2013/2014 financial year in order to allow a comparison between those two financial years. For some indicators, the scope or period of reporting can be different from the Group rules. In such cases, the scope or period considered will be specified in the related paragraph.

III. Human resources information

A. Our People

By geography *(as at 31 March)*	**2015**	**2014**
United Kingdom	1,059	1,008
France	642	627
Switzerland	351	341
Other Europe	335	333
North America	219	220
Rest of the world	247	275
Total Group	**2,853**	**2,804**

By business *(as at 31 March)*	**2015**	**2014**
Global Financial Advisory	1,112	1,105
Wealth & Asset Management	796	755
Merchant Banking	70	63
Specialist Finance	258	247
Central & Support	617	634
Total Group	**2,853**	**2,804**

Employee age profile* *(as at 31 March)*	**2015**	**2014**
< 30 years	22.5%	22.3%
30 to 39 years	32.7%	34.2%
40 to 49 years	26.6%	26.6%
> 50 years	18.2%	16.9%
Total Group	**100.0%**	**100.0%**

** Age distribution based on 97% of data*

Employee gender profile *(as at 31 March)*	**2015**
Male	60.3%
Female	39.7%
Total Group	**100.0%**

A global team of talented individuals from a diverse range of backgrounds and cultures

The Group attracts, develops and retains some of the industry's brightest minds. We strive to create an inclusive culture that encourages the highest standards of quality, professionalism and ethics.

The Group has over 2,800 employees across the world, of which 40% are female. Our team is truly global; we draw on local talent from each of the 43 countries in which we are based and beyond, hiring and developing the best each region has to offer. We also own the Five Arrows Leasing Group (FALG), included in the Banking & Asset Finance business figure, which provides a range of specialist asset finance facilities to UK companies. FALG has 188 employees and, of these 39% are female.

The Group offers structured Graduate and Internship programmes in our Global Financial Advisory, Wealth Management & Trust, Merchant Banking and Asset Management businesses, for both students in their final year of university and those who have already graduated. 97 students were hired and placed onto the Global Graduate Training Programme. A large number of the graduates had completed an internship with Rothschild prior to joining the full time programme and the remainders were hired via our online and campus recruitment campaigns. We have a keen focus on diversity for all our Internship and Graduate programmes.

The Group also recruits experienced professionals to help grow our business and in order to fill critical gaps in our succession planning. However, our key focus is always to offer growth potential and progression to our employees internally, and as such we keenly promote internal mobility as a first priority. When Human Resources do recruit externally, candidates are sourced in partnership with our Business Unit Heads and Departmental Managers. Human Resources also work with specialised recruitment agencies/head-hunters to identify candidates, again considering the broader diversity of the candidates we select.

During the 2014/2015 financial year, the number of redundancies was not significant and the amount of new joiners was 517 including the graduates mentioned above throughout the year.

B. Remuneration

The Group's remuneration policies, procedures and practices are in line with our business strategy, objectives, values and long-term interests and are designed to promote sound and effective risk management. Our Remuneration Committee is responsible for overseeing remuneration related matters.

We reward our people at a total compensation level, paying fixed and variable compensation. We ensure that fixed and variable components of total compensation are balanced appropriately.

Fixed compensation is driven by the local market for the job taking into account responsibilities, skills and experience and annual variable compensation is awarded on a discretionary basis, driven by a combination of the results of the Group as a whole and the financial performance of the business division in which an individual works as well as local market competitiveness and is then truly differentiated based on individual performance against financial and non-financial metrics.

In some cases we operate deferral arrangements to defer a proportion of variable compensation over three years. For our regulated population, part of this deferral is awarded in non-cash instruments.

Detailed information is presented in the consolidated financial statements, on page 172, under Note 28.

C. Work Organisation

Working hours vary from country to country depending on national legislation and are therefore managed and monitored by local Management and Human Resources teams.

Absenteeism is actively monitored and managed by local offices. Currently we do not have a uniform system for reporting this, but are embarking on a global systems project to renew our software by 2017 to support this and other reporting initiatives.

D. Labour relations

Communication and feedback to employees form a key aspect of our values. In particular, two of these values (long-term focus and teamwork) underpin our commitment to our workforce. Attracting, developing and rewarding people is at the heart of what we do. Therefore providing regular and thorough feedback is critical to this. This is done most formally through our appraisal system, where employees receive an end of year review. Managers are encouraged to meet with their direct reports on a regular basis to ensure dialogue on progress and two-way feedback is promoted. More generally Group and division-wide communication is regularly promoted through e-mail updates, and the various businesses have their own form of face-to-face divisional gatherings. Regarding our four largest offices, we only have collective agreements in France. During the financial year 2014/2015, we have signed 13 collective agreements on gender equality, remuneration and working time.

E. Health and Safety

We recognise health and safety as an important issue and we are committed to operating in accordance with all applicable legal requirements to which we subscribe.

It is our intention to minimise the risk of injury and ill health by providing and maintaining, so far as reasonably practicable, a safe and healthy working environment for all employees, clients, visitors and contractors, and to enlist the support of employees towards achieving these ends.

As an example, in the UK we have a Health and Safety Manager who enables direct communication and consulting with employees on health and safety matters. Health and safety management includes, but is not limited to:

- risk assessments – including workstation, home working, new and expectant mothers, work experience, and manual handling assessments;
- contractor management and access procedures;
- accident reporting;
- inspection and audit.

The Health and Safety Manager uses risk assessment, inspection and audit to proactively measure and monitor health and safety performance in the business.

In France, we have a Health and Safety Committee, where we pay great attention to health, hygiene, safety and the working conditions of our employees. We evaluate and anticipate risks, offer information and implement training on these subjects and we regularly review our procedures and systems at least once a year through the *"Document d'évaluation des risques"* (report identifying the risk on health, safety and working conditions") and the *"Document de prévention des risques"* (report which identifies the action plan implemented to control the risk). These two documents are regularly reviewed with the social representatives.

There are no collective agreements in place with regard to health and safety matters in the UK, Switzerland and the US. In France, our collective agreements also cover Health and Safety.

For the 2014/2015 financial year, London reported one workplace accident resulting in lost working days and Paris reported seven workplace accidents resulting in lost working days.

F. Training and Development

The Group offers training and development opportunities, enabling employees to improve their professional competencies. There are local and international training programmes, face to face, or virtually.

The Learning and Development team is dedicated to assisting Rothschild's aim to build and provide solutions to satisfy all aspects of an employee's development through services in training, mentoring, coaching and team development.

Some examples of our key programmes:

- Bankers' Development Programme: the Bankers' Development Programme is a comprehensive technical training curriculum comprised of mandatory, recommended and available courses for bankers at all levels in Global Financial Advisory. Organised by grade, the courses are designed to further develop employees' skills as they progress through the firm. As well as offering face to face instructor led training, WEBEX training is also offered for global offices.
- Associates & Vice-President Offsite: attended by Global Financial Advisory and some Wealth Management & Trust and Merchant Banking employees. The programme was a two-day programme offsite, focusing on building a global network, teambuilding, developing management skills, deepening the understanding of the firm. The Offsite was attended by 280 employees globally.
- Transition Programme: attended by newly promoted Directors (2013 and 2014) in Global Financial Advisory. The programme aimed to cover, expectations of Directors and Managing Directors, learning core strategies for moving from a delivery/execution role to becoming a revenue generator and a trusted client advisor and continueing to build the global network across sectors/products/geographies.
- Each area of Wealth Management & Trust has its own bespoke Career Development Framework and Curriculum which provides guidance to employees on the learning available to them and their specific roles.
- Global Graduate Training Programme: is run on an annual basis for Global Financial Advisory and Wealth Management Graduates consisting of four weeks of intensive technical training followed by business specific training for Global Financial Advisory and Wealth Management. The programme is held in the UK for Global Graduates and the US for Americas Analysts. In addition to the technical training, the programme includes a Corporate Induction (presentations from the business) as well as a two-day residential programme.
- Compliance Training: is provided through e-learning and face-to-face training workshops to all staff depending on their role and local regulatory requirements.
- Performance Review: line managers are offered training prior to the Performance Review Process each year to enhance their skills in managing performance and giving feedback, In Wealth Management ten workshops were held in London and Zurich and a number of individual coaching sessions for line managers were organised. In Global Financial Advisory, seven workshops were held in London, New York and via WEBEX for overseas employees.
- Within Global Financial Advisory, a number of bespoke training programmes have been organised by sector or products. For example, Financial Institutions team attended Banking and Insurance Valuation, Debt Advisory team attended Project Finance and Debt Modelling and Energy and Power team attended communications skills.

The Group does not record number of training hours, however, in the UK 203 training events took place with 1,474 employees attending. In France, we allocate a large budget to the individual training of our employees well above our legal obligation and we provided 279 training sessions.

In addition to these global training programmes each country has its own training policy and programmes.

G. Equal Opportunities

We hire the most talented individuals, from a diverse range of backgrounds, cultures and experiences. The Group is committed to providing equal opportunities in employment and aims to ensure that it will not unlawfully discriminate in employment because of race, colour, religion or belief, gender, national or ethnic origin, disability, age, nationality, marriage or civil partnership, pregnancy or maternity, sexual orientation or gender-reassignment. It is therefore Rothschild's policy to make every effort to provide a working environment free from harassment, intimidation and discrimination which the Group considers unacceptable behaviour.

The policy applies to all areas of employment including recruitment, the terms and conditions of employment, training, career development, replacement, promotion, transfer, redundancy, rehiring, benefits, compensation, retirement and termination.

As an equal opportunity employer, the Group seeks to recruit based on experience and ability ensuring that the best candidate for the position is recruited. Only those qualifications and skills which are important to the job will be the criteria of selection for recruitment and promotion.

Respect for diversity and an inclusive culture are both central to our success. As such, we support various personal development initiatives including mentoring and membership of networking organisations and forums to connect our professionals and promote inclusivity across the firm.

We have been participating in the *"Charte de la Diversité"* since 2005. In this regard, we aim at having objective criteria in our recruitment, appraisal and compensation processes and we inform and train our managers on this important subject.

The Network for Knowledge (NFK) Committee is a City-wide, cross-firm organisation in London for women founded by Goldman Sachs International in 2007. The Committee is comprised of senior women from law firms and banks including representation from Rothschild. It aims to connect female professionals from across these fields and to address the issues that affect their career development. The NFK organises regular networking events, training sessions and seminars including an annual flagship event. There is a cross-firm mentoring programme in which a number of professionals from Rothschild participate.

David de Rothschild is one of the 54 Chairmen of the 30% Club which aims to increase female representation on UK corporate boards from the current industry average of 12% to 30%. This initiative was launched to support and encourage women's career development and to garner support from chairmen and companies to recognise and cultivate talented women up to board level. We now have women on our major board, with a view to further enhance this and bring yet greater diversity to this group.

In the UK, we have formed a Diversity Committee which is chaired by a senior investment banker in cooperation with a number of senior representatives from each major area of the bank. Alongside this, our female professionals have formed a Rothschild Women's Network (RWN) to further assist in the attraction and retention of women in our various businesses. The RWN has now organised several events targeted at different levels of employees and sends a regular newsletter out to its membership. This year, colleagues have also formed an LGBT Network and the firm has become a member of Stonewall's Diversity Champions Programme which is Britain's good practice forum on sexual orientation in the workplace. We also have a focus on our junior professionals in particular and have launched initiatives to help them manage their work-life balance. This approach very much involves the assistance of our senior colleagues to help champion this. To support all of the above efforts, we have also launched Balance@Rothschild, which is a series of workshops and seminars on health and well-being.

In France, we have put in place measures to promote gender equality in three key areas: recruitment, compensation and work-life balance. Action plans are presented and reviewed every year with our social representatives. We also have a plan in favour of more seasoned employees and measures to enhance their professional development.

H. Measures implemented to promote employment and integration of disabled people

The Group ensures that no discriminatory criteria is applied for recruitment, career development and compensation decisions. Where an employee has a disability, we work closely with them and our Occupational Health advisers to provide the appropriate adjustments and support to ensure they can be successful and fulfilled in the workplace. We also collaborate with specific organisations and charities, for example Blind in Business, to ensure that we are providing the best possible care and support to our employees.

In France, we also contribute to the employment of disabled persons by financing specialised companies or by choosing suppliers who employ disabled people and we invest in educational projects for disabled people.

I. Promotion and observation of the International Labour Organisation's Convention

The policies implemented by the Group adhere and are in line with the main provisions of the ILO Convention, for example the elimination of all forms of forced labour, abolition of child labour, elimination of all forms of discrimination in respect of employment and occupation examples of which we have detailed above under Equal Opportunities, but also in respect of freedom of association and collective bargaining.

IV. Environmental information

The Group's operations have an impact on the environment and we have a responsibility to take action to reduce the negative environmental impact as far as practicable and to promote a culture of environmental stewardship. In order to do this we must understand our material impacts more widely.

In 2013/2014 we reported environmental data from our four largest offices; London, Paris, New York and Zurich. We have expanded this scope in 2014/2015 to include Frankfurt and Johannesburg. As a consequence apparent increases in total environmental impacts are to be expected.

This year we have also reported our environmental impact normalised against headcount, enabling us to understand better our environmental impact at an employee level and helping us to set meaningful targets for improvement. Our full time equivalent headcount is taken from the Human Resources system and is a "snapshot in time" taken on 31 March 2015.

We have also further refined and improved our data collection and reporting process. We have found that improved data quality has resulted in fluctuations of environmental impact from year to year which are not connected to specific programmes, projects or policy implemented during the reporting year. It is anticipated that further improvements will be made in data quality as we move towards a more automated data gathering and reporting process.

Our Greenhouse Gas ("GHG") emissions are calculated as tonnes of carbon dioxide equivalent (tCO_2e), a universal unit of measurement expressing the impact of each different greenhouse gas in terms of the amount of CO_2 that would create the same amount of warming. We calculate CO_2e by multiplying our activity data, for example waste incineration, landfill and miles travelled by air, by the UK DEFRA-approved conversion factors.

For this reporting year no major changes have been seen in our main environmental impact area, tCO_2e. As programmes and projects are developed and implemented over the coming reporting year, we anticipate being able to report improvements. The inclusion of additional sites next year will give us greater transparency and a more accurate picture of our total environmental impact.

A. General Environment Policy

1. Company policy addressing environmental issues and steps taken to evaluate performance or obtain environmental certification

Despite being an office-based business with limited scope for reducing environmental impacts, the Group is committed to managing its operations in an environmentally responsible and efficient way as well as encouraging its people to take responsibility for minimising their own environmental footprints while at work. This commitment is best exemplified in the UK, where a formally-constituted Environment Committee develops environmental strategy and policy, which is then enacted by the Property & Corporate Services Department and the Environment Manager.

The UK Environment Policy covers London and the smaller UK offices in Birmingham, Leeds, Manchester and Guernsey.

In London, energy use is monitored on a monthly and an annual comparison basis. This is scrutinised by the Premises Manager and Environment Manager. The Group is compliant with the CRC Energy Efficiency Scheme, through which energy use and associated greenhouse gas emissions are reported annually to the UK government. This office also achieved Gold in the Clean City Awards 2014 in recognition of its responsible, proactive approach to waste management.

Our other offices pursue locally-appropriate solutions to environmental management. Our Zurich office continues its pursuit of waste separation and reducing its energy use by 2% per annum, in accordance with local regulations. The New York office follows the environmental policies of its building manager, including encouraging the use of mass transit and biking to work.

In New York, the office was designated as a Hines (Landlord) Green Office in 2014. Tenants in the building are encouraged to participate in the Landlords Green Office Initiatives in order to conserve resources and use more sustainable materials. The landlord ran programmes supporting Earth Day and in 2015 there is a planned E-Waste drive during the month of April. In addition, all utilities usage is monitored monthly by an independent consultant, and the manager of the building is working towards achievement of Energy Star certification: a voluntary energy-efficiency programme backed by the US Environmental Protection Agency.

Our ambition is to strengthen our commitment to the environment by developing and implementing a PO Group Environmental Policy.

2. Employee training and awareness on environmental protection

In London a network of volunteer Green Champions is responsible for raising awareness of environmental issues amongst colleagues through, for example, an annual Green Awareness Week. Employees are encouraged to volunteer during work time with the London Wildlife Trust, in order to learn about and contribute to the conservation of wildlife habitats in London. All new employees are briefed on Community and Environment initiatives during their induction briefing, and information about environmental initiatives is communicated frequently by e-mail and in person by the Green Champions.

In New York, the building landlord operates a Green Office initiative, through which facilities personnel are informed of steps that can be taken to reduce energy consumption and to operate in a more environmentally-friendly manner.

The Johannesburg office is required by law to have a Social & Ethics Committee report to the board and shareholders annually. As no specific targets are set, general qualitative, rather than quantitative, environmental matters are covered by this committee. In 2014, the office also formed an Environment Committee which meets on a quarterly basis to discuss environmental improvement ideas, as well as specific project progress.

3. Amount of provisions and guarantees for environmental risks

Owing to the nature of the Group's activities, there are no particular provisions or guarantees for environmental risks.

B. Pollution and Waste Management

1. Measures for preventing, reducing or offsetting discharges into the air, water and soil, with a severe impact on the environment

As an office-based business, the Group does not consider discharges into air, water and soil to be material environmental risks.

2. Waste prevention, recycling and disposal measures

The Group pursues a range of measures designed to reduce the amount of waste sent to landfill.

In London facilities are provided for the recycling of a wide range of materials including paper, cardboard, glass, plastic, cans, batteries and computer hardware. All kitchen waste is composted, and residual waste is sent for incineration with energy capture. Used edible cooking oil is collected and refined so it can be added to fuel for vehicles. Through the Green Champions network, staff are encouraged to use fewer consumables. For example they are able to purchase re-usable coffee cups in the staff cafe, and are awarded a discount for every use.

The New York office has in place recycling bins for employees to dispose of recyclables appropriately. Recycling is actively encouraged in the office. Additional support is provided by the building management to ensure further separation by material type.

Our Johannesburg office has recently eliminated the use of plastic water bottles by installing filtered countertop water distribution units. The cost of the new system against the original water bottles was very similar, with the countertop system having a positive environmental impact, reducing the amount of transport emission from delivery, the energy needed to produce bottled water and the waste generated from packaging.

Waste Disposal Data

In tonnes	2014/2015	2013/2014
Recycling	145.5	135.9
Composting	17.7	12.1
Incineration	303.2	231.4
Landfill	15.5	10.5
Total Waste Disposal	**481.9**	**389.9**
Tonnes/FTE	0.24	n/a

The 2013/2014 figures report on our London, Paris, New York and Zurich offices; the 2014/2015 figures report on these plus Frankfurt and Johannesburg.

The 2014/2015 figures from Zurich are estimated on the basis of the number of containers of waste materials sent from the premises. The Zurich office will begin receiving detailed waste information in 2015.

The 2013/2014 figures from New York are 2012 calendar year figures, since the 2013 figures were unavailable at the time of disclosure. The 2014/2015 figures from New York are 2013 calendar year figures, since the 2014 figures were unavailable at the time of disclosure.

The 2013/2014 figures from New York have been corrected to represent 2.9% of the building's total waste disposal figures, in line with the proportion of the building's floor space occupied by Rothschild, as opposed to the 1.6% figure used last year.

Total waste from the Frankfurt office is estimated on the basis of information provided by the city authorities. The waste produced by the city is divided by its population. This figure is multiplied by the number of employees at our Frankfurt office to establish our total.

3. Sound pollution and any other form of business-specific pollution

As an office-based business, the Group does not consider sound pollution to be a material environmental risk. The Group does not contribute to any other business-specific forms of pollution.

C. Sustainable use of resources

1. Water consumption and water supply based on local constraints

As we widen the scope of this report we will begin to report on sites in countries considered to be under water stress. In the next reporting year we will define what water stress means to the Group and investigate the impact of water consumption across our business.

Water Consumption Data

In m^3	2014/2015	2013/2014
Water Consumption	36,114.0	29,861.9
m^3/FTE	17.98	n/a

The 2013/2014 figures report on our London, Paris, New York and Zurich offices; the 2014/2015 figures report on these plus Frankfurt and Johannesburg.
New York's 2013/2014 water data is corrected to reflect the 2.9% of the building's total water consumption, in line with the proportion of the building's floor space occupied by Rothschild, as opposed to the 1.6% floor space figure used last year.

2. Consumption of raw materials and measures to improve efficiency in their use

For the purposes of this report, raw materials are interpreted to mean paper.

In London and New York a number of measures are in place to reduce the amount of paper used. These include double-sided printing as default. The London office uses recycled paper with 75% recycled content.

In New York investment has been made to improve the availability of Audio Visual technology. Employees are encouraged to use this for presentations as well as to share more information digitally rather than printing out multiple copies of presentations.

Paper consumption data

In tonnes	2014/2015	2013/2014
Paper	171.7	170.6
Paper towels	5.0	N/R
Total paper consumption	**176.7**	**170.6**
Tonnes/FTE	0.09	n/a

For the purposes of this report, raw materials are interpreted to mean paper, including paper towels where the data was provided. It is assumed that one sheet of A4 paper weighs 5 grammes.
The 2013/2014 figures report on our London, Paris, New York and Zurich offices; the 2014/2015 figures report on these plus Frankfurt and Johannesburg.
Paper towel information was not recorded in 2013/2014.

3. Energy consumption and measures to improve energy efficiency

The London office is a new building which incorporates highly efficient heating, cooling and lighting systems. Nevertheless continual adjustment and refinement is undertaken in order to optimise efficiency and further reduce energy use. The office is also undergoing an energy-saving audit. At the time of writing the audit was underway and results were not available. However, it is anticipated that further energy saving opportunities will be identified as a result.

In New York we work closely with the building manager on many environmental activities. The building from which we operate is currently LEED Silver Certified, with the ambition to work towards and achieve Gold Certification, as well as an Energy Star certification. To help achieve this goal a new Building Management System (BMS) is being installed, work on which is almost complete at time of writing. This new BMS will increase data collection capability and efficiency in heating and cooling systems, which will ultimately reduce the buildings energy consumption and subsequent Greenhouse Gas emissions.

Gas and diesel oil combustion reduced due to the fuel not being used at the two main contributing offices, London and Zurich. In addition, a correction to New York's 2013/2014 data was made.

With our scope expansion in 2014/2015 to include Frankfurt and Johannesburg, we see increases in energy and subsequent GHG emission. Specifically for heat consumption, the increase is a direct result of having incorporated data included from Frankfurt.

Energy Consumption Data

In Mwh	2014/2015	2013/2014
Natural Gas Combustion	3,272.5	2,955.0
Gasoil/Diesel Combustion	5.5	29.2
Electricity Consumption	14,580.0	14,254.3
Heat Consumption	464.0	14.7
Total Energy Consumed	**18,322.0**	**17,253.2**
MWh/FTE	9.12	n/a

The 2013/2014 figures report on our London, Paris, New York and Zurich offices; the 2014/2015 figures report on these plus Frankfurt and Johannesburg.
The 2013/2014 New York electricity and heat consumption data is restated to reflect the 2.9% of the building's total consumption, in line with the proportion of the building's floor space occupied by Rothschild. New York was unable to provide any gas or fuel data in 2013/2014 or 2014/2015.
In Paris the gasoil is used for diesel generators.

4. Land use

The Group does not consider land use to be a material environmental risk since its sites are for office use only and are located in major cities. No sites are located in or adjacent to areas of high biodiversity value.

D. Climate Change

1. Adaptation to the consequences of climate change

Over the coming year, the Group will investigate the level of risk to the business from the effects of climate change.

2. Greenhouse Gas Emissions

The scope of emissions reporting includes Scope 1 and Scope 2 emissions, and Scope 3 emissions in respect of business travel, water supply and wastewater treatment, materials, waste disposal, and electricity transmission and distribution losses.

With our scope expansion in 2014/2015 to include Frankfurt and Johannesburg, we see increases in energy and subsequent GHG emission. Specifically, scope 2 heat consumption and Company leased vehicles, the increase is a direct result of incorporated data included from Frankfurt.

Greenhouse Gas Emissions Data

In tCO_2e (except electricity for New York, Zurich, Paris and Frankfurt which is tCO2)			2014/2015	2013/2014
Direct (Scope 1)	**Natural Gas Combustion**		605.3	543.8
	Gasoil		1.5	8.4
	Owned Vehicles	*Distance*	35.9	19.5
		Petrol	57.2	12.7
		Diesel	69.1	51.9
Indirect (Scope 2)	**Electricity Consumption**		3,613.7	3,635.5
	Heat Consumption		100.6	3.2
Total Emissions - Buildings & Owned Vehicles			**4,483.3**	**4,275.0**
Flights (Scope 3)	**Business Travel - Flights**	*Domestic All Classes (Ave Passenger)*	612.6	104.6
		Short-Haul Economy Class	848.4	833.8
		Short-Haul Business Class	1,266.5	2,006.1
		Long-Haul Economy Class	264.5	297.3
		Long-Haul Premium Economy Class	65.0	100.5
		Long-Haul Business Class	6,462.4	6,686.0
		Long-Haul First Class	998.9	1,135.3
Total Emissions - Flights			**10,518.2**	**11,163.7**
Other Travel (Scope 3)	**Business Travel - Rail**	*National*	54.8	40.3
		International	16.8	10.8
	Business Travel - Taxis		125.8	99.7
Total Emissions - Other Travel			**197.3**	**150.9**
Other (Scope 3)	**Water**	*Water Supply*	12.4	10.3
		Water Treatment	25.6	21.2
	Materials	*Paper*	161.4	144.2
	Waste	*Re-use*	0.0	0.0
		Recycling	3.1	2.9
		Composting	0.1	0.1
		Incineration	6.4	4.9
		Landfill	4.5	3.0
	Company Leased Vehicle		64.7	0.0
	Electricity T&D Losses		285.7	247.8
Total Emissions - Other			**563.8**	**434.2**
Total Emissions - All Scope 1, 2 & 3			**15,762.7**	**16,023.8**

Emissions tCO_2e/FTE	**2014/2015**
Scope 1 and 2	2.23
Scope 3 (All)	5.62
Scope 1, 2 and 3 (All)	**7.85**

Business Travel Emissions

In tCO_2e	**2014/2015**	**2013/2014**
Total emissions - Flights	10,518.2	11,163.7
Total emissions - Other Travel	197.3	150.9
Total Business Travel Emissions	10,715.6	11,314.6
tCO_2e/FTE	**5.33**	**n/a**

The 2013/2014 figures report on our London, Paris, New York and Zurich offices; the 2014/2015 figures report on these plus Frankfurt and Johannesburg.
Domestic all classes (ave. passenger) emissions refers to short haul-internal flights, for example London to Glasgow.
Mileage provided for company owned cars in London is from 14 April 2014 to 15 March 2015, and therefore this was extrapolated from to cover the entire reporting period.
2013/2014 and 2014/2015 Paris flight data was provided as one figure. It was therefore necessary to estimate the breakdown by distance and cabin class, on the basis of London's flight data.
2013/2014 emissions from electricity consumption, heat consumption, water consumption, water treatment, waste and electricity transmittion and distribution losses for New York have been recalculated to reflect Rothschild's 2.9% of the building's total floor area.

E. Measures taken to preserve or develop biodiversity

The London office is a member of the London Wildlife Trust and has made environmental volunteering a key part of its employee volunteering programme. In 2014/2015 we had 88 volunteers working across 40 hectares of land. The impact of their work has been to protect endangered species and conserve protected land, to the benefit of thousands of London residents.

Additional notes for Section A to C inclusive

In the case of London, Zurich and New York the 2014/2015 reporting period is the financial year 1 April 2014 to 31 March 2015 unless otherwise stated. In the case of Paris, the 2014/2015 reporting year is 1 January 2014 to 31 December 2014.

The 2013/2014 figures report on our London, Paris, New York and Zurich offices; the 2014/2015 figures report on these plus Frankfurt and Johannesburg.

Where assumptions or estimates have been made, this is explained in the notes following each section.

A value of n/a indicates that the relevant activity did not take place during the reporting year for the indicator concerned. N/R indicates that data was not recorded.

Each data set includes the previous year's data, where it was provided, for the purpose of comparison and in order to indicate the extent to which progress has been made in the scope and quality of data collected.

Greenhouse Gas Emissions have been calculated using DEFRA 2014 emissions factors. In most cases the factor for CO_2 equivalent (CO_2e) has been used. It is stated in the relevant section(s) where this is not the case. A copy of the emissions factors used is available on request.

Additional notes for Section C

DEFRA national electricity factors for Zurich, Paris and New York are available only for CO_2, rather than CO_2e. The total electricity figure is reported as CO_2e.

The 2013/2014 figures report on our London, Paris, New York and Zurich offices; the 2014/2015 figures report on these plus Frankfurt and Johannesburg.

V. Corporate social information

A. Territorial, economic and social impact of the Group's activities

As a leading financial services business, the Group carries out financial advisory, specialist finance and investment activities. As a consequence, it participates actively in the financing of the economy of the countries where it operates, through its 56 offices implemented in 43 countries.

The Group is also strongly involved in charity support and community partnerships all over the world, which have become an integral part of the Rothschild in the Community programme. The Group encourages its employees to contribute in these actions. Its initiatives mainly focus on two key areas: education and community development.

B. Relations with individuals and organisations interested by the Group's activities

1. Conditions of the dialogue with stakeholders

In accordance with the definition provided by the GRI Guidelines, the Group's stakeholders are all entities or individuals that can reasonably be expected to be significantly affected by the Group's activities, products, and/or services, and whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies and achieve its objectives.

The Group has identified, as its key stakeholders its shareholders, potential investors and financial analysts. The Group seeks to maintain a dialogue with those stakeholders to be in the position to take their interests into account and to promote its own values, essentially through the Investor Relations Department.

During the 2014/2015 financial year, several meetings have been organised between the Group's Head of Investor Relations and those stakeholders. Members of Paris Orléans' Management and people holding strategic positions within the Group have also attended these meetings. In addition, the Head of Investor Relations participated in conferences dedicated to facilitate relations between listed companies and investors.

The Group also attaches great importance to comply with the rules regarding transparency. It discloses, as soon as possible, in French and in English, the information that is necessary to investors and shareholders to assess its situation and outlook. This financial and extra-financial information is available on Paris Orléans' website (www.paris-orleans.com) in a section entitled "Investor Relations". Information is also disclosed in the "Shareholders" section, including all information relating to General Meetings and the exercise of the voting rights, or explanations about the different ways to hold securities issued by Paris Orléans.

2. Actions of partnership and sponsorship

Community investment: Rothschild in the Community programme

Building on the Rothschild Group's long history of supporting the communities in which it operates, the Rothschild in the Community programme provides opportunities for our people to volunteer their time and skills to improve the lives of others.

We seek to invest in long-term partnerships with local schools and community organisations in ways which have a measurable impact. We believe that a successful Community programme benefits our Company as well as the community, facilitating mutual learning and development and promoting a sense of connectedness between individuals and between communities.

In London, our community investment policy allows staff to volunteer as frequently as they wish for Rothschild projects, and more than 50% of our staff participate at least once each year. We aim in particular to enhance the prospects of young people from economically-deprived backgrounds through a range of mentoring, work experience and Careers Insight programmes. The Rothschild Mentoring Programme, operating at Bow School and Regent High School, enables 50 students each year to benefit from the support of a mentor to help them broaden their horizons, enhance their social confidence, and develop their thinking about future educational and career possibilities. Our work with schools has been recognised for the sixth year running through Business in the Community's Awards for Excellence.

In Paris volunteers provide pro bono support to social enterprises in partnership with Ashoka, while a newly-launched programme in Frankfurt focuses on local schools and children's centres. In New York, through a partnership with New York Cares, staff have this year volunteered with a wide range of local charities including foodbanks and homeless shelters, and our offices in Madrid and Milan have both launched partnerships with the Theodora Foundation.

In Johannesburg a scholarship programme helps historically underprivileged South Africans to continue their postgraduate studies in a financial discipline at the University of the Witwatersrand. Rothschild offers more than just financial assistance, ensuring students are supported by a mentor as well as through internship opportunities.

Community investment programmes now operate in ten of our offices, and our intention is to increase that number over the next few years.

Charities

Charitable giving is overseen by Charities Committees in each of our larger offices. In the UK for example donations are made in response to staff requests as well as to a wide range of organisations applying directly to the Committee. There is a particular focus on local causes, and on smaller charities which are often less able to attract funding. A full list of the charities supported during 2014/2015 is available on the Rothschild website.

C. Subcontractor and suppliers

1. Integration of social and environmental issues into the Company procurement policy

Over the coming year we plan to establish a clearer position on the environmental consequences of our choice of suppliers and the services they provide.

2. Importance of subcontracting and consideration, in the relationship with subcontractors and suppliers, of their social and environmental responsibility

We are developing a supplier engagement tool which will help us to consider the social and environmental responsibility policies of prospective suppliers.

D. Fair business and practices

The Group conducts its activities with a high level of professional ethics with the clients' interests as its priority. This is done by implementing a rigorous internal control system and risk controls adapted to the Group's size and covered activities. More details on the Group's internal control and risk control structure are presented in the report of the Chairman of the internal control on pages 95 onwards of this report.

As the Group's parent company, Paris Orléans is in charge of the consolidated prudential supervision of the Group and of the implementation and the monitoring of the efficiency of the internal control system at the Group's scale. This involves the elaboration of procedures and policies implemented homogeneously.

Within the Group's internal organisation, Legal, Compliance and Risk functions were centralised to enable a better-coordinated global approach.

Policies were implemented through different recent initiatives sharing and harmonising best practices. Approximately twenty different policies are currently implemented in the Group throughout all five main regions of the world with thirteen of them reviewed in the course of the 2014/2015 financial year. Employees' awareness regarding those matters is ensured by dedicated training sessions and the disclosures of guides on the Group's intranet.

Regarding the fight against corruption, the Group requires its employees to act with honesty and integrity and has a zero-tolerance approach. Involvement in any form of corruption has serious consequences, including dismissal or termination of employment. A Group policy on anti-corruption has been established, in order to comply with the applicable regulations such as the UK Bribery Act which aims at preventing such crimes.

It deals for instance with the accepting on offering of gifts and entertainment by employees within the framework of their jobs since this can lead to a suspicious or reprehensible situations. In order to avoid such a situations, each entity must determine proportionate limits for the acceptance or the offering of gifts that do not require approval. Any gift or entertainment that exceeds these limits must be approved by the relevant head and the local Compliance function. In addition to this, persons to whom this policy applies must not accept gifts such as cash or any other gift convertible into cash such as shares, share options or bonds.

E. Measures implemented to promote consumers health and safety

Given the Group's activities, implementation of measures to promote consumers health and safety is not relevant.

F. Other actions implemented to promote human rights

The Group does not carry out activities to promote human rights, than other those mentioned in the previous sections of this report.

Report of the independent third-party auditor

on the consolidated labour, environmental and social information presented in the management report

This is a free translation into English of the Statutory Auditor's report issued in French and it is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 March 2015

To the Shareholders,

In our capacity as Statutory Auditor of Paris Orléans SCA, accredited by COFRAC under the number 3-1049[1] and member of the KPMG International network as one of your Statutory Auditors, we hereby present to you our report on the consolidated labour, environmental and social information in the management report for the year ended 31 March 2015 (the "CSR Information"). This report is prepared in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

Responsibility of the Company

The Manager is responsible for preparing the Company's management report including CSR Information in accordance with the provisions of Article R. 225-105-1 of the French Commercial Code and with the guidelines used by the Company (hereinafter the "Guidelines"), summarised in the Report of the management report and available upon request at its registered office.

Independence and quality control

Our independence is defined by regulations, the French code of ethics for our profession and the provisions of Article L. 822-11 of the French Commercial Code. We have also implemented a quality control system that includes policies and documented procedures to ensure the compliance with the rules of ethics, professional standards and applicable laws and regulations.

Responsibility of the Statutory Auditor

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with paragraph 3 of Article R. 225-105 of the French Commercial Code (attestation of completeness of CSR Information);
- express a limited assurance on the fact that the CSR Information, is presented fairly, in all material respects, in accordance with the Guidelines (opinion on the fair presentation of the CSR Information).

Our work was performed by a team of five people between May and June 2015 for duration of about three weeks. To assist us in conducting our work, we referred to the corporate responsibility experts of our Firm.

We performed the procedures below in accordance with professional standards applicable in France, with the order (*arrêté*) dated 13 May 2013 establishing the manner in which independent third-party bodies must carry out their work and, regarding the opinion on the fair presentation and the reasonable assurance report, with ISAE 3000[2].

1. Attestation of completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the Company's sustainable development strategy with respect to the social and environmental impact of its activities and its social commitments and, where applicable, any initiatives or programmes it has implemented as a result.

We compared the CSR Information presented in the management report with the list provided in Article R. 225-105-1 of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R. 225-105, paragraph 3 of the French Commercial Code.

(1) Available on the website www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We verified that the CSR Information covers the consolidation scope, i.e. the Company, its subsidiaries as defined by Article L. 233-1 and the entities it controls as defined by Article L. 233-3 of the French Commercial Code, within the limitations set out in the methodological information presented in the chapter "Methodology" of the Report of the management report.

Based on these procedures and taking into account the limitations mentioned above, we attest that the Report of the management report includes the required CSR Information.

2. Opinion on the fair presentation of the CSR Information

Nature and scope of our procedures

We conducted interviews with the people responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practice, where appropriate;
- verify that a data collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the Company, the social and environmental impact of its activities, its sustainable development strategy and best practice.

With regard to the CSR Information that we considered to be the most important[(1)]:

- at parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organisation, policy, action), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and consolidation of the data. We also verified that the data was consistent by cross-checking it with other information in the management report;
- at the entity level for a representative sample of entities selected[(2)] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 49% of headcount and between 34% and 62% of the quantitative environmental indicators.

For the rest of the consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, were sufficient to enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, we did not identify any material anomaly likely to call into question the fact that the CSR Information has been presented fairly, in all material respects, in accordance with the Guidelines.

Paris-La Défense, 24 June 2015

KPMG SA

Pascal Brouard	Anne Garans
Partner	Partner
	Climate Change & Sustainability Services

(1) *Social information: Total headcount (breakdown of employees by gender, age and geographical area), Number of training sessions, Number of occupational accidents, Measures taken for gender equality, Number of workplace accident resulting in lost working days, Measures taken in favour of employment and integration of disabled people.*
Environmental information: Water consumption, Energy consumption (electricity, gas, heat and fuel), Paper consumption, Waste produced, Number of kilometres and CO_2 emissions related to business travels, Corporate organisation to take into account environmental issues and evaluation or certification process for environment matters.
Societal information: relations with people or organisations concerned with societal activity, Activities of partnerships or sponsorship, Action taken to prevent corruption.

(2) *For social information: Switzerland, United Kingdom.*
For environmental information : Zurich (Switzerland) and London (United Kingdom) offices.

Other information

I. Acquisitions of holdings and controlling interests

During the financial year 2014/2015, Paris Orléans acquired, indirectly, through a company it controls, a stake of 50% in TRR Partenaires SAS (3 rue de Messine, 75008 Paris). Paris Orléans did not acquire other shareholdings in or the control of companies or groupings, whose registered head offices are located in France, as defined in Article L. 233-6, paragraph 1 of the French Commercial Code.

II. Regulated agreements and undertakings

In accordance with applicable legal and regulatory provisions, the Statutory Auditors have been informed that no regulated agreement or undertaking was entered into during the 2014/2015 financial year. Moreover, they have been informed of regulated agreements and undertakings entered into during the previous financial years but still in effect during the 2014/2015 financial year.

III. Accounts payable policy

The Company's settlement periods for its accounts payable comply with Article L. 441-6 of the French Commercial Code. Accounts payable are settled within thirty days of receiving the invoice, unless otherwise arranged as part of a sales agreement or pursuant to a dispute.

	As at 31 March 2015					As at 31 March 2014				
	Gross	Amounts due	Amounts not yet due			Gross	Amounts due	Amounts not yet due		
In thousands of euro			<30 days	30 to 60 days	>60 days			<30 days	30 to 60 days	>60 days
Accounts payable	477.0	-	477.0	-	-	11.0	-	11.0	-	-
Accounts payable – invoices not yet received	432.0	-	-	-	-	807.0	-	-	-	-
Total Accounts payable	**909.0**	**-**	**477.0**	**-**	**-**	**818.0**	**-**	**11.0**	**-**	**-**

IV. Statutory Auditors

1. Term of office

The General Meeting of shareholders of 27 September 2011:

- renewed for a term of six financial years the appointments of Cailliau Dedouit et Associés SA, as Statutory Auditor, and of Mr. Didier Cardon, as Alternate Auditor;
- appointed KPMG Audit FS II SAS, as Statutory Auditor, and KPMG Audit FS I SAS, as Alternate Auditor, as a replacement of KPMG Audit (a division of KPMG SA) and of SCP de Commissaires aux Comptes Jean-Claude André et Autres, whose appointments were not renewed.

Following of Paris Orléans' conversion into a French partnership limited by shares approved by the General Meeting of shareholders of 8 June 2012, the Statutory Auditors and Alternate Auditors' appointments were confirmed.

Statutory Auditors' terms of office will end after the Annual General Meeting to be held in September 2017 to approve the accounts for the financial endind 31 March 2017.

2. Fees to Statutory Auditors

The information relating to the fees paid to the Statutory Auditors in respect of the financial year ended 31 March 2015 is presented in page 177 of this report.

V. Significant events after the end of the financial year

In December 2013 Paris Orleans announced that its Swiss private banking business, Rothschild Bank AG, was to participate in the U.S. Department of Justice (DoJ) Program as a category 2 bank seeking to reach a non-prosecution agreement with the doJ in connection with any potential U.S. tax or monetary transaction-related liability for undeclared U.S. related accounts held at the bank from August 1, 2008. On 3 June 2015, Rothschild Bank AG finalised a non-prosecution agreement with the DoJ.

The Group made provisions as at 31 March 2014 to cover the estimated financial liability and professional and other costs. The settlement of the financial liability of US$ 11.5 million arising from participation in the Program and the related professional and other costs are within the amounts provided.

4

Financial statements

Consolidated balance sheet as at 31 March 2015

Assets

In thousands of euro	Notes	31/03/2015	31/03/2014
Cash and amounts due from central banks		3,643,942	3,150,360
Financial assets at fair value through profit or loss	1	363,170	285,126
Hedging derivatives	2	20,023	14,346
Available-for-sale financial assets	3	669,437	748,042
Loans and advances to banks	4	1,530,914	1,175,858
Loans and advances to customers	5	1,601,605	1,377,304
Current tax assets		15,121	10,261
Deferred tax assets	17	92,760	89,627
Other assets	6	455,416	488,417
Investments accounted for by the equity method	7	47,688	69,412
Tangible fixed assets	8	360,485	355,061
Intangible fixed assets	9	168,159	176,347
Goodwill	10	110,533	108,936
TOTAL ASSETS		**9,079,253**	**8,049,097**

Liabilities and shareholders' equity

In thousands of euro	Notes	31/03/2015	31/03/2014
Due to central banks		1,240	73
Financial liabilities at fair value through profit or loss	1	67,012	50,117
Hedging derivatives	2	8,195	13,880
Due to banks	11	292,584	334,762
Customer deposits	12	5,686,863	4,946,668
Debt securities in issue		13,500	-
Current tax liabilities		33,971	9,449
Deferred tax liabilities	17	55,053	58,970
Other liabilities, accruals and deferred income	13	730,855	683,564
Provisions	14	214,500	180,549
Subordinated debt	15	-	28,338
Shareholders' equity		**1,975,480**	**1,742,727**
Shareholders' equity - Group share		**1,419,446**	**1,268,794**
Share capital		142,274	142,208
Share premium		981,692	981,191
Unrealised or deferred capital gains and losses		134,859	70,529
Available-for-sale reserves		*86,813*	*98,514*
Cash flow hedge reserves		*(5,671)*	*(9,274)*
Translation reserves		*53,717*	*(18,711)*
Consolidated reserves		17,070	66,513
Net income - Group share		**143,551**	**8,353**
Non-controlling interests	19	**556,034**	**473,933**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**9,079,253**	**8,049,097**

Consolidated income statement for the year ended 31 March 2015

In thousands of euro		Notes	31/03/2015	31/03/2014
+	Interest income	23	93,889	90,093
-	Interest expense	23	(47,734)	(47,192)
+	Fee income	24	1,251,200	1,043,907
-	Fee expense	24	(45,215)	(44,664)
+/-	Net gains/(losses) on financial instruments at fair value through profit or loss	25	60,659	41,695
+/-	Net gains/(losses) on available-for-sale financial assets	26	78,827	17,881
+	Other operating income	27	18,516	12,389
-	Other operating expenses	27	(6,943)	(6,440)
Net banking income			**1,403,199**	**1,107,669**
-	Staff costs	28	(820,157)	(699,282)
-	Administrative expenses	28	(257,064)	(251,005)
-	Amortisation, depreciation and impairment of tangible and intangible fixed assets	29	(35,597)	(35,273)
Gross operating income			**290,381**	**122,109**
+/-	Cost of risk	30	(22,358)	6,765
Operating income			**268,023**	**128,874**
+/-	Net income from companies accounted for by the equity method	7	3,598	1,968
+/-	Net income/(expense) from other assets	31	45,072	(24,165)
Profit before tax			**316,693**	**106,677**
-	Income tax expense	32	(62,839)	(42,712)
CONSOLIDATED NET INCOME			**253,854**	**63,965**
Non-controlling interests		19	**110,303**	**55,612**
NET INCOME - GROUP SHARE			**143,551**	**8,353**
Earnings per share in euro - Group share (basic and diluted)		36	2.08	0.11
Earnings per share in euro - continuing operations (basic and diluted)		36	2.08	0.11

Statement of comprehensive income for the year ended 31 March 2015

In thousands of euro	31/03/2015	31/03/2014
Consolidated net income	**253,854**	**63,965**
Elements recyclable in profit or loss		
Translation differences	135,370	36
Revaluation of available-for-sale financial assets	66,150	76,695
(Gains)/losses transferred to income on available-for-sale financial assets	(67,855)	(1,007)
Revaluation of cash flow hedges	5,990	8,535
Gains and losses recognised directly in equity for companies accounted for by the equity method	2,194	(101)
Taxes	3,854	(13,721)
Total elements recyclable in profit or loss	**145,703**	**70,437**
Elements not recyclable in profit or loss		
Remeasurement gains/(losses) on defined benefit pension funds	(45,734)	15,094
Taxes	9,398	(10,304)
Other	(1,321)	-
Total elements not recyclable in profit or loss	**(37,657)**	**4,790**
Total unrealised or deferred capital gains or losses	**108,046**	**75,227**
TOTAL COMPREHENSIVE INCOME	**361,900**	**139,192**
attributable to equity shareholders	*186,977*	*75,286*
attributable to non-controlling interests	*174,923*	*63,906*

The translation gains in the year ended March 2015 resulted from a strengthening of the USD, CHF and GBP during that period against the euro, which meant that subsidiaries reporting net assets in USD, CHF and GBP gave rise to a translation gain on consolidation.

Consolidated statement of changes in equity for the year ended 31 March 2015

In thousands of euro	Capital and associated reserves				Unrealised or deferred capital gains and losses (net of tax)						
	Share capital	Share premium	Treasury shares	Consolidated reserves	Related to translation differences	Available for sale reserves	Hedging reserves	Net income, Group share	Share holders' equity, Group share	Share holders' equity, non controlling interests	Total shareholders' equity
SHAREHOLDERS' EQUITY AT 31 MARCH 2013	**141,806**	**978,255**	**(9,429)**	**68,139**	**(17,142)**	**36,493**	**(15,087)**	**41,746**	**1,224,781**	**481,336**	**1,706,117**
Allocation of profit	-	-	-	41,746	-	-	-	(41,746)	-	-	-
SHAREHOLDERS' EQUITY AT 1 APRIL 2013	**141,806**	**978,255**	**(9,429)**	**109,885**	**(17,142)**	**36,493**	**(15,087)**	**-**	**1,224,781**	**481,336**	**1,706,117**
Increase in share capital	402	2,936	-	-	-	-	-	-	3,338	-	3,338
Impact of elimination of treasury shares	-	-	(3,413)	-	-	-	-	-	(3,413)	-	(3,413)
Dividends paid	-	-	-	(34,959)	-	-	-	-	(34,959)	(56,360)	(91,319)
Charge related to share-based payments	-	-	-	488	-	-	-	-	488	10	498
Interest on undated subordinated debt	-	-	-	-	-	-	-	-	-	(13,921)	(13,921)
Effect of acquisitions and disposals of non-controlling interests	-	-	-	1,151	9	-	-	-	1,160	(1,972)	(812)
Sub-total of changes linked to transactions with shareholders	**402**	**2,936**	**(3,413)**	**(33,320)**	**9**	**-**	**-**	**-**	**(33,386)**	**(72,243)**	**(105,629)**
2013/2014 Net income for the year	-	-	-	-	-	-	-	8,353	8,353	55,612	63,965
Net gains/(losses) from changes in fair value	-	-	-	-	-	64,844	6,026	-	70,870	2,668	73,538
Net (gains)/losses transferred to income on disposal	-	-	-	-	-	(5,771)	-	-	(5,771)	46	(5,725)
Net (gains)/losses transferred to income on impairment	-	-	-	-	-	3,421	-	-	3 421	96	3,517
Remeasurement gains/(losses) on defined benefit funds	-	-	-	603	-	-	-	-	603	4,187	4,790
Translation differences and other movements	-	-	-	2 187	(1,578)	(473)	(213)	-	(77)	2,231	2,154
SHAREHOLDERS' EQUITY AT 31 MARCH 2014	**142,208**	**981,191**	**(12,842)**	**79,355**	**(18,711)**	**98,514**	**(9,274)**	**8,353**	**1,268,794**	**473,933**	**1,742,727**
Allocation of profit	-	-	-	8,353	-	-	-	(8,353)	-	-	-
SHAREHOLDERS' EQUITY AT 1 APRIL 2014	**142,208**	**981,191**	**(12,842)**	**87,708**	**(18,711)**	**98,514**	**(9,274)**	**-**	**1,268,794**	**473,933**	**1,742,727**
Increase in share capital	66	501	-	-	-	-	-	-	567	-	567
Impact of elimination of treasury shares	-	-	3,361	-	-	-	-	-	3,361	-	3 361
Dividends paid[1]	-	-	-	(35,059)	-	-	-	-	(35,059)	(75,299)	(110,358)
Charge related to share-based payments	-	-	-	1,012	-	-	-	-	1,012	13	1,025
Interest on undated subordinated debt	-	-	-	-	-	-	-	-	-	(14,267)	(14,267)
Effect of a change in percentage of interest without a change of control	-	-	-	4,542	(370)	63	(113)	-	4,122	(2,531)	1,591
Sub-total of changes linked to transactions with shareholders	**66**	**501**	**3,361**	**(29,505)**	**(370)**	**63**	**(113)**	**-**	**(25,997)**	**(92,084)**	**(118,081)**
2014/2015 Net income for the year	-	-	-	-	-	-	-	143,551	143,551	110,303	253,854
Net gains/(losses) from changes in fair value	-	-	-	-	-	55,969	4,614	-	60,583	1,791	62,374
Net (gains)/losses transferred to income on disposal	-	-	-	-	-	(57,948)	84	-	(57,864)	(2,355)	(60,219)
Net (gains)/losses transferred to income on impairment	-	-	-	-	-	1,973	-	-	1,973	30	2,003
Remeasurement gains/(losses) on defined benefit funds	-	-	-	(31,728)	-	-	-	-	(31,728)	(4,609)	(36,337)
Translation differences and other movements	-	-	-	76	72,798	(11,758)	(982)	-	60,134	69,025	129,159
SHAREHOLDERS' EQUITY AT 31 MARCH 2015	**142,274**	**981, 692**	**(9,481)**	**26,551**	**53,717**	**86,813**	**(5,671)**	**143,551**	**1,419,446**	**556,034**	**1,975,480**

(1) This allocation includes €34.3 million of dividends to PO shareholders and a total of €0.8 million of dividends to PO Gestion SAS and PO Commandités SAS. Distributions to non-controlling interests are analysed in note 19.

Cash flow statement for the year ended 31 March 2015

In thousands of euro	31/03/2015	31/03/2014
Consolidated profit before tax (I)	**316,693**	**106,677**
Depreciation and amortisation expense on tangible fixed assets and intangible assets	37,923	37,213
Impairments and net charge for provisions	46,805	52,563
Remove (income)/loss from associates and long-standing shareholding	(7,494)	(5,827)
Remove (profit)/loss from investing activities	(157,040)	(36,181)
Non-cash items included in pre-tax profit and other adjustments (II)	**(79,806)**	**47,768**
Net (advance)/repayment of loans to customers	**(39,923)**	**(3,947)**
Cash (placed)/received through interbank transactions	(145,746)	62,019
Increase/(decrease) in due to customers	27,738	(666,739)
Net inflow/(outflow) related to derivatives and trading items	21,585	44,144
Issuance of debt securities in issue	13,500	-
Net (purchases)/disposals of AFS assets held for liquidity purposes	15,228	(22,462)
Other movements in assets and liabilities related to treasury activities	42,979	90,746
Total treasury-related activities	**(24,716)**	**(492,292)**
(Increase)/decrease in working capital	(60,210)	(51,040)
Tax paid	(21,217)	(36,497)
Other operating activities	**(81,427)**	**(87,537)**
Net (decrease)/increase in cash related to operating assets and liabilities (III)	**(146,066)**	**(583,776)**
Net cash inflow/(outflow) related to operating and treasury activities (A) = (I) +(II) +(III)	**90,821**	**(429,331)**
Purchase of investments	(118,403)	(64,126)
Purchase of associates and subsidiaries	(4,757)	(1,224)
Purchase of property, plant and equipment and intangible fixed assets	(18,068)	(26,189)
Total cash invested	**(141,228)**	**(91,539)**
Cash received from investments (disposals and dividends)	272,642	122,136
Cash received from subsidiaries, associates and long-standing shareholding (disposals and dividends)	9,910	4,123
Cash from disposal of property, plant and equipment and intangible fixed assets	49,457	1,362
Total cash received from investments	**332,009**	**127,621**
Net cash inflow/(outflow) related to investing activities (B)	**190,781**	**36,082**
Dividends paid to shareholders of parent company	(34,492)	(31,620)
Dividends paid to minority interests	(75,299)	(56,360)
Repayment of subordinated debt	(34,559)	-
Interest paid on perpetual subordinated debt	(14,267)	(13,921)
(Acquisition)/disposal of own shares and additional interest in subsidiaries	(5,351)	(2,230)
Net cash inflow/(outflow) related to financing activities (C)	**(163,968)**	**(104,131)**
Impact of exchange rate changes on cash and cash equivalents (D)	**594,417**	**6,522**
NET INFLOW/(OUTFLOW) OF CASH = (A) +(B) +(C) +(D)	**712,051**	**(490,858)**
Net cash and cash equivalents at the beginning of the year (note 21)	4,063,718	4,554,576
Net cash and cash equivalents at the end of the year (note 21)	4,775,769	4,063,718
NET INFLOW/(OUTFLOW) OF CASH	**712,051**	**(490,858)**

The cash flow statement in the current and prior year has been restated to be more consistent with cash flows reported in the Group's management accounts. In addition, the definition of cash equivalents has been changed to include overnight interbank reverse repos. This had the effect of increasing reported cash by €400 million at March 2015, €517 million at March 2014 and €280 million at March 2013. Cash and cash equivalents are disclosed in note 21.

Notes to the consolidated financial statements

I. Highlights of the financial year

There are two main activities within our Group: Global Financial Advisory, which focuses on providing advice in the areas of M&A, debt, restructuring and equity; and Asset Management in a broad sense which comprises Wealth & Asset Management and Merchant Banking. In addition, we have a Banking & Asset Finance business which predominantly relates to the legacy banking business.

Global Financial Advisory

For the year to March 2015, Global Financial Advisory revenue was €880 million, 28% higher than last year, and represents our strongest performance since the start of the financial crisis.

M&A advisory revenue was €588 million, up 33% from €443 million last year, compared to a 21% increase in global completed M&A deal values over the same period. This good performance reflects a continuing improvement in market share, particularly in our core European markets as well as in cross-border transactions. Year-on-year revenue growth was particularly strong in our European, Asian and Australian businesses.

Financing Advisory revenue was €292 million, up strongly year-on-year (+19%) compared to €246 million in the prior year, supported by our leading position in providing independent, strategic advice to companies, governments and financial sponsors.

Wealth & Asset Management

Wealth & Asset Management revenues during the year to 31 March 2015 were €336 million, up 10% compared to the prior year (€307 million), the highest in five years. This was driven by a 23% increase in assets under management to €52.1 billion as at 31 March 2015 (€42.3 billion as at 31 March 2014).

During the year we generated €3.4 billion of net inflows whilst market appreciation and exchange rate effects (net of scope change) accounted for €6.4 billion of the rise. Net inflows were strong across our onshore Wealth Management locations in the UK, France, Belgium, Germany and Switzerland (+€2.3 billion) and in Asset Management (+€1.1 billion).

Merchant Banking

During the year ended 31 March 2015, Merchant Banking recorded very strong revenues of €145.1 million compared to €73.6 million the previous year. These revenues comprise €30.6 million of management revenue (€34.7 million for 2013/2014), €111.2 million of net investment gains (€27.6 million for 2013/2014), €13.1 million of dividends and net interest (€15.3 million for 2013/2014); less €9.8 million of provisions (€4.0 million for 2013/2014).

During the year, the Group was able to take advantage of market conditions to successfully exit a number of its proprietary investments, thereby generating unusually high levels of investment gains. Disposals generated proceeds of €197 million resulting in €111.2 million of net investment gains. The division deployed €100 million in new investments, of which €21 million was in proprietary investments and €79 million was the Group's own investments in funds managed by Merchant Banking.

Banking & Asset Finance

In Banking & Asset Finance, the legacy banking book continues to reduce in line with our plans to exit the corporate lending business. Legacy drawings fell to €262 million as at 31 March 2015, down from €396 million as at 31 March 2014.

Operating expenses and other items

For the year ended 31 March 2015, staff costs were €820 million compared to €699 million in the prior year. The increase in staff costs of €121 million is largely due to higher variable staff compensation in connection with stronger revenues in Global Financial Advisory.

Overall Group headcount increased from 2,804 to 2,853 as at March 2015.

For the year ended 31 March 2015, administrative expenses were €257 million compared to €251 million for 2013/2014, representing a net increase of €6 million. The translation impact of exchange rate fluctuations resulted in an increase in administrative expenses of €8.5 million.

For the year ended 31 March 2015, impairment charges and loan provisions were €22 million compared to a credit of €7 million the previous year. Of this amount, €15 million is related to the legacy banking book, the remainder largely relates to Global Financial Advisory receivables and Merchant Banking impairments on specific debt investments. The credit for 2013/2014 was a result of recoveries on previously impaired legacy banking assets.

The translation effect of exchange rate fluctuations had a positive impact on operating income of €5 million.

Other income and expense, which includes results from equity accounted companies, was a net income of €49 million in 2014/2015 compared to a net charge of €22 million in 2013/2014. The increase is largely attributable to profits on disposals (one related to Paris Orléans Proprietary Investments' sale of FircoSoft and one related to the sale of a property in Switzerland). It also includes a further impairment of €3 million (€27 million in 2013/2014) relating to our 8.4% long-standing shareholding in Edmond de Rothschild (Suisse) SA.

For the year ended 31 March 2015, the income tax charge was €63 million, comprising a current tax charge of €50 million and a deferred tax charge of €13 million, giving a reported tax rate of 19.8%.

It should be noted that the effective tax rate would have been 17.0% without the further impairment of the shareholding referred to above and the write off of €9 million of deferred tax assets relating to the United Kingdom following a change in legislation.

For the year ended 31 March 2015, the charge for Non-controlling interests was €110 million compared to €56 million in 2013/2014. The increase is due to a higher partners' profit share in France in line with the significant improvement in the profitability of our French operations, an increase of profitability attributed to minority interests in the Swiss Wealth Management business and a reduction in impairment of investments.

Capital and liquidity

The Group continues to maintain a high level of liquidity. At 31 March 2015, cash placed with central banks and banks accounted for 57% of total assets (54% at March 2014). As at 31 March 2015, the Short-term liquidity ratio was 512%.

Shareholders' equity, excluding Non-controlling interests, increased from €1,269 million as at 31 March 2014 to €1,419 million as at 31 March 2015, mainly due to the profit for the year (€144 million).

The translation effect of changes in exchange rates between 31 March 2014 and 31 March 2015 caused total assets to increase by €0.9 billion.

The Group is regulated by the French Prudential and Resolution Authority (*ACPR: Autorité de Contrôle Prudentiel et de Résolution*) as a financial company ("*Compagnie Financière*"). The ratios, under full application of the Basel 3 rules (including a capital conservation buffer), are comfortably ahead of the minimum requirement with a Core Tier 1 ratio of 18.1% (minimum 8.5%) and a global solvency ratio of 20.5% (minimum 10.5%).

II. Preparation of the financial statements

A. Information concerning the company

The consolidated financial statements of Paris Orléans Group ("the Group") for the year ended 31 March 2015 are presented in accordance with the IFRS standards in force at the reporting date, as adopted in the European Union by EC Regulation No. 1606/2002. The format used for the summary financial statements is a banking format. It is consistent with Recommendation No. 2013-04 of 7 November 2013 of the French Accounting Standards Authority (*Autorité des normes comptables*). The statements cover the period from 1 April 2014 to 31 March 2015 and, unless otherwise indicated, are disclosed in thousands of euro (€k).

The consolidated accounts were approved by PO Gestion SAS, the manager and general partner of Paris Orléans Group, on 15 June 2015 and considered for verification and control purposes by the PO Supervisory Board on 24 June 2015.

At 31 March 2015, the Group's holding company was Paris Orléans SCA, French partnership limited by shares (*société en commandite par actions*), headquartered at 23 bis, avenue de Messine, 75008 Paris (Paris Trade and Companies Registry Number 302 519 228). The company is listed on the Eurolist market of Euronext Paris (Compartment A).

B. General principles

The notes were drawn up taking into account the understanding, relevance, reliability, comparability and materiality of the information provided.

C. Subsequent events

In December 2013 Paris Orléans announced that its Swiss private banking business, Rothschild Bank AG, was to participate in the US Program as a category 2 bank seeking to reach a non-prosecution agreement with the US Department of Justice in connection with any potential US tax or monetary transaction-related liability for undeclared US related accounts held at the bank from August 1, 2008.

On 3 June 2015, Rothschild Bank AG finalised a non-prosecution agreement with the US Department of Justice.

The Group made provisions as at 31 March 2014 to cover the estimated financial liability and professional and other costs. The settlement of the financial liability of US$11.5 million arising from participation in the Program and the related professional and other costs are within the amounts provided.

There were no other significant events to report after the 31 March 2015 closing date.

D. Developments in reporting standards and interpretations

The standards and interpretations used in preparation of the financial statements to 31 March 2014 were supplemented by the IFRS as adopted by the European Union at 31 March 2015 whose first-time application is mandatory in the 2014/2015 financial year. These concern:

1. New accounting standards affecting the consolidated financial statements in the year ended 31 March 2015

IFRS 10 Consolidated Financial Statements replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 introduces a single model of assessing control. Control exists where an investor has the power to direct the activities of another entity in order to influence the returns to the investor. As of 31 March 2015, the application of IFRS 10 does not have a material impact on the financial statements of Paris Orléans.

IFRS 11 Joint Arrangements replaces IAS 31 Interests in Joint Ventures. IFRS 11 requires all joint ventures to be equity accounted. As of 31 March 2015, the application of IFRS 11 does not have a material impact on the financial statements of Paris Orléans.

IFRS 12 Disclosure of Interests in Other Entities sets out new disclosure requirements in respect of interests in subsidiaries, joint arrangements and associates. It also introduces new requirements for unconsolidated structured entities. With the application of IFRS 12, the financial statements for the year ended 31 March 2015 contain detailed information on the Group's interests in associates, unconsolidated structured entities and its non-controlling interests.

Amendments to IAS 32, which specify the terms of presentation offset in the balance sheet of financial instruments, do not have a material impact on the financial statements of Paris Orléans as at 31 March 2015.

The "Novation of derivatives and continuation of hedge accounting" amendment to IAS 39 Financial Instruments: Recognition and Measurement continues hedge accounting in the event that a derivative designated as a hedging instrument is transferred by novation from a counterparty to a central counterparty due to legislative or regulatory provisions. The amendment has not had a material impact on these consolidated financial statements.

IFRIC 21 Levies provides guidance on when to recognise a liability for a levy imposed by a government. IFRIC 21 identifies the obligating event for the recognition of a liability. If that obligating event occurs over a period of time, the levy is recognised proportionately. If it is triggered by a minimum threshold, the liability is recognised when that threshold is reached. This interpretation is to be applied retrospectively but does not have any impact on these consolidated financial statements.

2. New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods ending after 31 March 2015 and, therefore, have not been applied in preparing these consolidated financial statements. The Group is currently reviewing these new standards to determine their effects on the Group's financial reporting. Those that may have a significant effect on the consolidated financial statements of the Group are:

Accounting standards first effective in the consolidated financial statements after 1 April 2017

IFRS 15 Revenue from Contracts with Customers provides a principles-based framework for determining whether, how much and when revenue is recognised and replaces existing revenue standards. Whilst the full implications of the new standard have still to be assessed, it is currently not expected to have a material impact on future revenue recognition.

Accounting standards first effective in the consolidated financial statements after 1 April 2018 or later

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement, and includes revised guidance in respect of the classification and measurement of financial assets and liabilities. It also introduces additional requirements for liabilities and hedge accounting, as well as a new expected credit loss model for calculating impairment on financial assets. The most significant impact for the Group is to replace the current categorisation of financial assets (fair value through profit or loss, available-for-sale and loans and receivables) such that financial assets would only be measured at amortised cost or fair value depending on the assets' contractual terms.

E. Standards not adopted early

The Group has not applied any new standards, adopted by the European Union or IASB, where the application in 2014/2015 is optional.

III. Accounting principles and valuation methods

To prepare the financial statements in accordance with the Group's accounting methods, management have made assumptions and estimates that could have an impact on the book value of certain assets and liabilities and items of income and expense.

By their nature, such valuations carry risks and uncertainties as to their realisation in the future. Management have taken care to take into consideration the counterparty's financial situation and outlook as well as multiple-criteria valuations that take observable parameters into account to determine whether there are objective signs of impairment.

Estimates and assumptions are used mainly with regard to goodwill, available-for-sale financial assets, loans and receivables, and impairment and provisions.

At each closing, the Group draws conclusions from past experience and all relevant factors relating to its business.

A. Consolidation methods

1. Financial year-end of the consolidated companies and sub-groups

Paris Orléans and its subsidiaries are consolidated on the basis of a financial year end of 31 March 2015, except for Francarep Inc, Continuation Investments NV (CINV), FircoSoft Group, Rivoli Participation SAS, St Julian's Property, Rothschild (Mexico) SA de CV, Rothschild Mexico (Guernsey) Ltd and Financière Nextpool, which are included in the consolidation on the basis of a 31 December 2014 year end. Of these, FircoSoft Group, Rivoli Participation SAS and Financière Nextpool were sold during the year.

If a subsequent event occurs between the closing date of the subsidiary and 31 March 2015 that would have a material impact on the consolidated financial statements, this event is accounted for in the consolidated financial statements of the Group as at 31 March 2015.

2. Consolidation principles

The financial statements of the Group are drawn up to 31 March 2015 and consolidate the audited financial statements of the Company and its subsidiary undertakings.

Subsidiaries

Subsidiaries are all entities which are controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date on which the Group acquires control, and cease to be consolidated from the date that control ceases.

The Group uses the acquisition method of accounting for the acquisition of subsidiary undertakings. The cost of an acquisition is measured as the fair value of the assets given as consideration, shares issued or liabilities undertaken at the date of acquisition. The excess of the cost of acquisition over the fair value of the net identifiable assets of the subsidiary undertaking acquired is recorded as goodwill. All inter company transactions, balances and unrealised surpluses and deficits on transactions between Group companies are eliminated on consolidation. The accounting policies used by subsidiary undertakings in their consolidation returns are consistent with the policies adopted by the Group.

Some subsidiaries are limited partnerships (*sociétés en commandité simple*). The percentage interest recorded in the consolidated accounts is calculated in accordance with the statutory regulations applicable to limited partnerships based on the individual results of each partnership, taking into consideration the share attributable to workers' remuneration.

Associates and joint arrangements

Associates are companies over whose financial and operational decisions the Group exercises significant influence but not control (this is generally demonstrated when the percentage of voting rights is equal to or greater than 20% but less than or equal to 50%).

Joint arrangements are where two or more parties, through a contractual arrangement, have joint control over the assets and liabilities of an arrangement. Depending on what those rights and obligations are, the joint arrangement will either be a joint operation (where the parties subject to the arrangement have rights to the assets and obligations for the liabilities of the arrangement) or a joint venture (where the parties subject to the arrangement have rights to the net assets of the arrangement).

The Group's investments in associated undertakings are initially recorded at cost. Subsequently they are increased or decreased by the Group's share of the post-acquisition profit or loss, or by other movements reflected directly in the equity of the associated undertaking. When the Group's share of losses in an associated undertaking equals or exceeds its interest in the associated undertakings, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated undertaking. Positive goodwill arising on the acquisition of an associated undertaking is included in the cost of the investment (net of any accumulated impairment loss).

3. Business combinations and goodwill

Business combinations are accounted for using the acquisition method stipulated by IFRS 3 Business Combinations. Thus, upon initial consolidation of a newly acquired company, the identifiable assets, assumed liabilities and any contingent liabilities of the acquired entity are measured at fair value in accordance with the provisions of IFRS. The costs directly attributable to business combinations are recognised in the income statement for the period.

Any contingent consideration is included in the acquisition cost at its fair value on the acquisition date, even if its occurrence is not certain. It is recognised as equity or debt in the balance sheet depending on the settlement alternatives; any subsequent adjustments to debt are booked in the income statement in accordance with IAS 39 for financial liabilities and within the scope of the appropriate standards for other liabilities.

Any excess of the price paid over the assessed fair value of the share of net assets acquired is booked in the consolidated balance sheet under goodwill. Any deficit is immediately recognised in the income statement. All necessary valuations of assets and liabilities must be carried out within twelve months from the date of acquisition, as must any corrections to the value based on new information. Goodwill is not amortised and is tested for impairment at least once per year in accordance with IAS 36, as described in the paragraph on impairment of financial assets below.

For all business combinations, the Group assesses non-controlling interests as either:

- based on its share of the fair value of the identifiable assets and liabilities at the date of the acquisition, without recognising the goodwill for non-controlling interests (partial goodwill method); or
- at fair value at the date of acquisition. Consequently the recognition of the goodwill is allocated to Group share and to non-controlling interests (full goodwill method).

On the date of acquisition of an entity, any stake in this entity already held by the Group is revalued at fair value through profit or loss. In such a case, taking control is accounted for as a sale of the shares previously held and the purchase of all shares held after control is obtained.

In the event of an increase in the Group's stake in entities over which it already exercises control, the difference between the price paid for the additional stake and the fair value of the share of net assets acquired at this date is booked in the Group's reserves as a reallocation from non-controlling interests to other equity. In the same way, any reduction in the Group's stake in an entity which it continues to control is accounted for as an equity transaction between shareholders. At the date when the Group loses control of a consolidated subsidiary, any investment retained in the former subsidiary is revalued at fair value through the income statement.

Income from subsidiaries acquired or sold during the financial year is included in the consolidated income statement respectively from their acquisition date and up to their disposal date.

4. Commitment to buy out the minority shareholders of fully consolidated companies

The Group may give the minority shareholders of a subsidiary undertaking a commitment to buy their shareholding. For the Group this corresponds to an option commitment (sale of put options).

In accordance with IAS 32, the Group would record a financial liability in respect of the put option sold to the minority shareholders. This liability would be recognised under other liabilities at the put option's estimated strike price.

The obligation to record a liability even though the put option has not been exercised requires, for the sake of consistency, the same accounting treatment as that applied to non-controlling interests. Accordingly, the counter entry to this liability is recorded as a deduction from non-controlling interests underlying the put option with the balance deducted from the Group's share of consolidated reserves.

If the option is exercised, the liability will be settled by the disbursement of cash linked to the purchase of non-controlling interests in the subsidiary in question. If, however, the option is not exercised on expiry of the commitment, the liability will be eliminated, with the counter entry going to non-controlling interests and shareholders' equity, Group share.

As long as these options are not exercised, the results relating to the non-controlling interests to which the put has been granted would be recorded in the consolidated income statement under Group share of net income.

B. Accounting principles and valuation methods

1. Exchange rate transactions

The consolidated financial statements are presented in euros, which is the Company's functional currency and the Group's reporting currency. Items included in the financial statements of each of the Group's entities are measured using their functional currency. The functional currency is the currency of the primary economic environment in which the entity operates.

Income statements and cash flows of foreign entities are translated into the Group's reporting currency at average exchange rates for each quarter where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Their balance sheets are translated at the exchange rate at the end of the period. Exchange differences arising from the translation of the net investment in foreign subsidiaries, associates and joint ventures are taken to shareholders' equity. On disposal of a foreign entity, these translation differences are recognised in the income statement as part of the gain or loss on sale.

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions, and from the translation at period end exchange rates of monetary items that are denominated in foreign currencies, are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Translation differences on equities classified as at fair value through profit or loss are reported as part of the fair value gain or loss in the income statement. In the absence of hedge accounting, translation differences on equities classified as available for sale are included in the available-for-sale reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

The table below shows the main exchange rates that were used in the year to prepare the consolidated accounts against the euro.

Currency	Closing rate	Average rate quarter ended	Average rate quarter ended	Average rate quarter ended	Average rate quarter ended	Opening rate
	31/03/2015	31/03/2015	31/12/2014	30/09/2014	30/06/2014	31/03/2014
GBP	0.7273	0.7444	0.7889	0.7941	0.8152	0.8264
CHF	1.0463	1.0756	1.2045	1.2116	1.2193	1.2180
USD	1.0759	1.1285	1.2490	1.3268	1.3717	1.3779

2. Derivative instruments and hedge accounting

Derivatives

Derivatives are entered into for trading or risk management purposes. Derivatives used for risk management are recognised as hedging instruments when they qualify as such under IAS 39.

Derivatives are initially recognised at fair value and are subsequently measured at fair value with changes in fair value recognised in the income statement. If there is a designated hedging relationship between a hedging instrument and a hedged item, the recognition of the profit or loss on the hedging instrument and the hedged instrument must comply with the conditions of IAS 39, depending on the hedging relationship.

Embedded derivatives

Some hybrid contracts contain both a derivative and a non-derivative component.

In such cases, the derivative component is termed an embedded derivative. Where the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract, and where the hybrid contract itself is not carried at fair value through profit or loss, the embedded derivative is separated and reported at fair value with gains and losses being recognised in the income statement.

Hedge accounting

The Group may apply hedge accounting when transactions meet the criteria set out in IAS 39. At the inception of the hedge, the Group assesses whether the hedging derivatives meet the effectiveness criteria of IAS 39 in offsetting changes in the fair value or cash flows of the hedged items. The Group then documents the relationship between the hedging instrument and the hedged item. It also records its risk management objectives, its strategy for undertaking the hedge transaction and the methods used to assess the effectiveness of the hedging relationship.

After inception, effectiveness is tested on an on-going basis. Hedge accounting is discontinued when it is determined that a derivative has ceased to be highly effective, or when the derivative or the hedged item is derecognised, or when the forecast transaction is no longer expected to occur.

Fair value hedge accounting

Changes in value of fair value hedge derivatives are recorded in the income statement, together with fair value changes to the underlying hedged item in respect of the risk being hedged.

If the hedge no longer meets the criteria for hedge accounting, the difference between the carrying value of the hedged item on termination of the hedging relationship and the value at which it would have been carried had the hedge never existed is amortised to the income statement over the residual period to maturity based on a recalculated effective interest rate. Where the hedged item is an available-for-sale equity security, the adjustment remains in equity until the disposal of the equity security.

Cash flow hedge accounting

Changes in the fair value of the effective portion of derivatives designated as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised in the income statement.

Amounts accumulated in equity are recycled to the income statement when the item being hedged impacts profit or loss.

When hedge accounting is discontinued, any cumulative gain or loss in equity remains in equity and is only recognised in the income statement when the forecast transaction is recognised in the income statement. When the forecast transaction is no longer expected to occur, the cumulative balance in equity is immediately transferred to the income statement.

Net investment hedge in foreign operations

Hedges of net investments in foreign operations are accounted for in a way similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are transferred to the income statement when the foreign operation is disposed of.

3. Net gains or losses on financial instruments at fair value through profit or loss

The net gains or losses on financial instruments at fair value through profit or loss result from changes in the fair value of the financial assets held for trading and financial assets designated as being at fair value through profit or loss.

4. Income from fees and commissions

The Group earns fee and commission income from services provided to clients. Fee income from advisory and other services can be divided into two broad categories: fees earned from services that are provided over a period of time, which are recognised over the period in which the service is provided; and fees that are earned on completion of a significant act or on the occurrence of an event, such as the completion of a transaction, which are recognised when the act is completed or the event occurs.

The Group recognises revenue from providing services when the following criteria are met: there is persuasive evidence of an arrangement with a client; the agreed–upon services have been provided; the amount of fees has been determined; and collection is probable.

Fees and commissions that are an integral part of a loan, and loan commitment fees for loans that are likely to be drawn down, are deferred (together with related direct costs) and recognised over the life of the loan as an adjustment to the effective interest rate.

Portfolio and other management fees are recognised based on the applicable service contracts. Asset management fees related to investment funds are recognised over the period the service is provided. The same principle is applied to the recognition of income from wealth management, financial planning and custody services that are continuously provided over an extended period of time.

5. Interest income and expense

Interest receivables and payables represent all interest arising out of banking activities, including lending and deposit-taking business, interest on related hedging transactions and interest on debt securities. Interest on all financial instruments, excluding those classified as held for trading or designated at fair value through profit or loss, is recognised in the income statement using the effective interest rate method.

Where negative interest arises from financial assets, the negative interest income is disclosed within interest expense.

The effective interest rate is the rate that exactly discounts the estimated future cash flows of a financial instrument to its net carrying amount. It is used to calculate the amortised cost of a financial asset or a financial liability and to allocate the interest over the relevant period (usually the expected life of the instrument). When calculating the effective interest rate, the Group considers all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes any premiums or discounts, as well as all fees and transaction costs that are an integral part of the loan.

6. Financial assets and liabilities

The Group initially recognises loans and advances and deposits on the date on which they are originated. All other financial assets and liabilities are recognised on trade date.

On initial recognition, IAS 39 requires that financial assets be classified into the following categories; at fair value through profit or loss, loans and receivables, held-to-maturity investments or available for sale. The Group does not hold any assets that are classified as held-to-maturity investments.

Financial assets at fair value through profit or loss

This category comprises financial assets held for trading (i.e. primarily acquired for the purpose of selling in the short term), assets that are designated as fair value through profit or loss and derivatives that are not designated as hedges.

These financial assets are recognised at fair value, with transaction costs recorded immediately in the income statement; they are subsequently measured at fair value. Gains and losses arising from changes in fair value, or on derecognition, are recognised in the income statement as net gains or losses on financial assets at fair value through profit or loss. Interest and dividend income from financial assets at fair value through profit or loss is recognised in net gains or losses on financial assets at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans which are intended to be sold in the short term are classified as held for trading and are recorded at fair value through profit or loss.

Loans and receivables are initially recorded at fair value, including any transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Gains and losses on loans and receivables that are derecognised are booked as income from other activities.

Available-for-sale financial assets

Available-for-sale investments comprise non-derivative financial assets that are either designated as available for sale on initial recognition or are not classified into the categories described above. Available-for-sale investments include some loans and debt securities that do not meet the criteria for classification as loans and receivables as they are quoted in an active market. They are initially recognised at fair value, including direct and incremental transaction costs, and are subsequently measured at fair value.

Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity until the financial asset is sold or impaired, at which time the cumulative gain or loss is transferred to the income statement. Interest (determined using the effective interest rate method), impairment losses and translation differences on monetary items are recognised in the income statement as they arise. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payment is established.

Financial liabilities

Financial liabilities are carried at amortised cost using the effective interest rate method, except for derivatives that are classified as at fair value through profit or loss on initial recognition (unless designated as cash flow hedges).

7. Reclassification of financial assets

When a financial asset with fixed or determinable revenues initially recorded under available-for-sale assets can no longer be traded on an active market and the Group has the intention or the capacity to hold the asset for the foreseeable future or until maturity, the asset can then be reclassified under loans and receivables subject to compliance with the criteria for classification as such. The financial asset concerned is transferred to its new category at its fair value on the reclassification date and subsequently valued using the valuation methods applicable to its new category.

If there is objective evidence of impairment resulting from an event that took place after reclassification of the financial asset concerned, and this event has a negative impact on the initially-expected future cash flows, an impairment charge is recorded in the income statement under impairment charges and loan provisions.

8. Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at fair value, and the initial fair value is amortised over the life of the guarantee. The guarantee liabilities are subsequently carried at the higher of the amortised amount and the expected present value of any expected payment (when a payment under the guarantee has become probable).

9. Derecognition

The Group derecognises a financial asset when:

- the contractual rights to cash flows arising from the financial assets have expired; or
- it transfers the financial asset including substantially all of the risks and rewards of the ownership of the asset; or
- it transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of the asset, but no longer retains control of the asset.

When a sale is followed by an immediate buyback and the Group considers that it has substantially retained the risks and rewards of ownership, it would not derecognise the asset.

10. Securitisation transactions

The Group may enter into funding arrangements with lenders in order to finance specific financial assets.

In general, the assets from these transactions are held on the Group's balance sheet on origination. However, to the extent that substantially all the risks and returns associated with the assets have been transferred to a third party, the assets and liabilities are derecognised in whole or in part.

Interests in securitised financial assets may be taken in the form of senior or subordinated tranches of debt securities, or other residual interests. Such interests are primarily recorded as available-for-sale assets.

11. Impairment of financial assets

Assets carried at amortised cost are assessed at each balance sheet date to determine whether there is objective evidence that a financial asset or group of financial assets is impaired.

Impairment losses are incurred if two conditions are met.

Firstly, there must be objective evidence of impairment as a result of one or more events occurring after initial recognition of the asset (a “loss event”).

Secondly, that loss event must have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data about the following loss events:

- significant financial difficulty of the issuer;
- a breach of contract, such as a default or delinquency in repayment of interest or principal.
- granting to the borrower, for economic or legal reasons relating to its financial difficulty, a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Impairment of loans and receivables

The Group first assesses whether objective evidence of impairment exists: individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Impairment losses are calculated on a collective basis for any losses on loans that are subject to individual assessment for impairment, where those losses have been incurred but not yet identified. Collective assessment is also used for homogeneous groups of loans that are not considered individually significant. If no objective evidence of impairment exists for an individually assessed financial asset, it is included in a collective assessment for impairment with other assets with similar risk characteristics.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of expected future cash flows discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced using an allowance account. The amount of the loss is recognised in the income statement.

The calculation of the present value of the estimated future cash flows of a financial asset reflects the cash flows that may result from scheduled interest payments, principal repayments or other payments due, including liquidation of collateral where available. In estimating these cash flows, management make judgements about a counterparty’s financial situation and the value of any underlying collateral or guarantees in the Group’s favour. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are reviewed by the relevant Credit Committee on a regular basis. The methodology and assumptions used for estimating both the amount and the timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Collectively assessed credit risk allowances cover credit losses inherent in portfolios of financial assets with similar economic characteristics where there is objective evidence to suggest that they contain impaired assets but the individual impaired items cannot yet be identified. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Future cash flows are estimated on the basis of historical loss experience. These estimates are subject to regular review and adjusted to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

The accuracy of the allowances made depends on how accurately the Group estimates future cash flows for specific counterparties, and in particular the fair value of any collateral, and the model assumptions and parameters used in determining provisions.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the original effective interest rate which was used to discount the future cash flows for the purpose of measuring the impairment loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related to an objective event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the previously recognised impairment loss is reversed by adjusting the allowance for loan impairment. The amount of the reversal is recognised in the income statement.

When a loan is deemed uncollectable, it is written off against the related allowance for loan impairment. Recoveries received in respect of loans previously written off are recorded as a decrease in the impairment losses on loans and advances recorded in the income statement in the year in which the recovery was made. Loans whose terms have been renegotiated and which would have been past due or impaired had they not been renegotiated are reviewed to determine whether they are impaired or past due.

Impairment of available-for-sale financial assets

Available-for-sale assets are assessed at each balance sheet date to determine whether there is objective evidence that they are impaired.

For equity instruments, a significant or prolonged fall in their price below their acquisition cost is an objective indication of value impairment. Paris Orléans Group considers that this is the case, in particular, for equity instruments which at the reporting date show unrealised losses exceeding 40% of their acquisition cost and for those in a situation of an unrealised loss during a continuous five-year period. Even if the criteria mentioned above were not met, the management may decide to examine the results for other criteria (financial position of the issuer, outlook for the issuer, multiple-criteria valuations, etc.) in order to determine whether the fall in value is of a permanent nature. Where there is an objective indication of value impairment, the cumulative loss is removed from equity and recognised in the income statement. Subsequent improvements in fair value are recognised in equity.

Impairment of available-for-sale debt securities is based on the same criteria as for all other financial assets. If in a subsequent period the fair value of a debt instrument classified as available for sale increases, and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

The loss recognised in the income statement is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

12. Classification of debts and shareholders' equity

Under IFRS, the critical feature in differentiating a debt instrument from an equity instrument is the existence of a contractual obligation of the Group to deliver cash (or another financial asset) to another entity. Where there is no such contractual obligation, the Group will classify the financial instrument as equity; otherwise it will be classified as a liability and carried at amortised cost. The terms of the perpetual debt instruments issued by subsidiaries in the Group permit interest payments to be waived unless discretionary dividends have been paid in the previous six months. These instruments are, therefore, considered to be equity.

13. Consolidated goodwill and intangible assets

Goodwill in an associate or subsidiary represents the excess, at the date of acquisition, of an acquisition's cost over the fair value of the Group's share of net identifiable assets acquired. Identifiable intangible assets are those which can be sold separately or which arise from legal rights, regardless of whether those rights are separate.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is tested annually for impairment, or more frequently when circumstances indicate that its carrying amount is too high. Goodwill is allocated to cash-generating units for the purposes of impairment testing. If the value of each of the cash-generating units is insufficient to support its carrying value, then the goodwill is impaired. Impairment losses on goodwill are recognised in the income statement and are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets include acquired brands, software, intellectual property rights, and client relationships. These are carried at historical cost less amortisation, if any, and less any accumulated impairment losses. These intangible assets are reviewed at each reporting date to determine whether there is objective evidence of impairment. If such evidence exists, an impairment test is performed.

14. Tangible assets

Tangible assets comprise plant, property and equipment and are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The deemed cost refers to the situation in which, on transition to IFRS, the Group elected, as IFRS 1 First-Time Adoption of IFRS permits, to consider the fair value of a tangible asset at that time to be its deemed cost.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to write down the cost of assets to their residual values over their estimated useful lives, as follows:

Computer equipment	2-10 years
Cars	3-5 years
Fixtures and fittings	3-10 years
Leasehold improvements	4-24 years
Buildings	10-60 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These gains and losses are recognised in the income statement in net income/(expense) from other assets.

15. Impairment of tangible assets

At each balance sheet date, or more frequently where events or changes in circumstances dictate, tangible assets are assessed for indications of impairment. If such indications are present, these assets are subject to an impairment review. If impaired, the carrying values of assets are written down by the amount of any impairment and the loss is recognised in the income statement in the period in which it occurs. A previously recognised impairment loss relating to a fixed asset may be reversed when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset is only increased up to the amount that it would have been had the original impairment not been recognised.

16. Finance leases and operating leases

A finance lease is a lease that transfers substantially all of the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

Where the Group is the lessor

Finance leases

When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised in interest receivable over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

Operating leases

Assets acquired for use by customers under operating lease agreements, including initial direct costs incurred by the lessor in negotiating an operating lease, are capitalised in the relevant category of fixed assets. Depreciation is charged on a straight-line basis to write down the value of the asset to the expected residual value over a period consistent with other assets of a similar type.

Operating lease income and the initial direct costs are then recognised in other operating income on a straight-line basis over the period of the lease.

Where the Group is the lessee

The Group has entered into operating leases. The total payments made under those operating leases are charged to the income statement as operating expenses. Commitments arising from operating leases are separately disclosed.

17. Carried interest

The Group is entitled to receive carried interest in relation to certain of the private equity and private debt funds that it manages. Carried interest receivable is accrued if the performance conditions associated with earning it would be achieved, on the assumption that the remaining assets in the fund were realised at the balance sheet date at fair value. Fair value is determined using the valuation methodology applied by the Group in its role as manager to its funds and is measured at the balance sheet date. An accrual is made equal to the Group's share of profits in excess of the performance conditions, taking into account any cash already paid to the fund's investors and the fair value of assets remaining in the fund.

Certain employees may also hold classes of share capital which give them a right to receive carried interest from investments managed by the Group. Where such carry shares held by staff are in an investment vehicle which is not consolidated, the interests of the staff are reflected in a reduced investment return of the Group's own interests. Where the carry shares held by staff are in a vehicle which is consolidated, the interests of the staff are treated as non-controlling interests of the Group. The valuation of the interests held by staff is calculated at the balance sheet date using the same method as the valuation of the Group's interests, as described above.

18. Long-term incentive schemes

Long-term profit share schemes

The Group operates long-term profit share schemes for the benefit of employees. The costs of such schemes are recognised in the income statement over the period in which the services are rendered that give rise to the obligation. Where the payment of profit share is deferred until the end of a specified vesting period, the deferred amount is recognised in the income statement over the period up to the date of vesting.

Share-based payments

The Group has issued share options which are treated as equity-settled share-based payments. These are valued at the date they are granted to employees and that value is recognised in staff costs over the vesting period, with a corresponding adjustment to shareholders' equity. The fair value is calculated on the basis of the overall plan value at the date of grant. In the absence of any market for stock options, models are used to value the share-based payments. The only assumptions revised after the initial measurement, and hence resulting in a revaluation of the expense, are those relating to the probability that employees will leave the Group.

19. Pensions

The Group operates a number of pension and other post-retirement benefit schemes, both funded and unfunded, and of the defined benefit and defined contribution types.

For defined contribution schemes, the contribution payable in respect of the accounting period is recognised in the income statement.

Remeasurement gains and losses for defined benefit schemes are recognised outside the income statement and are presented in the statement of comprehensive income.

The amount recognised in the balance sheet in respect of defined benefit schemes is the difference between the present value of the defined benefit obligation at the balance sheet date, and the fair value of the plan's assets, if any. Independent actuaries calculate the defined benefit obligation annually using the projected unit credit method. The obligations' present values are determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currencies in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

20. Taxation

Tax payable on profits and deferred tax are recognised in the income statement, except to the extent that they relate to items that are recognised in equity.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is determined using tax rates and laws that are expected to apply when a deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets, including the tax effects of income tax losses available for carry forward, are only recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax liabilities are provided on temporary differences arising from investments in subsidiaries and associates, unless the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

21. Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders at the Annual General Meeting or, in the case of interim dividends, when they are paid by the Company after decisions of the Managing Partner *(gérant)*, PO Gestion SAS.

22. Fiduciary activities

The Group acts as custodian and in other fiduciary capacities that result in the holding or placing of assets on behalf of customers. These assets and the income arising therefrom are excluded from these financial statements, as they are not assets or income of the Group.

23. Provisions and contingent liabilities

Provisions are recognised only when the Group has a present obligation (legal or constructive) as a result of past events. In addition, it must be probable that a transfer of economic benefits will be required to settle the obligation, and it must also be possible to make a reliable estimate of the amount of the obligation.

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed by one or more uncertain future events not wholly within the Group's control, or present obligations that are not recognised either because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be reliably estimated. Contingent liabilities are disclosed unless the possibility of a transfer of economic benefits is remote.

IV. Financial risk management

In accordance with IFRS 7 Financial instruments: Disclosures, the risks relating to financial instruments, and the way in which these are managed by the Group are described below, along with a general description of the Group's governance environment:

A. Governance

The supervising body of the Group is the Supervisory Board of Paris Orléans ("PO") which oversees the management of Paris Orléans by the Managing Partner *(Gérant)*, PO Gestion SAS, and submits to the Annual General Meeting of shareholders a report on the results of its supervision. In addition, pursuant to the provisions of article L. 225-68 of the French Commercial Code, the Chairman of the Supervisory Board submits to the Annual General Meeting of shareholders a report on corporate governance and on the internal control and risk management procedures implemented by the Company. The Supervisory Board has appointed four specialised committees to address particular matters: the Audit Committee, the Remuneration and Nomination Committee, the Risk Committee and the Strategy Committee.

The Risk Committee was created in November 2014 as a result of the review conducted by the Group of the provisions of the ministerial decree *(arrêté)* published on 5 November 2014 which transposed into French regulations the provisions of the CRD IV directive on governance and internal control, in particular those provisions which require the establishment of a risk committee of the supervisory body and which has come into effect as of 1 January 2015.

Members of the Supervisory Board's committees are appointed by the Supervisory Board from its own members. The terms of reference of these committees are approved by the Supervisory Board.

The Audit Committee reports to the Supervisory Board on the effectiveness of the Group's internal control systems.

The Risk Committee reports to the Supervisory Board and is mainly responsible for advising the Supervisory Board on the overall current and future risk appetite and strategy of the Group and reviewing on a consolidated basis the material risks of the Group.

The Remuneration and Nomination Committee assists the Supervisory Board with its remuneration-related duties and in particular with the preparation of its decisions aimed at deciding the Group's remuneration policy principles.

The Strategy Committee gives guidance to the Managing Partner and the Supervisory Board with respect to the long-term development strategies, significant investments and significant technical proposals or initiatives of the Managing Partner affecting Paris Orléans and the Group strategy on a consolidated basis.

PO Gestion SAS, in its capacity as Managing Partner of Paris Orléans, acts as the legal representative of Paris Orléans. PO Gestion SAS and its officers are supported and assisted in the management of the Group by the Group Management Committee (GMC), which forms the senior executive operational and functional committee for the Group, responsible for the proper and effective functioning of Group governance structures, operating policies and procedures, and implementation of Group strategy. The GMC assists PO Gestion SAS in the administration of the affairs of the Group and oversees the other business management and internal control executive Group committees.

At the date of this report, the Group's key executive bodies involved in risk monitoring and internal control are:

- the Group Assets and Liabilities Committee (Group ALCO), which is responsible for monitoring and managing all balance sheet risks within the Group, excluding those risks subject to the Group credit risk policy, and to oversee all treasury operations within the Group;
- the GFA Global Risk Committee, which is responsible for taking decisions on complex, difficult, or high-risk matters affecting the business.

The terms of reference and membership of these committees are regularly reviewed.

B. Credit risk

Credit risk arises from the potential failure of counterparties and customers to meet their obligations.

The Group's on-going credit activities are in:

- lending to private clients through its banks NM Rothschild & Sons Limited (NMR), Rothschild Bank Zurich (RBZ), Rothschild Bank International Limited (RBI), Rothschild Bank C.I. Limited (RBCI) and Rothschild & Cie Banque (RCB).
- asset-backed lending within NMR;
- the residual treasury exposures held for liquidity purposes; and
- mezzanine debt through the residual activities of the Paris Orléans' on-balance sheet investment, now managed by Merchant Banking.

The Group also has credit risk exposure from its legacy Banking activities undertaken in NMR (comprising commercial loans to corporates).

The Group has a credit risk policy which is reviewed annually by PO Gestion SAS. The policy sets out the credit risk appetite of the Group and the limits that have been established at Group level, and establishes reporting protocols. It also requires each subsidiary that conducts banking activities to have a credit risk policy which is consistent with the Group credit risk policy and with the requirements of local regulators.

All exposure to credit risk is managed by detailed analysis of client and counterparty creditworthiness prior to entering into an exposure, and by continued monitoring thereafter. A significant proportion of the Group's lending exposures is secured on property or assets; the Group monitors the value of any collateral obtained. The Group also uses netting agreements to restrict credit exposure to counterparties. For internal monitoring purposes, credit exposure on loans and debt securities is measured as the principal amount outstanding plus accrued interest.

Reflecting the Group's focus on Private Client Lending, a Group Private Client Credit Committee (PCCC) approves and periodically reviews the Private Client Lending exposures and credit policies consistent with the Private Client Lending strategy approved by PO Gestion SAS.

The Private Client Lending policies and associated delegated authorities are confirmed by the relevant Board (or Board Committee as appropriate) of each of the banking entities on an annual basis. Any material changes to the Private Client Lending policies will be approved by PO Gestion SAS.

Interbank credit exposures are subject to a limit structure that is monitored by the Group ALCO. Those limits are monitored within the Group on a weekly basis. The Group also has a large exposures policy for interbank loans which is reviewed annually.

Credit exposures on loans and debt securities are reviewed on a quarterly basis and for this purpose they are classified as follows:

Category 1	Exposures where the payment of interest or principal is not in doubt and which are not part of categories 2 to 5.
Category 2	Exposures where the payment of interest or principal is not in doubt, but which require closer observation than usual due to some deterioration in the position of the client, for example: poor trading results; difficult conditions in the client's market sector; competitive or regulatory threats; or the potential impact from currency or other factors.
Category 3	Exposures where there has been further deterioration in the position of the client. Although the exposure is not considered to be impaired, the relationship requires close monitoring by the front-office team.
Past due but not impaired financial assets	*A financial asset is considered to be past due when the counterparty has failed to make a payment when contractually due (unless this is caused by short-term administrative delays). Financial assets that are past due but not impaired are exposures for which a provision is not considered necessary despite non-payment of the contractual obligations.*
Category 4	Exposures that are considered to be impaired and which carry a provision against part of the loan (unless collateral exists which exceeds the exposure's carrying value). At least some recovery is expected to be made.
Category 5	Exposures that are considered to be impaired and which carry a full provision. No significant recovery of value is expected.

All Group companies map their own credit monitoring to these categories for the purposes of Group reporting.

The tables below disclose the maximum exposure to credit risk at 31 March 2015 and at 31 March 2014 for financial assets with exposure to credit risk, without taking account of collateral held or other credit risk mitigation.

In thousands of euro	Category 1	Category 2	Category 3	Past due but not impaired	Category 4	Category 5	Impairment allowance	31/03/2015
Financial assets at fair value through profit or loss[1]	152,133	-	-	-	-	-	-	152,133
Hedging derivatives	20,023	-	-	-	-	-	-	20,023
Loans and advances to banks	1,530,914	-	-	-	-	-	-	1,530,914
Loans and advances to customers	1,347,353	19,805	149,510	9,795	141,237	35,160	(101,255)	1,601,605
Available-for-sale debt securities	268,160	-	10,408	-	11,700	12,756	(23,295)	279,729
Other financial assets	274,320	32	75	27,171	3,561	13,592	(16,868)	301,883
Sub-total assets	**3,592,903**	**19,837**	**159,993**	**36,966**	**156,498**	**61,508**	**(141,418)**	**3,886,287**
Commitments and guarantees	192,769	1,884	15	-	-	-	-	194,668
TOTAL	**3,785,672**	**21,721**	**160,008**	**36,966**	**156,498**	**61,508**	**(141,418)**	**4,080,955**

(1) Excluding equity.

In thousands of euro	Category 1	Category 2	Category 3	Past due but not impaired	Category 4	Category 5	Impairment allowance	31/03/2014
Financial assets at fair value through profit or loss[1]	155,519	-	-	-	-	-	-	155,519
Hedging derivatives	14,346	-	-	-	-	-	-	14,346
Loans and advances to banks	1,175,858	-	-	-	-	-	-	1,175,858
Loans and advances to customers	1,060,017	65,773	162,498	5,685	147,437	15,885	(79,991)	1,377,304
Available-for-sale debt securities	239,327	5,954	9,214	-	28,018	18,510	(31,456)	269,567
Other financial assets	270,581	19	16	8,558	6,463	12,503	(14,043)	284,097
Sub-total assets	**2,915,648**	**71,746**	**171,728**	**14,243**	**181,918**	**46,898**	**(125,490)**	**3,276,691**
Commitments and guarantees	148,824	2,078	513	-	-	-	-	151 415
TOTAL	**3,064,472**	**73,824**	**172,241**	**14,243**	**181,918**	**46,898**	**(125,490)**	**3,428,106**

(1) Excluding equity.

1. Past due but not impaired assets

The table below analyses amounts past due but not impaired by how far they are past their due date:

	31/03/2015			31/03/2014		
In thousands of euro	Loans and advances to customers	Other financial assets	TOTAL	Loans and advances to customers	Other financial assets	TOTAL
Less than 90 days	6,175	4,606	10,781	3,478	987	4,465
Between 90 and 180 days	1,460	11,997	13,457	289	3,013	3,302
Between 180 days and 1 year	707	6,675	7,382	568	3,969	4,537
More than 1 year	1,453	3,893	5,346	1,350	589	1,939
TOTAL	**9,795**	**27,171**	**36,966**	**5,685**	**8,558**	**14,243**

As refinancing and sale options continue to be difficult, it is generally in the lender's and borrower's interest to extend certain facilities at maturity and not to foreclose on the security. This assumes there are no underlying issues regarding the borrower's ability to continue to service the loan and the level of collateral is expected to be of sufficient quality to secure the principal.

Unimpaired loans extended in this manner are not categorised as either past due or as renegotiated. As at 31 March 2015 the cumulative value of all loans within this category was €103.5 million (March 2014: €114.7 million). All of these loans were property loans. There are a small number of loans which are overdue, but not impaired, pending an extension of maturity. As at 31 March 2015, these amounted to €6.0 million (March 2014: €4.4 million).

Some loans were renegotiated on substantially different terms than before. Typically these loans will include revised covenants and higher margins to reflect higher credit risk as well as having extended maturities. But for these renegotiations the loans would have been deemed to have been impaired. As at 31 March 2015, the carrying value of all loans renegotiated was €31.9 million (March 2014: €66.1 million).

2. Collateral

The Group holds collateral against loans to customers. Substantially all third-party commercial lending is secured. Collateral is split by type as either specific or general.

Specific collateral is a readily identifiable asset. The majority of specific collateral is in the form of charges over property assets, or over marketable securities (Lombard lending). There is a realistic possibility, if necessary, of both taking possession of, and realising, the collateral. General collateral will be more difficult to both identify and realise. It will usually be a charge over the assets of a business, and is typically attached to leveraged finance assets. It is not practicable to ascribe a specific value to this collateral.

Unimpaired loans (categories 1 to 3) are covered by both specific and general collateral. For category 1, 2 and 3 loans the level of collateral at expected exit is expected to be sufficient to cover the balance sheet exposure. Where a loan is deemed to be impaired (categories 4 and 5), the level of the impairment charge is primarily driven by any expected shortfall in the collateral value, though it is also influenced by the ability of the borrower to service the debt.

Collateral is valued independently at the time the loan is made and periodically thereafter on a rolling basis. Management is able to roll forward a valuation for reporting purposes via a combination of specific knowledge of the collateral and the application of general indices.

The table below gives an estimate of the fair value of collateral held by the Group as security against its loans to customers that are individually impaired and past due but not impaired.

	31/03/2015		31/03/2014	
In thousands of euro	Past due but not impaired	Individually impaired	Past due but not impaired	Individually impaired
Tangible assets collateral	10,826	90,846	5,976	89,985
Financial assets collateral	-	6,657	-	10,145
TOTAL	**10,826**	**97,503**	**5,976**	**100,130**
Gross value of loans	9,795	176,397	5,685	163,322
Impairment	-	(75,099)	-	(53,366)
Net value of loans	**9,795**	**101,298**	**5,685**	**109,956**

3. Credit risk analysis

The tables below show an analysis of credit risk by location and by sector as of 31 March 2015 and 31 March 2014.

3.1 Credit risk by location

Location for loans and advances is measured by reference to the location of the borrower. Debt securities are recorded based on the location of the issuer of the security.

In thousands of euro	France	UK and Channel Islands	Switzerland	Rest of Europe	Americas	Australia and Asia	Other	31/03/2015
Financial assets at fair value through profit or loss[1]	57,120	59,633	8,627	18,548	1,980	2,784	3,441	152,133
Hedging derivatives	791	18,275	-	957	-	-	-	20,023
Loans and advances to banks	672,494	403,712	71,833	198,602	108,756	49,309	26,208	1,530,914
Loans and advances to customers	163,755	998,961	132,278	179,396	47,240	42,749	37,226	1,601,605
Available-for-sale debt securities	28,576	163,536	56	62,683	19,031	4,842	1,005	279,729
Other financial assets	80,895	56,203	24,904	63,828	42,109	18,405	15,539	301,883
Sub-total assets	**1,003,631**	**1,700,320**	**237,698**	**524,014**	**219,116**	**118,089**	**83,419**	**3,886,287**
Commitments and guarantees	75,943	47,136	10,751	52,251	5,488	2,689	410	194,668
TOTAL	**1,079,574**	**1,747,456**	**248,449**	**576,265**	**224,604**	**120,778**	**83,829**	**4,080,955**

(1) Excluding equity.

In thousands of euro	France	UK and Channel Islands	Switzerland	Rest of Europe	Americas	Australia and Asia	Other	31/03/2014
Financial assets at fair value through profit or loss[1]	84,540	15,016	42,245	10,527	23	236	2,932	155,519
Hedging derivatives	1,007	12,431	-	908	-	-	-	14,346
Loans and advances to banks	607,866	270,515	38,623	128,913	81,956	32,291	15,694	1,175,858
Loans and advances to customers	181,892	707,572	166,345	167,721	86,438	55,082	12,254	1,377,304
Available-for-sale debt securities	41,229	87,162	3,274	121,322	11,588	4,992	-	269,567
Other financial assets	65,261	62,321	32,569	61,200	35,382	19,941	7,423	284,097
Sub-total Assets	**981,795**	**1,155,017**	**283,056**	**490,591**	**215,387**	**112,542**	**38,303**	**3,276,691**
Commitments and guarantees	41,803	26,406	48,444	33,855	905	2	-	151,415
TOTAL	**1,023,598**	**1,181,423**	**331,500**	**524,446**	**216,292**	**112,544**	**38,303**	**3,428,106**

(1) Excluding equity

3.2 Credit risk by sector

The sector is based on Global Industry Classification Standards ("GICS").

In thousands of euro	31/03/2015	31/03/2014
Financial	2,037,890	1,749,823
Private clients	967,151	690,830
Real estate	307,586	381,297
Industrials	188,662	131,102
Consumer discretionary	134,433	128,424
Government	181,085	92,399
Consumer staples	53,221	53,939
Materials	31,814	48,316
Utilities	44,305	35,226
IT and telecoms	30,050	32,627
Healthcare	51,179	21,222
Energy	5,265	6,306
Other	48,314	56,595
TOTAL	**4,080,955**	**3,428,106**

The "Government" exposure above predominantly consists of high quality government securities. The balances above do not include Cash and amounts due from Central Banks, which are not considered to have a significant credit risk. These amounted to €3,644 million at 31 March 2015 (March 2014: €3,150 million).

Financial and real estate sector exposures may be analysed as follows:

In thousands of euro	31/03/2015	31/03/2014
Short-term interbank exposures	1,558,553	1,262,804
Treasury marketable securities — investment grade	17,525	136,904
Cash/investment backed lending	224,993	166,755
Finance companies	28,569	40,032
Other	208,250	143,328
TOTAL FINANCIAL SECTOR	**2,037,890**	**1,749,823**

Short-term interbank lending and marketable securities are held for liquidity management purposes.

In thousands of euro	31/03/2015	31/03/2014
Senior loans	258,132	294,251
Mezzanine	36,232	66,308
Other	13,222	20,738
TOTAL REAL ESTATE SECTOR	**307,586**	**381,297**

Real estate exposures are supported by income generated by a large number of tenants from a wide variety of industry sectors. Exposures are, broadly, evenly split between the major property types, and are located predominantly within the UK.

C. Market risk

Market risk arises from changes in the market value of assets and liabilities. It arises as a result of the Group's activities in interest rate, currency, equity and debt markets and comprises interest rate, foreign exchange, equity and debt position risk.

Exposure to market risk on trading activities is small in relation to capital, as trading activity is focused on servicing client requirements rather than on proprietary risk-taking. Foreign exchange and interest rate derivative contracts are predominantly used for hedging purposes. Trading activities in the Group are confined to 'vanilla' products – the Group does not trade in complex derivatives or other exotic instruments.

Exposure to market risk also arises from the Group's proprietary investments in funds and other portfolios. These risks are further explained in the section on "Equity" below.

The Group requires that each of its regulated banking entities manages market risk on a stand-alone basis in accordance with its individual risk appetite and limits approved by Group ALCO.

PO, NMR and RBZ are the principal entities that are exposed to market risk within the Group. For each entity, monitoring of trading market risk limits and determination of trading profits are undertaken daily, independently of the dealing area. Risk limits are complemented by other measures and controls, including stress testing to estimate the losses that could occur when markets behave in unusually volatile ways and with little liquidity.

Market risks associated with treasury, leveraged finance loan trading and equity positions are described below with a description of the levels of risk.

1. Equity investments

As described above, the Group has exposure to equity price risk through holdings of equity investments and warrants on equity investments. Each of these positions is individually approved by senior management and is monitored on an individual basis.

If the price of these equities and of the equities on which derivative instruments are dependent were to fall by 5%, then there would be a post-tax charge to the income statement of €10.4 million (March 2014: €11.8 million) and a charge to equity of €16.9 million (March 2014: €14.3 million).

Moreover, the Group is exposed through its investments to the risks affecting the companies in which it invests.

The table below shows the Group's equity price risk in relation to these instruments, by location.

In thousands of euro	31/03/2015	31/03/2014
France	224,508	271,913
Switzerland	103,444	103,671
Americas	90,356	105,804
United Kingdom and Channel Islands	72,492	36,210
Rest of Europe	49,114	45,799
Australia and Asia	30,031	28,549
Other	30,800	15,971
TOTAL	**600,745**	**607,917**

2. Currency risk

The Group takes on exposure to the effects of fluctuations in foreign currency exchange rates on its financial position and cash flows. The table below summarises exposure to foreign currency exchange rate risk as at 31 March 2015. The net positions in the table show the aggregated positions of the main entities in the Group. The positions show the net monetary assets or liabilities in an entity which are denominated in a currency other than the functional currency, after taking into account the nominal value of currency derivatives. (A monetary asset or liability is one to be settled with a fixed and determinable amount of units of currency).

The sensitivity analysis for March 2015 shows the effect on the income statement of the euro strengthening by 5% against the positions in which the most significant net exposures exist and is prepared using the net long and short positions of the Group, based on the aggregation above. If the euro strengthened against these currencies by 5%, then the effect on the main entities of the Group would be a gain in the income statement of €0.0 million (gain of €0.2 million for 2014).

In thousands of euro	31/03/2015	31/03/2014
NZD	(1,451)	(1,258)
NOK	(1,134)	(32)
CAD	1,104	(130)
AUD	1,077	106
GBP	144	(2,238)
CZK	15	(898)
Other	99	947

	31/03/2015	31/03/2014
€/NZD	1.439	1.588
€/NOK	8.703	8.253
€/CAD	1.374	1.520
€/AUD	1.415	1.486
€/GBP	0.727	0.826
€/CZK	27.543	27.451

3. Interest rate risk

Because of the nature of its business, only a few entities in the Group are exposed to significant interest rate risk, and these entities manage it primarily through the use of derivatives. Each December, the Group reports its combined interest rate risk to its regulator in the form of a table which collates the impact at an entity level on the fair value of interest-bearing assets and liabilities and of interest rate derivatives of a uniform 200 basis point rise over one year. The combined impact of such a shock at 31 December 2014 would have been a fall in fair values of €3.1 million.

D. Liquidity risk

Liquidity risk arises from the mis-match between the legal maturity of assets and liabilities. Conservative management of funding and liquidity risk is fundamental to the Group's strategy with the key objective of maintaining a diversified funding base of appropriate maturity to fund the Group's banking and other activities. Liquidity is measured based on behavioural adjustments and stress tests. The behaviour of assets and liabilities may, in certain scenarios, be less favourable than foreseen by their contractual maturity. For instance, there is the possibility that customer loans will not be repaid at their contractual term.

The Group has designed its management of liquidity risk in the overall context of the Banking and Wealth Management strategy. Each banking entity must have in place a liquidity risk policy approved by the Group ALCO and which defines its liquidity risk limits and how liquidity risk is measured, monitored and controlled. In summary each entity is required:

- to hold a level of liquidity resources necessary to meet its short-term obligations as defined by its liquidity policy statement; the Group ALCO may from time to time impose stricter guidance according to market conditions or other Group considerations;
- to maintain an appropriate structural liquidity profile through a funding base of appropriate duration and diversity relative to its asset profile, business plans, market capacity and access;
- to maintain in so far as possible local market and counterparty access to available liquidity resources including, for example, foreign exchange swap markets, repo and applicable central bank facilities;
- to comply with all applicable regulatory liquidity requirements.

Liquidity is monitored daily, independently of the front-office treasury staff responsible for day-to-day liquidity management. The banking entities are also subject to liquidity guidelines set by their regulator.

The Group's four main banking groups each manage their own liquidity independently of each other. An illustration of how they manage their short term liquidity is summarised below.

NM Rothschild & Sons Limited ("NMR")

NMR measures its liquidity risk quantitatively against a liquidity coverage ratio (LCR) limit. This is in line with the requirements of the regulator's liquidity regime. The LCR considers NMR's eligible buffer assets against the cumulative net cash flows payable under its most severe stress test. Only those assets of the highest quality can be treated as eligible for inclusion in the LCR.

NMR's liquidity policy requires it to keep a liquidity coverage ratio in excess of 100% at the one-month time horizon. At 31 March 2015, the ratio measured was 168% (March 2014: 181%).

Rothschild Bank International Limited ("RBI")

RBI complies with the liquidity regime of the Guernsey Financial Services Commission (GFSC), which prescribes cumulative cash flow deficit limits for periods up to the one-month time horizon using standard behavioural adjustments (i.e. not institution specific).

At 31 March 2015, the RBI regulatory liquidity ratio for the eight-day to one-month period as a percentage of total deposits was 16% (March 2014: 22%), well in excess of the limit set by the GFSC of 5%.

Rothschild Bank Zurich AG ("RBZ")

RBZ's liquidity policy includes a behavioural adjustment applied across different client types, which allows for approximately one third of client deposits to be withdrawn over thirty days. Although the regulatory framework would permit significant mismatches within the thirty day time bucket, RBZ maintains a more conservative approach to liquidity.

Internal limits provide for RBZ to be cumulatively cash positive in all periods (after behavioural adjustments). The behavioural adjustments are complemented by an additional requirement that 20% of all client call deposits are held in cash and assets realisable within 48 hours.

RBZ's liquid assets at 31 March 2015 were 451% of liquid liabilities, as measured for regulatory purposes (March 2014: 423%). The regulatory limit is 100%.

Rothschild & Cie Banque SCS ("RCB")

RCB's liquidity assets are composed of clients' accounts, UCITS and outstanding income that is invested daily on money markets. The Treasury Committee, which meets monthly, authorises the counterparties for these investments.

RCB's regulatory liquidity ratio corresponds to the ratio of cash assets and short-term loans to short-term liabilities. It is calculated on a monthly basis, with the minimum threshold set at 100%.

At 31 March 2015, RCB's one month liquidity ratio was 705% compared with 309% at 31 March 2014.

1. Contractual maturity

The following table shows the Group's financial assets and liabilities, analysed by remaining contractual maturity at the balance sheet date.

In thousands of euro	Demand - 1m	1m - 3m	3m - 1yr	1yr - 2yr	2yr - 5yr	>5 yr	No contractual maturity	31/03/2015
Cash and balances at central banks	3,643,942	-	-	-	-	-	-	3,643,942
Financial assets at FVTPL	25,238	39,797	698	1,515	225,129	25,939	44,854	363,170
Hedging derivatives	-	-	17,305	1,764	954	-	-	20,023
AFS financial assets	1,714	116,680	23,726	33,108	41,349	62,989	389,871	669,437
Loans and advances to banks	1,288,141	237,837	4,881	-	55	-	-	1,530,914
Loans and advances to customers	459,473	210,129	394,301	194,058	309,816	33,828	-	1,601,605
Other financial assets	264,085	26,625	10,693	47	433	-	-	301,883
TOTAL ASSETS	**5,682,593**	**631,068**	**451,604**	**230,492**	**577,736**	**122,756**	**434,725**	**8,130,974**
Financial liabilities at FVTPL	51,721	12,687	2,305	257	-	42	-	67,012
Hedging derivatives	-	40	-	8,155	-	-	-	8,195
Deposits by banks and central banks	81,567	1,250	26,644	173,946	10,417	-	-	293,824
Due to customers	4,833,865	105,634	330,170	279,560	124,943	12,691	-	5,686,863
Debt securities in issue	-	-	13,500	-	-	-	-	13,500
Other financial liabilities	97,872	5,944	4,439	2,055	4,076	1,458	-	115,844
TOTAL LIABILITIES	**5,065,025**	**125,555**	**377,058**	**463,973**	**139,436**	**14,191**	**-**	**6,185,238**

2. Undiscounted cash flows of liabilities and commitments

The following table shows contractual undiscounted cash flows payable by the Group (i.e. including future interest payments) on its financial liabilities and commitments, analysed by remaining contractual maturity at the balance sheet date. This table does not reflect the liquidity position of the Group.

Loan commitments are analysed at the earliest date they can be drawn down.

In thousands of euro	Demand - 1m	1m - 3m	3m - 1yr	1yr - 2yr	2yr - 5yr	>5 yr	31/03/2015
Hedging derivatives	-	40	-	8,155	-	-	8,195
Deposits by banks and central banks	81,599	1,295	29,406	175,133	10,838	-	298,271
Due to customers	4,833,758	108,850	351,149	287,906	132,075	14,017	5,727,755
Debt securities in issue	-	-	13,650	-	-	-	13,650
Other financial liabilities	97,872	5,944	4,439	2,055	4,076	1,458	115,844
Gross loan commitments	51,772	27,712	34,939	-	3,131	-	117,554
TOTAL LIABILITIES including commitments	**5,065,001**	**143,841**	**433,583**	**473,249**	**150,120**	**15,475**	**6,281,269**

E. Fair value of financial instruments

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value used to measure a financial instrument is, in principle, the listed price when the financial instrument is listed on an active market. In the absence of an active market, fair value is determined using measurement techniques.

For financial reporting purposes, IFRS 13 requires fair value measurements applied to financial instruments to be allocated to one of three levels, reflecting the extent to which the valuation is based on observable data.

Level 1: instruments quoted on an active market

Level 1 comprises instruments whose fair value is determined based on directly usable prices quoted on active markets. This mainly includes listed securities and derivatives traded on organised markets (futures, options, etc.) whose liquidity can be demonstrated, and shares of funds where the value is determined and reported on a daily basis.

Level 2: instruments measured based on recognised valuation models using observable inputs other than quoted prices

Level 2 comprises instruments not directly quoted on an active market, measured using a valuation technique incorporating parameters that are either directly observable (prices) or indirectly observable (price derivatives) through to maturity.

Derivatives

Derivatives are classified in level 2 in the following circumstances:

- fair value is predominantly derived from prices or quotations of other level 1 and level 2 instruments, through standard market extrapolation or interpolation or through corroboration by real transactions;
- fair value is derived from other standard techniques such as discounted cash flows that are calibrated to observable prices, that bear limited model risk and enable an effective offset of the risks of the instrument through trading level 1 or level 2 instruments. The most frequently used of the techniques and measurement models is the discounted cash flow technique (DCF). The values derived from these models are materially affected by the measurement assumptions used, such as the amounts and settlement dates of future cash flows, the discount rates and solvency. When those parameters are determined on the basis of directly observable inputs, the derivatives are classified in level 2.

Debt securities

Level 2 debt securities are less liquid than level 1 securities. They are predominantly government bonds, corporate debt securities, mortgage backed securities, and certificates of deposit. They can be classified in level 2 when external prices for the same security can be regularly observed from a reasonable number of market makers that are active in this security, but these prices do not represent directly tradable prices (when supplied, for example, by consensus pricing services with a reasonable number of contributors that are active market makers as well as indicative runs from active brokers and/or dealers). Where prices are not directly observable on the markets, a DCF valuation is used. The discount rate is adjusted for the applicable credit margin determined by similar instruments listed on an active market for comparable counterparties.

Other equity securities

In the absence of a price available on an active market, fair value of level 2 equity securities is determined using parameters derived from market conditions, based on data from comparable companies at the closing date.

The measurement techniques are:

Transaction multiples

The preferred measurement technique is based on transaction multiples. This technique uses recent transactions in the sector under consideration. Multiples are established based on the enterprise value of comparable transactions and accounting measures such as EBITDA, EBIT or profit, which are applied to the asset to be measured.

Earnings multiples

This consists of applying a multiple to the earnings of the company to be valued. It is based on multiples from a sample of listed companies, which are in the peer group of the company to be valued. The earnings multiples used are the price/earnings ratio (PER), enterprise value/earnings before interest and tax (EV/EBIT) and enterprise value/earnings before interest, tax, depreciation and amortisation (EV/EBITDA). These are historical multiples of the company to be valued and of the peer-group companies. They are restated to exclude all non-recurring and exceptional amounts, as well as the amortisation of goodwill.

Companies in the selected peer group must operate in a similar sector to that of the target company. They are of a relatively comparable size and have similar growth prospects. Specific factors may also be taken into account in the selection: country, regulatory aspects specific to each market, and the presence or otherwise of related business activities.

The value of the peer-group companies is obtained by adding together the market capitalisation, net financial debt and non-controlling interests, based on the most recently available financial data.

Stock exchange multiples are calculated excluding any control premium. The valuation is made from the point of view of a non-controlling shareholder. However, if the investment to be valued is not listed, any control premium may be partially or wholly offset by the lack of liquidity relative to listed companies in the peer group.

If the company is not listed, a "tradability" discount is applied to reflect market practices. It is determined from the viewpoint of market operators, not from that of the existing investor.

Measurement of share subscription warrants

Securities providing access to the capital, which generally take the form of share subscription warrants, are regularly assessed to determine the probability of exercise and the possible impact thereof on the value of the investment. At each closing date, the probability of exercise of the warrants is determined by comparing the cost of exercise with the expected benefit derived from exercise.

Historical cost

When the Group has recently made an investment in an unquoted instrument, the transaction price (i.e. an entry price) is often considered as a reasonable starting point for measuring the fair value of this unquoted equity instrument at the measurement date.

Net assets

The net asset value is, for a company, the amount a shareholder would receive if the company sold all its assets at their current market value, paid off any outstanding debts with the proceeds, and then distributed the remainder to the stockholders. For funds, the net asset value is based on the value of securities and working capital held in a fund's portfolio.

Level 3: instruments measured using models that are not commonly used and/or that draw on non-observable inputs

Level 3 comprises instruments which are measured, at least in part using non-observable market data which is liable to materially impact the valuation. This could include;

- unquoted shares whose fair value could not be determined using observable inputs and for which the net asset value is the best approximation of fair value at the closing date;
- shares of private equity funds for which the manager and third-party assesor has published a net asset value at the valuation date, using a valuation technique incorporating parameters that are not directly observable, or using observable inputs with a significant adjustment which is not observed;
- more generally, all unquoted equity investments for which the Group uses a valuation technique (comparable valuation multiple, transaction multiple), as described above, but which incorporates parameters that are not directly observable. Such parameters might include cash flow forecasts for a DCF, a discount rate which incorporates a risk premium, or a liquidity discount; for all of these, the parameters may not be directly observable in the market.

The fair value of financial instruments is determined at the reporting date in accordance with the accounting principles and methods described in this report.

Carried at amortised cost:

	31/03/2015				
In thousands of euro	**Carrying value**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
FINANCIAL ASSETS					
Loans and advances to banks	1,530,914	1,530,914	-	1,530,914	-
Loans and advances to customers	1,601,605	1,560,480	-	1,180,531	379,949
TOTAL	**3,132,519**	**3,091,394**	**-**	**2,711,445**	**379,949**
FINANCIAL LIABILITIES					
Due to banks and central banks	293,824	293,824	-	293,824	-
Due to customers	5,686,863	5,690,202	-	5,690,202	-
Debt securities in issue	13,500	13,500	13,500	-	-
TOTAL	**5,994,187**	**5,997,526**	**13,500**	**5,984,026**	**-**

In thousands of euro	31/03/2014 Carrying value	Fair value	Level 1	Level 2	Level 3
FINANCIAL ASSETS					
Loans and advances to banks	1,175,858	1,175,858	-	1,175,858	-
Loans and advances to customers	1,377,304	1,342,838	-	1,044,837	298,001
TOTAL	**2,553,162**	**2,518,696**	**-**	**2,220,695**	**298,001**
FINANCIAL LIABILITIES					
Due to banks and central banks	334,835	334,835	-	334,835	-
Due to customers	4,946,668	4,958,761	-	4,958,761	-
Subordinated debt	28,338	27,057	27,057	-	-
TOTAL	**5,309,841**	**5,320,653**	**27,057**	**5,293,596**	**-**

- Loans to customers and their associated interest rates: these are compared, by maturity, with similar recent transactions. In the event of a material difference in interest rates or any other factor indicating that an asset's fair value is materially different from the net carrying amount, the fair value is adjusted accordingly. To determine the assets' fair value, the Group estimates counterparties' default risk and calculates the sum of future cash flows, taking into account the debtors' financial standing.
- Delivered repurchase agreements, repurchase agreements and amounts due to customers: the fair value of these instruments is determined using a DCF technique, the discount rate of which is adjusted for the appropriate credit margin.
- Subordinated debt: the fair value of these instruments is determined using prices observed on the markets.

Carried at fair value:

	31/03/2015			
		Measured using		
In thousands of euro	TOTAL	Level 1	Level 2	Level 3
FINANCIAL ASSETS				
Trading securities - Short-term	**26,372**	**26,372**	**-**	**-**
Financial assets designated at FVTPL - long-term	**290,124**	**1,974**	**288,150**	**-**
Derivative financial instruments	**66,697**	**-**	**66,697**	**-**
Public bills and similar securities	147,787	147,787	-	-
Bonds and other fixed income securities	124,165	41,766	72,502	9,897
Accrued interest	7,777	434	5,487	1,856
Total AFS debt securities	**279,729**	**189,987**	**77,989**	**11,753**
Total AFS equity securities	**389,708**	**153,255**	**72,718**	**163,735**
Available-for-sale financial assets	**669,437**	**343,242**	**150,707**	**175,488**
TOTAL FINANCIAL ASSETS	**1,052,630**	**371,588**	**505,554**	**175,488**
FINANCIAL LIABILITIES				
Derivative financial instruments	**75,207**	**-**	**75,207**	**-**
TOTAL FINANCIAL LIABILITIES	**75,207**	**-**	**75,207**	**-**

Following a review of the valuation methods used to measure Bonds and other fixed income securities, one of the Group's subsidiaries transferred €47.8 million of notes from Level 1 to Level 2 in the year ended March 2015. Apart from this, there were no significant transfers of assets or liabilities between Levels 1 and 2.

	31/03/2014			
		Measured using		
In thousands of euro	TOTAL	Level 1	Level 2	Level 3
FINANCIAL ASSETS				
Trading securities - Short-term	**54,946**	**7,445**	**47,501**	**-**
Financial assets designated at FVTPL - long-term	**180,191**	**5,554**	**174,637**	**-**
Derivative financial instruments	**64,335**	**-**	**64,335**	**-**
Public bills and similar securities	64,234	64,234	-	-
Bonds and other fixed income securities	194,707	92,071	87,802	14,834
Accrued interest	10,791	368	7,431	2,992
Total AFS debt securities	**269,732**	**156,673**	**95,233**	**17,826**
Total AFS equity securities	**478,310**	**188,725**	**108,321**	**181,264**
Available-for-sale financial assets	**748,042**	**345,398**	**203,554**	**199,090**
TOTAL FINANCIAL ASSETS	**1,047,514**	**358,397**	**490,027**	**199,090**
FINANCIAL LIABILITIES				
Derivative financial instruments	**63,997**	**-**	**63,997**	**-**
TOTAL FINANCIAL LIABILITIES	**63,997**	**-**	**63,997**	**-**

Valuation technique by class of financial assets measured based on Level 3 input at 31 March 2015:

Description	Fair value at 31 March 2015 *(in thousands of euro)*	Valuation technique	Unobservable input	Range (weighted average)
Securities portfolios (CDOs, CLOs, etc.)	3,669	Discounted cash flow, based on expected cash flows of securitised assets and expectation of how these will be distributed to different noteholders	Default and recovery data according to the various asset classes	N/A
Mezzanine debt securities	4,503	Mezzanine debt is valued based on the enterprise value of the investee, which is calculated using the Earnings multiple method and the Net asset value, after which higher ranking debt is subtracted	Shareholders' funds of the company. Non-observable valuation discounts; for example, non-controlling interests, lack of liquidity and adjustments to the multiple to reflect a specific sector or activity	4-20 for EBITDA Multiple 20%-40% discount for Lack of liquidity/ Non-controlling interest discount
	3,581	Carrying value is based on original investment plus accrued interest less any impairment provisions	Expected repayment cash flow taking into account shareholders' equity of the borrower	N/A
AFS debt	**11,753**			
Private equity fund investments	53,534	External valuation based on net asset value	N/A	N/A
Other equities	740	Earnings multiples adjusted	Non-observable valuation discounts; for example, non-controlling interests, lack of liquidity and adjustments to the multiple to reflect a specific sector or activity	4-20 for EBITDA Multiple 20%-40% discount for Lack of liquidity/Non-controlling interest discount
	61,368	External valuation based on net asset value	N/A	N/A
	8,002	Valued at cost	N/A	N/A
	40,091	Net asset value	Shareholders' funds of the company	N/A
AFS equity	**163,735**			

Sensitivity of fair value for level 3 instruments

Out of €163.7 million of AFS equity securities classified in level 3 as of 31 March 2015, €114.9 million were subject to a valuation by a third party. To quantify the fair value sensitivity of these instruments, measured using unobservable inputs, the Group has determined the impact in net income and in equity in the event of a fall of 5% of the net asset value. In such an event, there would be a post-tax charge to the income statement of €0.2 million and a charge to equity of €5.2 million.

Assets measured at fair value based on level 3 as of 31 March 2015

The following table presents the movement in assets valued using level 3 valuation methods in the period:

In thousands of euro		Bonds and other fixed income securities	Funds	Other equities	TOTAL
As at 1 April 2014		17,826	72,999	108,265	199,090
Transfer into/(out of) Level 3		-	(11,889)	(329)	(12,218)
Total gains or losses for the period	Included in P&L	(2,767)	(1,755)	(3,183)	(7,705)
	Gain/(losses) through equity	-	17,135	22,702	39,837
Purchases, issues, sales and settlements	Additions	471	2,291	780	3,542
	Disposals	(4,292)	(27,672)	(19,916)	(51,880)
Exchange		(88)	1,625	396	1,933
Other		603	800	1,486	2,889
AS AT 31 MARCH 2015		**11,753**	**53,534**	**110,201**	**175,488**

Selected controls in the valuation process

Merchant Banking

The calculation of fair value is subject to control procedures aimed at verifying that fair values are determined or validated by an independent function. Fair values determined by reference to external quoted prices or market parameters are validated by a Valuation Monitoring Committee.

This committee reviews, twice a year, the valuation of the investments made by Merchant Banking.

The parameters of valuation that are reviewed in committee include the following:

- the origin of the external source;
- the consistency of the various sources;
- the events that took place during the period which could affect the value; and
- the frequency with which the data are updated.

Merchant banking funds are valued by their management companies in accordance with the international private equity and venture capital valuation (IPEV) guidelines developed by the *Association Française des Investisseurs en Capital* (AFIC), the British Venture Capital Association (BVCA) and the European Private Equity and Venture Capital Association (EVCA). An Advisory Committee exists to approve half-yearly investment valuations, which are sent to investors in the Group's merchant banking funds. As such, this committee acts as the valuation committee under the Alternative Investment Fund Managers Directive (AIFMD) requirements.

Valuation of derivatives

The Group's OTC (i.e. non-exchange traded) derivatives are valued using external valuation models. These models calculate the present value of expected future cash flows. The Group's derivative products are of a "vanilla" nature, such as interest rate swaps and cross currency swaps; for these, the modelling techniques used are standard across the industry. Inputs to the valuation models are determined from observable market data, including prices available from exchanges, dealers, brokers or providers of consensus pricing.

Exchange traded derivatives are valued by the exchange on which they are traded, which ask for margin calls depending on the value.

V. Notes to the Balance Sheet

Note 1 - Financial instruments at fair value through profit or loss

1. Financial assets

In thousands of euro	31/03/2015	31/03/2014
Public bills and similar securities	20,950	3,000
Bonds and other fixed income securities	-	43,517
Equities	5,422	4,559
Loans	-	3,870
Trading instruments	**26,372**	**54,946**
Equities	205,615	125,048
Other financial instruments	84,509	55,143
Financial assets designated at fair value through profit or loss	**290,124**	**180,191**
Trading derivative assets	**46,674**	**49,989**
TOTAL	**363,170**	**285,126**
of which financial assets at fair value through profit or loss - listed	*28,310*	*10,078*
of which financial assets at fair value through profit or loss – unlisted	*334,860*	*275,048*

2. Financial liabilities

In thousands of euro	31/03/2015	31/03/2014
Trading derivative liabilities	**67,012**	**50,117**
TOTAL	**67,012**	**50,117**

Derivatives

A derivative is a financial instrument, the value of which is derived from another financial instrument, an index or some other variable (the "underlying"). Typically the underlying is an interest rate, a currency exchange rate or the price of a debt or equity security. Derivatives require little or no net investment or a lower investment than a non-derivative financial instrument to obtain the same sensitivity to changes in the underlying.

Derivative instruments are carried at fair value, shown in the balance sheet as separate totals of positive fair values (assets) and negative fair values (liabilities). Positive fair values represent the cost to the Group of replacing all transactions with a fair value in the Group's favour if the counterparties default. Negative fair values represent the cost to the Group's counterparties of replacing all their transactions with the Group with a fair value in the counterparties' favour if the Group were to default. Positive and negative fair values on different transactions are only netted if there is legal right of set-off, the transactions are with the same counterparty and the cash flows will be settled on a net basis. Changes in fair values of derivative instruments are recognised in trading income unless they qualify as hedges for accounting purposes.

Derivatives may be transacted for trading or hedging purposes. Trading involves taking positions with the intention of profiting from changes in market variables such as interest rates. The Group also enters into derivative transactions for the purpose of hedging exposures in the non-trading book. The accounting treatment of hedge transactions depends on the nature of the hedging relationship and whether the hedge qualifies as such for accounting purposes. Derivative transactions that qualify as hedges for accounting purposes are either fair value or cash flow hedges. Further information relating to hedging derivatives is provided in note 2.

Trading derivative financial instruments

	31/03/2015			31/03/2014		
In thousands of euro	Notional principal	Of which: asset	Of which: liability	Notional principal	Of which: asset	Of which: liability
Firm interest rate contracts	78,742	2,177	-	99,213	117	4,132
Firm foreign exchange contracts	7,118,151	39,822	62,539	5,851,942	49,025	44,934
Conditional foreign exchange contracts	325,929	4,448	4,431	247,046	847	844
Equity derivatives	270	227	42	42	-	42
Firm credit derivatives	-	-	-	10,303	-	165
TOTAL	**7,523,092**	**46,674**	**67,012**	**6,208,546**	**49,989**	**50,117**

Note 2 - Hedging derivatives

	31/03/2015			31/03/2014		
In thousands of euro	Notional principal	Of which: asset	Of which: liability	Notional principal	Of which: asset	Of which: liability
Firm interest rate contracts	558,408	8,950	8,195	633,676	12,430	13,477
Firm foreign exchange contracts	86,003	11,073	-	106,466	1,916	403
TOTAL	**644,411**	**20,023**	**8,195**	**740,142**	**14,346**	**13,880**

The schedule of cash flows hedged is as follows :

In thousands of euro	< 1 year	> 1 year < 3 years	> 3 years < 5 years	> 5 years < 10 years	> 10 years
Cash inflows (assets)	7	-	-	-	-
Cash outflows (liabilities)	(2,872)	(811)	-	-	-
TOTAL	**(2,865)**	**(811)**	**-**	**-**	**-**

Fair value hedges

The Group's fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of fixed rate lending, fixed rate debt securities and of fixed rate borrowing.

For the year ended 31 March 2015, the Group recognised a net gain of €4 thousand (net loss of €1 thousand for 31 March 2014) representing the change in fair value of the ineffective portions of fair value hedges.

The fair value of derivatives designated as fair value hedges was €8,910 thousand at 31 March 2015 and €11,927 thousand at 31 March 2014.

Cash flow hedges

The Group is exposed to variability in future interest cash flows on non-trading assets and issued debt securities that receive or pay interest at variable rates. Gains and losses on the effective portion of interest rate swaps designated as cash flow hedges are recorded in shareholders' equity. Gains or losses on any ineffective portion of these swaps are recognised immediately in the income statement.

For the year ended 31 March 2015, the Group recognised a gain of €106 thousand in the income statement in respect of the ineffective portion of cash flow hedges. As at 31 March 2014, the Group recognised a gain of €142 thousand in the income statement.

The fair value of derivatives designated as cash flow hedges at 31 March 2015 was €2,919 thousand and €(11,461) thousand at 31 March 2014.

Note 3 - Available-for-sale financial assets

In thousands of euro	31/03/2015	31/03/2014
AFS debt securities		
Public bills and similar securities	147,787	64,234
Bonds and other fixed income securities	124,165	194,707
Sub total	**271,952**	**258,941**
Accrued interest	7,777	10,791
Total AFS debt securities	**279,729**	**269,732**
of which impairment losses	*(24,357)*	*(31,456)*
AFS equity securities		
Total AFS equity securities	**389,708**	**478,310**
of which impairment losses	*(143,066)*	*(155,965)*
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**669,437**	**748,042**

Changes in available-for-sale financial assets

In thousands of euro	31/03/2015	31/03/2014
As at 1 April	**748,042**	**764,530**
Additions	291,828	118,907
Consolidation of new associate	-	(8,701)
Disposals (sale and redemption)	(468,829)	(172,000)
Gains/(losses) from changes in fair value, recognised directly in equity	67,501	74,430
Impairment losses recognised in income statement	(13,147)	(22,782)
Exchange differences	49,419	(6,763)
Reclassifications and other movements	(5,377)	421
AS AT 31 MARCH	**669,437**	**748,042**

In application of the amendments to IAS 39 and IFRS 7 adopted by the European Commission on 15 October 2008, on 1 July 2008 the Group transferred from available-for-sale financial assets to loans and receivables those financial assets to which the definition of loans and receivables would apply on the reclassification date.

On the reclassification date and on 31 March 2015, the Group had the financial capacity to keep these loans to their maturity date or for the foreseeable future.

The reclassified financial assets are shown in the following table:

In thousands of euro	31/03/2015	31/03/2014
Amortised cost of reclassified loans and receivables as at 1 April	**34,477**	**108,447**
Impairment	(558)	(417)
Disposals (sale and redemption)	(32,062)	(76,922)
Translation differences and other movements	1,282	3,369
AMORTISED COST OF RECLASSIFIED LOANS AND RECEIVABLES AS AT 31 MARCH	**3,139**	**34,477**
Fair value of financial assets reclassified as at 1 April	**33,658**	**103,205**
Disposals (sale and redemption)	-	(76,922)
Changes in fair value of reclassified financial assets	(32,062)	6,408
Other movements	1,365	967
FAIR VALUE OF FINANCIAL ASSETS RECLASSIFIED AS AT 31 MARCH	**2,961**	**33,658**

After the transfer to loans and receivables, those financial assets contributed the following amounts, after associated funding costs, to profit before tax.

In thousands of euro	31/03/2015	31/03/2014
Interest income	243	1,947
Impairment	(558)	(417)
Other gains and losses	540	(2,912)
TOTAL	**225**	**(1,382)**

Note 4 - Loans and advances to banks

In thousands of euro	31/03/2015	31/03/2014
Interbank demand deposits and overnight loans	783,974	474,813
Interbank term deposits and loans	70,756	48,681
Reverse repos and loans secured by bills	674,989	650,112
Sub total	**1,529,719**	**1,173,606**
Accrued interest	1,195	2,252
Loans and advances to banks - Gross amount	**1,530,914**	**1,175,858**
Allowance for credit losses	-	-
TOTAL	**1,530,914**	**1,175,858**

Note 5 - Loans and advances to customers

In thousands of euro	31/03/2015	31/03/2014
Overdrafts on current accounts	73,105	57,869
Retail	941,577	672,159
Corporate	680,133	715,996
Sub total	**1,694,815**	**1,446,024**
Accrued interest	8,045	11,271
Loans and advances to customers – Gross amount	**1,702,860**	**1,457,295**
Specific provisions	(75,099)	(53,366)
Collective provisions	(26,156)	(26,625)
Allowance for credit losses	**(101 255)**	**(79 991)**
TOTAL	**1,601,605**	**1,377,304**

At 31 March 2015, loans and advances to customers include finance lease receivables, as shown below:

In thousands of euro	Total future receipts	Less unrecognised interest income	Present value of net finance lease assets
Up to 1 year	113,138	(17,348)	95,790
Between 1 and 5 years	202,123	(30,631)	171,492
Over 5 years	6,053	(672)	5,381
TOTAL	**321,314**	**(48,651)**	**272,663**

Note 6 - Other assets

In thousands of euro	31/03/2015	31/03/2014
Guarantee deposits paid	5,806	8,183
Settlement accounts on securities transactions	43,348	44,370
Defined benefit pension scheme assets	977	10,380
Other sundry assets	135,581	171,153
Sundry assets	**185,712**	**234,086**
Prepaid expenses	20,078	25,729
Accounts receivable and accrued income	249,626	228,602
Estimated accounts	**269,704**	**254,331**
TOTAL	**455,416**	**488,417**

Note 7 - Investments accounted for by the equity method

	31/03/2015		31/03/2014	
In thousands of euro	Equity accounted value	Share of Profit after Tax	Equity accounted value	Share of Profit after Tax
JRAC Proprietary Investments LP Incorporated	16,506	8	16,488	291
Quintus fund	6,633	1,111	12,913	329
Financière Nextpool	-	1,462	9,140	440
Merchant Banking Investments	**23,139**	**2,581**	**38,541**	**1,060**
Sélection 1818 (formerly Sélection R)[1]	13,247	254	18,244	218
St Julian's Properties Limited[1]	8,983	343	7,901	473
Other	2,319	420	4,726	217
Other investments	**24,549**	**1,017**	**30,871**	**908**
Total	**47,688**	**3,598**	**69,412**	**1,968**

(1) Financial year ended 31 December 2014.

	31/03/2015			
In thousands of euro	JRAC Proprietary Investments LP Incorporated	Quintus fund	Sélection 1818[1]	St Julian's Properties Limited[1]
Loans and receivables with bank, net	540	13,433	-	243
Loans and receivables with customers, net	-	205	-	-
Available-for-sale financial assets	32,779	-	-	-
Other assets	2	243	25,430	18,200
Total assets	**33,321**	**13,881**	**25,430**	**18,443**
Total creditors	**310**	**100**	**-**	**477**
Net banking revenue	132	1,960	1,355	-
Profit before tax	31	2,221	1,355	823
Net income	**16**	**2,221**	**840**	**646**
Other comprehensive income	20	1,393	-	2,152
Total comprehensive income	**36**	**3,614**	**840**	**2,798**
Dividends received	**-**	**1,325**	**514**	**317**

(1) Financial year ended 31 December 2014.

All associates are accounted for using the equity method. Information about business activities, group voting rights and ownership interest is disclosed in Note 37 – Consolidation scope. FircoSoft, Financière Nextpool and Rivoli Participation have been sold during the year ended 31 March, 2015 along with part of the Group's interest in Sélection 1818.

Note 8 - Tangible fixed assets

In thousands of euro	01/04/2014	Additions	Disposals	Write-offs	Depreciation charge	Exchange rate movement	Other movements	31/03/2015
Operating land and buildings	342,194	760	(40,544)	-	-	43,709	206	346,325
Assets used to generate lease income	14,319	5,024	(2,674)	-	-	1,819	-	18,488
Other tangible fixed assets	139,119	12,102	(22,463)	(1,978)	-	18,920	5,562	151,262
Total tangible fixed assets – Gross amount	**495,632**	**17,886**	**(65,681)**	**(1,978)**	**-**	**64,448**	**5,768**	**516,075**
Depreciation and allowances – operating land and buildings	(56,771)	-	13,981	-	(12,118)	(7,466)	(68)	(62,442)
Depreciation and allowances – assets used to generate lease income	(6,277)	-	1,771	-	(2,326)	(768)	-	(7,600)
Depreciation and allowances – other tangible fixed assets	(77,523)	-	17,776	1,914	(13,636)	(10,764)	(3,315)	(85,548)
Total Depreciation and allowances	**(140,571)**	**-**	**33,528**	**1,914**	**(28,080)**	**(18,998)**	**(3,383)**	**(155,590)**
TOTAL TANGIBLE FIXED ASSETS - NET AMOUNT	**355,061**	**17,886**	**(32,153)**	**(64)**	**(28,080)**	**45,450**	**2,385**	**360,485**

Note 9 - Intangible fixed assets

In thousands of euro	01/04/2014	Additions	Write-offs	Depreciation charge	Exchange rate movement	Acquisition of subsidiaries	Other movements	31/03/2015
Intangible fixed assets – Gross amount	231,255	238	(154)	-	2,564	2,632	(4,886)	231,649
Depreciation and allowances – Intangible fixed assets	(54,908)	-	152	(9,843)	(1,536)	-	2,645	(63,490)
TOTAL INTANGIBLE FIXED ASSETS - NET AMOUNT	**176,347**	**238**	**(2)**	**(9,843)**	**1,028**	**2,632**	**(2,241)**	**168,159**

Note 10 - Goodwill

In thousands of euro	Rothschild & Cie Banque	Concordia Holding	TOTAL
As at 1 April 2014	**48,289**	**60,647**	**108,936**
Additions	-	1,896	1,896
Disposals and other decreases	(571)	-	(571)
Translation difference	-	272	272
AS AT 31 MARCH 2015	**47,718**	**62,815**	**110,533**

As at 31 March 2015, the Group performed an annual impairment test for each of the cash generating units ("CGU") to which goodwill has been allocated.

The recoverable amount of each CGU was calculated based on multiple criteria. For Concordia Holding, peer-group stockmarket multiples, deal multiples and discounted future cash flows have been used. For Rothschild & Cie Banque (RCB), trading multiples have been applied to the normalised profit after tax. Additionally, a sum-of-the-parts valuation has been performed, in which each RCB business has been valued separately with consistent valuation methods and in line with market standards.

For each CGU, sensitivity tests showed that a 10% fall in the value of its underlying businesses would not result in the impairment of the goodwill allocated to each of them.

At 31 March 2015, the recoverable amount of each CGU was higher than its carrying amount. The Group did not, therefore, record any goodwill impairment in the year.

Note 11 - Due to banks

In thousands of euro	31/03/2015	31/03/2014
Interbank demand deposits and overnight	71,859	124,899
Interbank term deposits and borrowings	217,559	207,199
Due to banks	**289,418**	**332,098**
Accrued interest	3,166	2,664
TOTAL	**292,584**	**334,762**

Note 12 - Customer deposits

In thousands of euro	31/03/2015	31/03/2014
Demand deposits	4,278,497	3,419,028
Term deposits	1,366,715	1,309,978
Borrowings secured by bills	20,726	193,973
Customer deposits	**5,665,938**	**4,922,979**
Accrued interest	20,925	23,689
TOTAL	**5,686,863**	**4,946,668**

Note 13 - Other liabilities, accruals and deferred income

In thousands of euro	31/03/2015	31/03/2014
Settlement accounts on securities transactions	52,800	63,946
Accounts payable	62,206	51,123
Sundry creditors	71,420	90,041
Other liabilities	**186,426**	**205,110**
Due to employees	445,882	356,264
Other accrued expenses and deferred income	98,547	122,190
Estimated accounts	**544,429**	**478,454**
TOTAL	**730,855**	**683,564**

Note 14 - Provisions

In thousands of euro	01/04/2014	Charge	Utilised	Exchange movement	Other movements	31/03/2015
Provision for counterparty risk	94	33	-	15	-	142
Provision for claims and litigation	29,571	15,188	(11,092)	3,628	275	37,570
Provisions for restructuring	2,100	-	-	-	-	2,100
Provisions for property	1,410	(501)	(50)	133	19	1,011
Other provisions	2,028	430	(2,545)	77	10	-
Sub-total	**35,203**	**15,150**	**(13,687)**	**3,853**	**304**	**40,823**
Retirement benefit liabilities	145,346				28,331	173,677
TOTAL	**180,549**	**15,150**	**(13,687)**	**3,853**	**28,635**	**214,500**

From time to time the Group is involved in legal proceedings or receives claims arising from the conduct of its business. Based upon available information and, where appropriate, legal advice, provisions are made where it is probable that an outflow of resources will be required and the amount can be reliably estimated.

In December 2013 Paris Orléans announced that its Swiss private banking business, Rothschild Bank AG, was to participate in the US Program as a category 2 bank seeking to reach a non-prosecution agreement with the US Department of Justice in connection with any potential US tax or monetary transaction-related liability for undeclared US related accounts held at the bank from August 1, 2008. On 3 June 2015, Rothschild Bank AG finalised a non-prosecution agreement with the US Department of Justice.

The Group made provisions as at 31 March 2014 to cover the estimated financial liability and professional and other costs. The settlement of the financial liability of US$11.5 million arising from participation in the Program and the related professional and other costs are within the amounts provided.

The provision for participating in the Program is included within Provision for claims and litigation, together with amounts set aside to cover estimated costs of other legal proceedings and claims arising from the conduct of business.

Management believe that the level of provisions made in these financial statements continues to be sufficient for any potential or actual proceedings or claims which are likely to have an impact on the Group's financial statements, based on information available at the reporting date.

Information on retirement benefit provisions is set out in note 20.

Note 15 - Subordinated debt

In thousands of euro	31/03/2015	31/03/2014
Floating Rate Subordinated Notes - 2015 (US$39 million)	-	28,305
Subordinated debt	**-**	**28,305**
Accrued interest	-	33
TOTAL	**-**	**28,338**

The floating rate subordinated notes dated 2015 were repaid on 29 January 2015. In accordance with the Group's long-standing accounting policy, perpetual subordinated notes issued by the Group are treated as non-controlling interests (see note 19).

Note 16 - Impairments

In thousands of euro	01/04/2014	Income statement charge	Income statement reversal	Disposals	Written off	Exchange rate and other movements	31/03/2015
Loans and advances to customers	(79,991)	(15,564)	4,553	-	2,611	(12,864)	(101,255)
Available-for-sale financial assets	(187,421)	(16,839)	1,643	2,337	36,502	(3,645)	(167,423)
Other assets	(14,461)	(6,288)	1,278	-	3,876	(1,840)	(17,435)
TOTAL	**(281,873)**	**(38,691)**	**7,474**	**2,337**	**42,989**	**(18,349)**	**(286,113)**

Note 17 - Deferred tax

Deferred taxes are calculated on all temporary differences using the liability method.

The movement on the deferred tax account is as follows:

In thousands of euro	31/03/2015	31/03/2014
Net asset as at 1 April	**30,657**	**66,184**
of which deferred tax assets	*89,627*	*123,021*
of which deferred tax liabilities	*(58,970)*	*(56,837)*
Recognised in income statement		
Income statement (charge)/credit	(13,274)	(17,471)
Recognised in equity		
Defined benefit pension arrangements	9,398	(10,304)
Available-for-sale financial assets	4,058	(5,187)
Cash flow hedges	(1,217)	(2,373)
Reclassification to current tax	(2,533)	1,856
Payments/(refunds)	(175)	(2,231)
Exchange differences	9,447	266
Other	1,346	(83)
NET ASSET AS AT 31 MARCH	**37,707**	**30,657**
of which deferred tax assets	*92,760*	*89,627*
of which deferred tax liabilities	*(55,053)*	*(58,970)*

Deferred tax net assets are attributable to the following items:

In thousands of euro	31/03/2015	31/03/2014
Accelerated tax depreciation	14,348	12,333
Defined benefit pension liabilities	29,428	23,065
Provisions	239	1,237
Deferred profit share arrangements	29,240	26,625
Losses carried forward	17,574	25,421
Available-for-sale financial assets	208	(280)
Other temporary differences	1,723	1,226
TOTAL	**92,760**	**89,627**

NMR, a subsidiary in the UK, recognises deferred tax assets corresponding to losses carried forward. As part of its assessment of recoverability of deferred tax as at the balance sheet date, and using medium-term profit forecasts, NMR considers the period over which sufficient taxable profits would arise to utilise the deferred tax assets. During the year ended March 2015, the UK government announced restrictions on the ability of banks to utilise historic tax losses. This affects the period over which the deferred tax assets will be utilised and, accordingly, NMR decided to derecognise €8.7 million of deferred tax assets. NMR considers that there will be sufficient profits within a reasonable time frame to utilise deferred tax assets that remain recognised on the balance sheet.

In the United States, Canada and Asia, deductible temporary differences have not given rise to the recognition of deferred tax assets.

Deferred tax net liabilities are attributable to the following items:

In thousands of euro	31/03/2015	31/03/2014
Accelerated tax depreciation	2,032	1,363
Defined benefit pension liabilities	-	2,422
Cash flow hedges	(1,602)	(2,479)
Available-for-sale financial assets	23,061	26,361
Intangible assets recognised on acquisition of subsidiaries	11,838	11,838
Other temporary differences	19,724	19,465
TOTAL	**55,053**	**58,970**

Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to set-off and the balance relates to income tax levied by the same tax authority on the same taxable entity or tax group. There must also be the intention and the will to settle on a net basis or to realise the assets and liabilities simultaneously.

The deferred tax expense/(income) in the income statement comprises the following temporary differences:

In thousands of euro	31/03/2015	31/03/2014
Accelerated tax depreciation	(80)	2,990
Defined benefit pension liabilities	4,177	762
Allowances for loan losses	1,046	295
Tax losses carried forward	8,934	8,051
Deferred profit share arrangements	1,149	9,365
Available-for-sale financial assets	422	(3,823)
Other temporary differences	(2,374)	(169)
TOTAL	**13,274**	**17,471**

Note 18 - Structured entities

A structured entity is one which has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. It will often have restricted activities and a narrow or well-defined objective and can include some investment funds.

In most cases it is clear under IFRS 10 that the Group need not consolidate its investments in structured entities. However, some structured entities are managed by the Group in the form of funds in which the Group's own money is also invested. In these situations, a judgement must be made whether there is a need to consolidate these funds or not. To do this, a combined assessment of two key indicators is made:

- Remuneration and other economic interests in aggregate
- Kick-out rights

To assess economic interests it is considered, at a particular level of returns, how much of any further increase in the performance of a fund accrues to the manager ("the variability of the economic interest"). The level of returns at which this is measured is the level at which performance fees begin to accrue.

A high level of variability would support the conclusion that a manager might be a principal (and would probably consolidate the managed fund). Whereas, a low level of variability would indicate that a manager might be an agent for the other investors (and would probably not consolidate).

Additionally, negligible rights for the investors to remove the manager or transfer their funds might indicate that a manager is a principal (and would probably consolidate) while strong rights might suggest that a manager is an agent (and would probably not consolidate).

The Group's judgement is guided by both IFRS 10 and its understanding of market practice.

Interest in unconsolidated structured entities

The following table shows the Group's interest in unconsolidated structured entities which it manages.

In thousands of euro	Equity funds	Debt funds	Total
Total assets within the underlying vehicles	**938,521**	**1,630,279**	**2,568,800**
Assets under management including third party commitments	**1,553,392**	**3,525,234**	**5,078,626**
Interest held in the Group's balance sheet:			
Financial assets designated at fair value	225,001	48,926	273,927
Financial investment available for sale	-	26,522	26,522
Loans and Receivables	4,169	5,576	9,745
Total assets in the Group's balance sheet	**229,170**	**81,024**	**310,194**
Off-balance sheet commitments made by the Group	173,210	48,178	221,388
Group's maximum exposure	**402,380**	**129,202**	**531,582**

In addition, the Group has established and manages investment funds to provide customers with investment opportunities, as a sponsor. The Group, as fund manager, may be entitled to receive a management fee and a performance fee based on the assets under management. The Group made no investment in these funds, and the assets under management amounted to €52.1 billion as at 31 March 2015 with revenue earned of €336.5 million.

Note 19 - Non-controlling interests

Non-controlling interests ("NCI") represent the share of fully consolidated subsidiaries that are not directly or indirectly attributable to the Group. These comprise the equity instruments which have been issued by these subsidiaries and which are not held by the Group. The Group's income, net assets and distributions which are attributable to non-controlling interests arise from the following sources:

	31/03/2015			31/03/2014		
In thousands of euro	Profit attributable to NCI	NCI in the balance sheet	Distributions to non-controlling interests	Profit attributable to NCI	NCI in the balance sheet	Distributions to non-controlling interests
Preferred shares	85,839	39,823	72,175	49,671	20,912	50,128
Perpetual subordinated debt	14,267	346,030	14,267	13,921	297,442	13,921
Rothschild Holding AG group	7,289	157,273	2,149	(8,525)	138,717	5,194
Other	2,908	12,908	975	545	16,862	1,038
Total	**110,303**	**556,034**	**89,566**	**55,612**	**473,933**	**70,281**

Preferred shares

Preferred shares within non-controlling interests mainly consist of amounts calculated in accordance with legal clauses applicable to French limited partnerships owned by Rothschild & Compagnie Banque SCS, the French holding company of our Asset Management and Global Financial Advisory businesses located in France. The preferred amounts are based on the partnerships' individual local earnings, and take into account the share that relates to work remuneration.

Perpetual subordinated debt

The Group has issued perpetual subordinated debt instruments which have discretionary clauses related to the payment of the interest. Under IFRS, these instruments are considered to be equity instruments and are shown as part of non-controlling interest. The interest payable on these instruments is shown as a charge to non-controlling interest.

In thousands of euro	31/03/2015	31/03/2014
Perpetual Fixed Rate Subordinated Notes 9 per cent (£125 million)	203,343	178,965
Perpetual Floating Rate Subordinated Notes (€150 million)	71,119	62,593
Perpetual Floating Rate Subordinated Notes (US$200 million)	71,568	55,884
TOTAL	**346,030**	**297,442**

Rothschild Holding AG group

The Group holds a 72.77% economic interest in the equity of Rothschild Holding AG, ("RHAG"), the Swiss holding company of part of our Wealth Management business. The non-controlling interest in its income statement and balance sheet is calculated based on this economic interest.

The following table shows a summarise d balance sheet and income statement of the RHAG group of companies.

In thousands of euro	RHAG Group 31/03/2015	RHAG Group 31/03/2014
Income statement information		
Net banking revenue	189,136	166,948
Net income	21,710	2,205
Total other comprehensive income for the year, after tax	58,161	(9,584)
Total comprehensive income for the year	**79,871**	**(7,379)**
Balance sheet information		
Cash and amounts due from central banks	2,753,309	2,160,697
Loans and receivables to banks	135,461	132,849
Loans and receivables to customers	845,525	676,189
Other assets	488,470	577,010
Total assets	**4,222,765**	**3,546,745**
Due to customers	3,401,037	2,782,213
Other liabilities	213,176	229,199
Total liabilities	**3,614,213**	**3,011,412**
Shareholder equity	608,552	535,333

Note 20 - Retirement benefit obligations

The Group supports various pension schemes for the employees of operating subsidiaries. Where material, these are described below.

The NMR Pension Fund ("NMRP") is operated by NM Rothschild & Sons Limited ("NMR") for the benefit of employees of certain Rothschild group companies in the United Kingdom. The Fund comprises a defined benefit section, which closed to new entrants in April 2003, and a defined contribution section, established with effect from April 2003.

The NMR Overseas Pension Fund ("NMROP") is operated for the benefit of employees of certain Rothschild group companies outside the United Kingdom. The defined benefit section also closed to new entrants and a defined contribution section was opened in April 2003.

Rothschild North America Inc. maintains an unfunded qualified non-contributory defined benefit pension plan and other pension agreements for certain employees ("RNAP"). Neither the plan nor the pension agreements provide for health or other benefits for employees or retirees. The last time that new benefits were accrued was January 2001.

Rothschild Bank AG, Zurich, ("RBZ") also operates a funded pension scheme ("RBZP"). This scheme has been set up on the basis of the Swiss method of defined contributions but does not fulfil all the criteria of a defined contribution pension plan according to IAS 19 (R). Current employees and pensioners (former employees or their surviving partners) receive benefits upon retiring as well as in the event of death or invalidity. These benefits are financed through employer and employee contributions.

Additionally, certain companies in the Group have smaller unfunded obligations in respect of pensions and other post-employment benefits.

The latest formal actuarial valuations of the NMRP and the NMROP were carried out as at 31 March 2013. The value of the defined benefit obligation has been updated to 31 March 2015 by qualified independent actuaries. Valuations of RBZP are performed each September and March, also by qualified actuaries.

The defined benefit obligations expose the Group to a number of risks, including longevity, inflation, interest rate and investment performance. These risks are mitigated where possible by applying an investment strategy for the funded schemes which aims to minimise the long-term costs.This is achieved by investing in a diversified selection of asset classes, which aims to reduce the volatility of returns and also achieves a level of matching with the underlying liabilities. Overall, the objective is to select assets which will generate income and capital growth to meet, together with new contributions, the cost of current and future benefits payable by the funds.

The principal actuarial assumptions used as at the balance sheet date were as follows:

	31/03/2015			31/03/2014		
	NMRP & NMROP	RBZP	RNAP	NMRP & NMROP	RBZP	RNAP
Discount rate	3.4%	0.8%	2.3%	4.5%	2.0%	2.5%
Retail price inflation	3.0%	n/a	n/a	3.3%	n/a	n/a
Consumer price inflation	2.0%	n/a	n/a	2.3%	n/a	n/a
Expected rate of salary increases	2.0%	0.5%	n/a	2.0%	1.0%	n/a
Expected rate of increase of pensions in payment:						
Uncapped increases	n/a	0.0%	n/a	n/a	0.0%	n/a
Capped at 5.0%	2.9%	n/a	n/a	3.2%	n/a	n/a
Capped at 2.5%	2.0%	n/a	n/a	2.2%	n/a	n/a
Life expectancy of a:						
male pensioner aged 60	28.6	26.3	26.1	28.5	26.1	24.0
female pensioner aged 60	29.5	28.9	28.6	29.4	28.8	26.0
male pensioner aged 60 in 20 years time	30.6	28.1	n/a	30.5	28.0	n/a
female pensioner aged 60 in 20 years time	30.7	30.6	n/a	30.6	30.6	n/a

The defined benefit plan net liability calculation is sensitive to the actuarial assumptions used above. Those that have the most significant impact on the measurement of the liability are as follows:

	31/03/2015	
	Increase/(decrease) in balance sheet liability	
In thousands of euro	NMRP & NMROP	RBZP
0.5% increase in discount rate	(100,000)	(17,000)
0.5% increase in inflation	80,000	n/a
1 year increase in life expectancy	31,000	n/a

The sensitivities shown above reflect only the change in the assessed defined obligation for the funds. In practice, any movement leading to a change in the discount rate or price inflation is likely to be partially offset by a change in asset values, and the corresponding overall impact on the net liability is therefore likely to be lower than the amounts above.

Amounts recognised in the balance sheet

In thousands of euro	NMRP & NMROP	RBZP	RNAP	Other	31/03/2015
Present value of funded obligations	1,128,294	249,108	-	-	1,377,402
Fair value of plan assets	(1,001,232)	(244,685)	-	-	(1,245,917)
Sub-total	**127,062**	**4,423**	**-**	**-**	**131,485**
Present value of unfunded obligations	-	-	29,190	12,025	41,215
Total (recognised)	**127,062**	**4,423**	**29,190**	**12,025**	**172,700**
Unrecognised plan assets	-	-	-	-	-
Total (recognised and unrecognised)	**127,062**	**4,423**	**29,190**	**12,025**	**172,700**
LIABILITY	**128,039**	**4,423**	**29,190**	**12,025**	**173,677**
(ASSET)	**(977)**	**-**	**-**	**-**	**(977)**

In thousands of euro	NMRP & NMROP	RBZP	RNAP	Other	31/03/2014
Present value of funded obligations	840,120	180,187	-	-	1,020,307
Fair value of plan assets	(736,896)	(192,311)	-	-	(929,207)
Sub-total	**103,224**	**(12,124)**	**-**	**-**	**91,100**
Present value of unfunded obligations	-	-	30,219	10,639	40,858
Total (recognised)	**103,224**	**(12,124)**	**30,219**	**10,639**	**131,958**
Unrecognised plan assets	-	3,008	-	-	3,008
Total (recognised and unrecognised)	**103,224**	**(9,116)**	**30,219**	**10,639**	**134,966**
LIABILITY	**104,488**	**-**	**30,219**	**10,639**	**145,346**
(ASSET)	**(1,264)**	**(9,116)**	**-**	**-**	**(10,380)**

Changes in the value of unrecognised plan assets are recognised through retained earnings.

Movement in net defined benefit obligation:

In thousands of euro	Plan (assets)	Defined benefit obligations	Net defined benefit liability
As at 1 April 2014	**(929,408)**	**1,061,366**	**131,958**
Current service cost (net of contributions paid by other plan participants)	-	12,611	12,611
Contributions by the employees	(3,202)	3,202	-
Past service costs	-	(2,500)	(2,500)
Interest (income)/cost	(39,016)	44,072	5,056
Remeasurements due to:			
actual return less interest on plan assets	(130,138)	-	(130,138)
changes in financial assumptions	-	194,531	194,531
changes in demographic assumptions	-	(17,047)	(17,047)
experience (gains)/losses	-	1,300	1,300
Benefits paid	43,287	(43,287)	-
(Contributions) by the Group	(47,702)	-	(47,702)
Administration expenses	1,912	-	1,912
Exchange and other differences	(141,851)	164,570	22,719
AS AT 31 MARCH 2015	**(1,246,118)**	**1,418,818**	**172,700**

In thousands of euro	Plan (assets)	Defined benefit obligations	Net defined benefit liability
As at 1 April 2013	**(884,802)**	**1,055,936**	**171,134**
Current service cost (net of contributions paid by other plan participants)	-	13,307	13,307
Contributions by the employees	(2,299)	2,299	-
Past service costs	-	(10,724)	(10,724)
Interest (income)/cost	(34,633)	40,414	5,781
Remeasurements due to:			
actual return less interest on plan assets	4,198	-	4,198
changes in financial assumptions	-	(20,112)	(20,112)
changes in demographic assumptions	-	9,410	9,410
experience (gains)/losses	-	(5,608)	(5,608)
Benefits paid	40,700	(40,700)	-
(Contributions) by the Group	(37,574)	-	(37,574)
Administration expenses	1,365	-	1,365
Exchange and other differences	(16,363)	17,144	781
AS AT 31 MARCH 2014	**(929,408)**	**1,061,366**	**131,958**

The major categories of plan assets as a percentage of total plan assets are as follows:

	31/03/2015			31/03/2014		
	NMRP	NMROP	RBZP	NMRP	NMROP	RBZP
Equities	33%	43%	27%	35%	42%	27%
Bonds	18%	17%	45%	19%	18%	44%
Cash	7%	23%	8%	9%	22%	10%
Hedge funds and private equity	21%	13%	13%	21%	13%	11%
Liability hedges	18%	0%	2%	12%	0%	2%
Property and others	3%	4%	5%	4%	5%	6%
	100%	**100%**	**100%**	**100%**	**100%**	**100%**

Equities includes €0.9 million (2014: €0.8 million) of shares in companies that are related parties of the sponsoring company.

NMR and certain subsidiaries of the NMR group have entered into a trust agreement for the benefit of NMRP. The trust arrangement gives the pension fund security over certain NMR group assets which would provide up to £50 million of value to NMRP in the event that specific financial triggers are breached.

The financial triggers relate to the NMR group's ongoing viability and any breach is therefore considered extremely unlikely. The NMR group retains control of the assets and income relating to them continues to be recognised in the Group's results.

Amounts recognised in the income statement relating to defined benefit post-employment plans

In thousands of euro	31/03/2015	31/03/2014
Current service cost (net of contributions paid by other plan participants)	12,611	13,307
Net interest cost	5,056	5,781
Negative past service cost	(2,500)	(10,724)
Administration costs	1,912	1,365
Other pension income	296	110
TOTAL (included in the staff costs)	**17,375**	**9,839**

As a result of changes implemented during the year to the RBZP, the 2015 income statement includes a credit of €2.5 million in respect of past service costs. During the prior year, changes to the NMRP, the NMROP and the RBZP, generated a credit of €10.7 million in respect of past service costs.

Amounts recognised in statement of comprehensive income

In thousands of euro	31/03/2015	31/03/2014
Remeasurement gains/(losses) recognised in the year	(48,646)	12,112
Cumulative remeasurement losses recognised in the statement of comprehensive income	(223,190)	(174,544)

Following the March 2013 triennial actuarial valuation of the NMRP, the trustees of the defined benefit pension fund agreed a contribution plan with the Group to reduce the deficit in accordance with pensions regulation. The aim was to eliminate the pension deficit over 10 years with £13.8 million of additional contributions per year (increasing by 3.6% per annum). In addition, participating employers in the scheme have agreed to pay 33.5% of in-service members' pensionable salaries. The arrangement will be reviewed in 2016, at the next triennial actuarial valuation of the Fund.

It is estimated that total contributions of €49 million will be paid to the defined benefit pension schemes in the year-ending 31 March 2016.

The weighted average projected maturity of the Fund's liabilities is projected to be 20 years for the NMRP and 17 years for the RBZP.

Note 21 - Net cash and cash equivalents

For the purposes of drawing up the cash flow statement, the "cash and cash equivalents" items are analysed as follows:

In thousands of euro	31/03/2015	31/03/2014
Cash and accounts with central banks (assets)	3,643,942	3,150,360
Interbank demand deposits and overnight loans (assets)	783,974	474,813
Other cash equivalents (assets)	420,952	563,517
Interbank demand deposits and overnight (liabilities) and due to central banks	(73,099)	(124,972)
TOTAL	**4,775,769**	**4,063,718**

Other cash equivalents (assets) comprise overnight interbank reverse repos and public bills and securities which are held for trading.

As disclosed under the cash flow statement, the definition of cash equivalents has been changed at 31 March 2015 to include overnight interbank reverse repos, and the prior period balance has been restated. This had the effect of increasing reported cash by €400 million at March 2015 and €517 million at March 2014.

Note 22 - Commitments given and received

Commitments given

In thousands of euro	31/03/2015	31/03/2014
Given to customers	117,554	71,305
Loan commitments	**117,554**	**71,305**
Given to banks	20,672	17,093
Given to customers	56,442	63,017
Guarantee commitments	**77,114**	**80,110**
Investment commitments	234,839	109,362
Pledged assets and other commitments given	140,977	191,476
Other commitments	**375,816**	**300,838**

Investment commitments relate to Merchant Banking funds and investments.The commitment to employees in respect of deferred remuneration is set out in note 28.

Commitments received

In thousands of euro	31/03/2015	31/03/2014
Received from banks	61,000	44,308
Loan commitments	**61,000**	**44,308**
Received from customers	15,365	26,681
Guarantee commitments	**15,365**	**26,681**
Other commitments received	-	7,400
Other commitments	**-**	**7,400**

Operating lease commitments payable

	31/03/2015		31/03/2014	
In thousands of euro	Land and buildings	Other	Land and buildings	Other
Up to 1 year	34,006	2,099	35,376	1,338
Between 1 and 5 years	110,763	6,126	77,414	7,405
Over 5 years	121,258	118	64,853	925
TOTAL	**266,027**	**8,343**	**177,643**	**9,668**

VI. Notes to the income statement

Note 23 - Net interest income

Interest income

In thousands of euro	31/03/2015	31/03/2014
Interest income - loans to banks	9,920	7,816
Interest income - loans to customers	55,145	56,538
Interest income - available-for-sale instruments	6,556	8,094
Interest income - derivatives	20,353	16,991
Interest income - other financial assets	1,915	654
TOTAL	**93,889**	**90,093**

Interest expense

In thousands of euro	31/03/2015	31/03/2014
Interest expense - due to banks	(4,701)	(4,234)
Negative interest income from loans to banks	(3,533)	-
Interest expense - due to customers	(26,355)	(30,602)
Interest expense - subordinated debt	(211)	(212)
Interest expense - derivatives	(11,628)	(11,046)
Interest expense - other financial liabilities	(1,306)	(1,098)
TOTAL	**(47,734)**	**(47,192)**

Note 24 - Net fee and commission income

Fee and commission income

In thousands of euro	31/03/2015	31/03/2014
Fees for advisory work and other services	891,709	705,750
Portfolio and other management fees	338,981	320,543
Banking and credit-related fees and commissions	5,362	4,502
Other fees	15,148	13,112
TOTAL	**1,251,200**	**1,043,907**

Fee and commission expense

In thousands of euro	31/03/2015	31/03/2014
Fees for advisory work and other services	(7,062)	(7,630)
Portfolio and other management fees	(30,138)	(31,403)
Banking and credit-related fees and commissions	(564)	(511)
Other fees	(7,451)	(5,120)
TOTAL	**(45,215)**	**(44,664)**

Note 25 - Net gains/(losses) on financial instruments at fair value through profit or loss

In thousands of euro	31/03/2015	31/03/2014
Net income - debt securities and related derivatives held for trading	(110)	805
Net income - equity securities and related derivatives held for trading	943	1,697
Net income - foreign exchange operations	31,206	24,452
Net income - other trading operations	275	1,504
Net income - financial instruments designated at fair value through profit or loss	28,345	13,237
TOTAL	**60,659**	**41,695**

Net gains and losses on financial instruments at fair value through profit or loss include the changes in fair value (excluding accrued interest) of financial instruments held in the trading portfolio and classified as financial instruments designated at fair value through profit or loss by option. These also include gains and losses on hedging transactions, foreign exchange gains and losses, and gains or losses arising from the ineffectiveness of hedging instruments.

Note 26 - Net gains/(losses) on available-for-sale financial assets

In thousands of euro	31/03/2015	31/03/2014
Gains or losses on derecognition	74,203	12,312
Impairment losses	(5,647)	(5,650)
Dividend income	10,271	11,219
TOTAL	**78,827**	**17,881**

Available-for-sale dividend income from, and impairment of, the Group's interest in Edmond de Rothschild (Suisse) SA is included in net income/(expense) from other assets (note 31).

Note 27 - Net income from other activities

In thousands of euro	31/03/2015	31/03/2014
Income from leasing	14,784	12,825
Other income	3,732	(436)
TOTAL OTHER OPERATING INCOME	**18,516**	**12,389**
Expenses relating to assets used to generate lease income	(6,677)	(5,877)
Other expenses	(266)	(563)
TOTAL OTHER OPERATING EXPENSES	**(6,943)**	**(6,440)**

Note 28 - Operating expenses

In thousands of euro	Note	31/03/2015	31/03/2014
Compensation and other staff costs		(787,055)	(672,863)
Defined benefit pension expenses	20	(17,375)	(9,839)
Defined contribution pension expenses		(15,727)	(16,580)
Staff costs		**(820,157)**	**(699,282)**
Administrative expenses		(257,064)	(251,005)
TOTAL		**(1,077,221)**	**(950,287)**

Staff costs

As a result of changes implemented to certain of the Group's pension funds, the charge for defined benefit pension expenses for the year benefited from an unrealised gain, in the form of a negative past service cost, of €2.5 million (2014: €10.7 million).

As part of its variable pay strategy, the Group operates long-term incentive schemes for the benefit of employees. These schemes consist of deferred cash bonuses and, for certain key staff, various deferred share-based payment awards.

The cash awards are paid one, two and three years after the year of the award, and the expense is recognised over the two, three and four year periods from the start of the year of the award to the date of payment. These awards are paid on the condition that the recipient is still an employee of the Group. For certain significant employees (known as "code staff") a portion of the awards will be settled in the form of Paris Orléans shares rather than cash, in response to the Capital Requirements Directive 3 (“CRD3”). The PO shares will be released to the employees six months following the vesting date of the award.

A commitment to employees exists in connection with this deferred remuneration. Some of this has not yet accrued because it relates to a future service period. The amount of potential future payments that have not yet accrued is €78.1 million (€60.6 million as at 31 March 2014).

The objective of the deferred share-based payment awards is to link the reward of certain key staff with the performance of the Group. In addition to the requirement to remain employed by the Group, these awards may also be cancelled under specific circumstances.

Paris Orléans Equity Scheme

At the Combined General Meeting of shareholders on 26 September 2013, the Managing Partner announced that Paris Orléans would implement an Equity Scheme for the senior employees and executive corporate officers of the Company and its subsidiaries, to promote the alignment of interests between the Rothschild family, minority shareholders and the Equity Scheme participants.

The Equity Scheme was implemented on 11 October 2013. The initial Equity Scheme participants are the Global Financial Advisory partners, as well as members of the Group Management Committee, representing 57 persons operating in 10 countries around the world.

Under the Equity Scheme rules, the Equity Scheme participants have been required to invest in Paris Orléans shares and for each share invested they are granted four share options. Shares invested are subject to a four-year lock-up period and the share options granted are subject to a vesting period before exercise. The Equity Scheme participants have invested in a total amount of 780,000 Paris Orléans shares representing 1.10% of Paris Orléans’ share capital at the date of this announcement. The shares in which the participants invested were existing Paris Orléans shares, of which some were purchased from outside the Group and some were already held within the Group.

The total number of Paris Orléans shares that may be acquired following exercise of the number of share options granted amounts to 3,120,000 shares representing, subject to the adjustment provisions set forth in the share-option plan, 4.10% of Paris Orléans’ share capital at the date of the announcement. A quarter of the share options vest on each of the third, fourth, fifth and sixth anniversaries of the award date of the Equity Scheme and the share options are exercisable on the vesting dates at a price of €17.50, €18.00, €19.00 and €20.00 per share.

Movements in the number of share options outstanding are as follows:

	31/03/2015		31/03/2014	
	Number	Weighted Average Exercise Price (in euro)	Number	Weighted Average Exercise Price (in euro)
As at 1 April	**3,120,000**	**18.6**	**-**	**-**
Issued	-	-	3,120,000	18.6
Forfeited	-	-	-	-
Expired	-	-	-	-
Exercised	-	-	-	-
AS AT 31 MARCH	**3,120,000**	**18.6**	**3,120,000**	**18.6**
Exercisable at the end of the year	-	-	-	-

Share options outstanding at 31 March were as follows:

	31/03/2015		31/03/2014	
Exercise price (in euro)	**Number of Options Outstanding**	**Weighted average contractual life (years)**	**Number of Options Outstanding**	**Weighted average contractual life (years)**
17.50	780,000	8.5	780,000	9.5
18.00	780,000	8.5	780,000	9.5
19.00	780,000	8.5	780,000	9.5
20.00	780,000	8.5	780,000	9.5
	3,120,000	**8.5**	**3,120,000**	**9.5**

The options were valued by an independent valuer using a Black-Scholes option valuation model. The key inputs into this model were the price of the underlying Paris Orléans shares, the expected volatility of the share price (for which the historic volatility has been the primary consideration), and the estimated exercise date of the options (which is the mid-point between the dates of vesting and expiry). The valuation was based on the assumption that all recipients will remain with the Group.

The fair value of share-based payments made in the year through the Equity Scheme was nil (2014: €4.2 million). Fair values are charged to the income statement over the period of employee service required under the vesting conditions. As the options are equity-settled, there is no liability booked in the balance sheet in respect of these options, and there is no periodic charge or credit in the income statement as the options change in value.

The charge arising in the year that relates to share-based payments is included in the line "Compensation and other staff costs", and amounts to €1.0 million (2014: €0.5 million).

Note 29 - Amortisation, depreciation and impairment of tangible and intangible fixed assets

In thousands of euro	31/03/2015	31/03/2014
Amortisation of intangible assets	(9,843)	(9,947)
Depreciation of tangible assets	(25,754)	(24,490)
Depreciation and amortisation	**(35,597)**	**(34,437)**
Impairment allowance on intangible assets	-	-
Impairment allowance on tangible assets	-	(836)
Impairment allowance expenses	**-**	**(836)**
TOTAL	**(35,597)**	**(35,273)**

Note 30 - Cost of risk

In thousands of euro	Impairment	Impairment reversal	Recovered loans	31/03/2015	31/03/2014
Loans and receivables	(15,564)	2,036	2,517	(11,011)	2,032
Debt securities	(7,980)	1,643	-	(6,337)	5,094
Other assets	(6,288)	1,389	(111)	(5,010)	(361)
TOTAL	**(29,832)**	**5,068**	**2,406**	**(22,358)**	**6,765**

Included in debt securities for the year ended 31 March 2014 is a recovery of €5.8 million relating to an asset which was previously written off.

Note 31 - Net income/(expense) from other assets

In thousands of euro	31/03/2015	31/03/2014
Impairment of long-standing shareholding	(3,212)	(26,647)
Long-standing shareholding dividend	3,896	3,859
Gains/(losses) on sales of tangible or intangible assets	17,304	47
Gains/(losses) on acquisition or disposal of subsidiaries and associates	27,084	(1,424)
TOTAL	**45,072**	**(24,165)**

Net income/(expense) from other assets includes an impairment loss of €3.2 million (€26.6 million for the year ended 31 March 2014) relating to the Group's 8.4% equity investment in Edmond de Rothschild (Suisse) SA. The impairment loss was incurred in the first six months of the financial year; in the second six months the value of the Group's investment increased by €5.1 million.

In accordance with IFRS this increase has been taken to the available-for-sale reserve. This investment, which is accounted for as an available-for-sale financial asset, has been consistently fair valued since 2007 in accordance with IFRS using the listed price.

Also included is the profit on sale of FircoSoft, an associate, which realised a gain of €21.3 million.

Note 32 - Income tax expense

In thousands of euro	31/03/2015	31/03/2014
Current tax	(49,565)	(25,241)
Deferred tax	(13,274)	(17,471)
TOTAL	**(62,839)**	**(42,712)**

The net tax charge can be analysed between current tax charge and deferred tax charge as follows:

Current tax

In thousands of euro	31/03/2015	31/03/2014
Tax charge for the year	(46,073)	(21,258)
Prior year adjustments	(269)	(984)
Irrecoverable dividend witholding tax	(2,447)	(2,371)
Other	(776)	(628)
TOTAL	**(49,565)**	**(25,241)**

Deferred tax

In thousands of euro	31/03/2015	31/03/2014
Temporary differences	(13,465)	(11,530)
Changes in tax rates	9	(5,692)
Prior year adjustments	182	(332)
Other	-	83
TOTAL	**(13,274)**	**(17,471)**

Reconciliation of the tax charge between the standard tax rate and the effective rate

In thousands of euro	31/03/2015		31/03/2014	
Profit before tax		**316,693**		**106,677**
Expected tax charge at standard French rate	**33.3%**	**105,459**	**33.3%**	**35,555**
Main reconciling items				
Irrecoverable dividend withholding tax	+0.8%	2,447	+2.2%	2,693
Tax impacts relating to prior year	+0.0%	87	+1.2%	1,316
Impairment of Edmond de Rothschild (Suisse) SA in lower tax area	+0.3%	820	+6.4%	6,803
Local permanent differences, net	+0.0%	94	+4.0%	4,276
(Gains)/losses where no deferred tax recognised	(1.6%)	(5,165)	+5.3%	5,665
Write off of deferred tax assets in the UK	+2.8%	8,732	+5.3%	5,692
Profits and losses in lower tax areas	(9.1%)	(28,964)	(3.4%)	(3,967)
Partnership tax recognised outside the Group	(8.0%)	(25,316)	(16.0%)	(17,146)
Other	+1.3%	4,645	+1.7%	1,825
Actual tax charge	**19.8%**	**62,839**	**40.0%**	**42,712**
EFFECTIVE TAX RATE		**19.8%**		**40.0%**

Note 33 - Related parties

The term “Executive Directors”, in the context of this note, refers to corporate officers *(mandataires sociaux)* of PO Gestion, the Managing Partner of Paris Orléans. The following remuneration was received by the corporate officers in 2014/2015:

In thousands of euro	31/03/2015
Fixed remuneration	382
Payments in kind	4
TOTAL	**386**

Corporate officers did not benefit from payments in shares in respect of 2014/2015 and no severance benefits were provided for termination of work contracts. No other long-term benefits were granted.

The transactions during the year and balances at the end of the year between Group companies, which are fully consolidated, are eliminated on consolidation. Transactions and balances with companies accounted for by the equity method are shown separately in the table below.

Other related parties are the members of the supervisory board of Paris Orléans, people with active control of the Group, people with active control in the parent company of Paris Orléans as Rothschild Concordia SAS directors, companies that are controlled by the principal officers or any person directly or indirectly responsible for management or control of the activities of Paris Orléans. They also include close members of the family of any person who controls, exercises joint control or significant influence on Paris Orléans and persons related to Executive Directors and members of the Supervisory Board of Paris Orléans or its parent company.

	31/03/2015			31/03/2014		
In thousands of euro	Companies accounted for by the equity method	Executive Directors	Other related parties	Companies accounted for by the equity method	Executive Directors	Other related parties
ASSETS						
Loans and advances to customers	85	931	4,519	2	957	4,472
Equity instruments	-	-	11,304	-	-	11,758
Other assets	469	-	4	-	-	-
TOTAL ASSETS	**554**	**931**	**15,827**	**2**	**957**	**16,230**
LIABILITIES						
Due to customers	479	989	120,937	5,501	7,459	132,508
Other liabilities	-	-	-	-	-	109
TOTAL LIABILITIES	**479**	**989**	**120,937**	**5,501**	**7,459**	**132,617**
LOAN AND GUARANTEE COMMITMENTS						
Guarantees and commitments given	-	1,987	73	-	2,673	2,947
TOTAL LOAN AND GUARANTEE COMMITMENTS	**-**	**1,987**	**73**	**-**	**2,673**	**2,947**
Realised operating income from transactions with related parties						
Interest received	341	20	40	-	7	388
Interest paid	-	-	(273)	-	(5)	(1,370)
Commissions received	333	-	-	967	-	-
Commissions paid	-	-	(29)	(3,854)	-	(40)
Other income	327	-	781	608	-	837
TOTAL INCOME	**1,001**	**20**	**519**	**(2,279)**	**2**	**(185)**
Other expenses	(849)	(386)	(1,550)	(747)	(367)	(1,524)
TOTAL EXPENSES	**(849)**	**(386)**	**(1,550)**	**(747)**	**(367)**	**(1,524)**

Note 34 - Fees to Statutory Auditors

	Cailliau Dedouit et Associés				KPMG Audit			
	31/03/2015		31/03/2014		31/03/2015		31/03/2014	
In thousands of euro		%		%		%		%
Audit								
Fees related to statutory audit, certification, examination of								
Paris Orléans (parent company)	170	48%	167	45%	170	5%	167	5%
Subsidiaries fully consolidated	176	49%	180	49%	2,812	82%	2,477	74%
Sub-total	**346**	**97%**	**347**	**94%**	**2,982**	**87%**	**2,644**	**79%**
Fees related to audit services and related assignments								
Paris Orléans (parent company)	-	-	-	-	18	1%	16	0%
Subsidiaries fully consolidated	11	3%	21	6%	33	1%	14	0%
Sub-total	**11**	**3%**	**21**	**6%**	**51**	**1%**	**30**	**1%**
Other benefits from the network of consolidated subsidiaries								
Law, tax, social	-	-	-	-	352	10%	385	12%
Other	-	-	-	-	54	2%	276	8%
Sub-total	**-**	**-**	**-**	**-**	**406**	**12%**	**661**	**20%**
TOTAL	**357**	**100%**	**368**	**100%**	**3,439**	**100%**	**3,335**	**100%**

Note 35 - Segmental information

The table below presents a segmental analysis by business line, prepared from non-IFRS data, and its reconciliation with IFRS data. The "IFRS reconciliation" column includes items that mainly relate to the treatment of profit share paid to French partners as non-controlling interests; accounting for deferred bonuses over the period that they are earned; the application of IAS 19(R) for defined benefit pension schemes; and reallocation of impairments.

Segmental information split by business

In thousands of euro	Global Financial Advisory	Asset Management(1)	Other(2)	Total before IFRS reconciliation	IFRS reconciliation	31/03/2015
Net banking income	**879,639**	**481,619**	**63,514**	**1,424,772**	**(21,573)**	**1,403,199**
Operating expenses	(740,741)	(348,215)	(99,225)	(1,188,181)	75,363	(1,112,818)
Impairments	(38)	502	(14,961)	(14,497)	(7,861)	(22,358)
Operating income	**138,860**	**133,906**	**(50,672)**	**222,094**	**45,929**	**268,023**
Share of profits of associated entities						3,598
Net income/(expense) from other assets						45,072
PROFIT BEFORE TAX						**316,693**

(1) Asset Management comprises Wealth & Asset Management and Merchant Banking businesses
(2) Other comprises Central cost, Legacy businesses, including Banking & Asset Finance, and Other

In thousands of euro	Global Financial Advisory	Asset Management(1)	Other(2)	Total before IFRS reconciliation	IFRS reconciliation	31/03/2014
Net banking income	**688,668**	**380,631**	**60,987**	**1,130,286**	**(22,617)**	**1,107,669**
Operating expenses	(617,046)	(329,287)	(81,663)	(1,027,996)	42,436	(985,560)
Impairments	(331)	(69)	(4,727)	(5,127)	11,892	6,765
Operating income	**71,291**	**51,275**	**(25,403)**	**97,163**	**31,711**	**128,874**
Share of profits of associated entities						1,968
Net income/(expense) from other assets						(24,165)
Profit before tax						**106,677**

(1) Asset Management comprises Wealth & Asset Management and Merchant Banking businesses
(2) Other comprises Central cost, Legacy businesses, including Banking & Asset Finance, and Other

Net banking income split by geographical segments

In thousands of euro	31/03/2015	31/03/2014
United Kingdom and Channel Islands	475,724	362,758
France	355,788	282,932
Americas	157,791	165,293
Rest of Europe	217,664	140,582
Switzerland	108,160	99,912
Australia and Asia	74,758	43,734
Other	13,314	12,458
TOTAL	**1,403,199**	**1,107,669**

The breakdown by geographic segment is based on the geographic location of the entity that records the income or which holds the asset. Further information about geographical results is shown in note 38.

Note 36 - Earnings per share

In millions of euro	31/03/2015	31/03/2014
Net income - Group share	**143.6**	**8.4**
preferred dividends adjustment	*(0.8)*	*(0.7)*
Net income - Group share after preferred dividends adjustment	**142.8**	**7.7**
Average number of shares in issue - 000s	68,545	68,448
Earnings per share - basic and diluted (euro)	**2.08**	**0.11**

Basic earnings per share are calculated by dividing Net income - Group share (after removing an accrued preference dividend, which is not part of the profit earned by ordinary shareholders) by the weighted average number of ordinary shares that are in issue during the year and that are held by third parties. For the calculation of diluted earnings per share, the treasury share method is used; however, the amount of share options and other share-based payments issued by the Group is not at a level which materially affects this calculation. Therefore, diluted earnings per share are the same as basic earnings per share.

As there were no gains or losses on activities discontinued or held for sale, the earnings per share on continuing activities are the same as earnings per share.

Note 37 - Consolidation scope

Article 7 of Law No. 2013-672 of the French Monetary and Financial Code of July 26, 2013, amending article L. 511-45 requires credit institutions to publish information on their locations and activities in each country or territory.

The following table shows the material subsidiaries and associates which are included in the Group consolidated accounts, and the territory in which they are domiciled. The list below does not include dormant or nominee companies, on account of their immateriality.

The activities shown below are defined in note 35.

		31/03/2015		31/03/2014		Consolidation method[1]	
Company name	**Activity**	**% Group voting interest**	**% Group ownership interest**	**% Group voting interest**	**% Group ownership interest**	**31/03/2015**	**31/03/2014**
Australia							
Arrow Capital Pty Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Australia Limited	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Belgium							
Rothschild Belgique - branch	Asset Management and Other	100.00	99.24	100.00	98.73	FC	FC
Bermuda							
Rothschild Trust (Bermuda) Limited	Asset Management and Other	100.00	72.77	100.00	71.95	FC	FC
Brazil							
NM Rothschild & Sons (Brasil) Limitada	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
British Virgin Islands							
Five Arrows Capital Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Master Nominees Inc.	Other	100.00	72.77	100.00	71.95	FC	FC

(1) FC: full consolidation.
EM: equity method.

Company name	Activity	31/03/2015 % Group voting interest	31/03/2015 % Group ownership interest	31/03/2014 % Group voting interest	31/03/2014 % Group ownership interest	Consolidation method[(1)] 31/03/2015	Consolidation method[(1)] 31/03/2014
Canada							
Rothschild (Canada) Holdings Inc.	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild (Canada) Inc.	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Rothschild (Canada) Securities Inc.	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Rothschild Trust Canada Inc.	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Rothschild Trust Protectors Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Cayman Islands							
JRE Asia Capital Management Ltd	Other	50.00	49.58	50.00	49.29	EM	EM
Rothschild Trust Cayman Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Channel Islands							
Blackpoint Management Limited	Asset Management	100.00	95.25	100.00	94.76	FC	FC
FAC Carry LP	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Five Arrows Capital GP Limited	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Five Arrows Mezzanine Holder LP	Asset Management	88.00	86.59	88.00	85.61	FC	FC
Five Arrows Partners LP	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Five Arrows Proprietary Feeder LP	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Five Arrows Staff Co-investment LP	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Guernsey Global Trust Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Guernsey Loan Asset Securitisation Scheme Limited	Other	-	-	100.00	97.28	-	FC
Jofran Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Maison (CI) Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Quintus European Mezzanine (GP) Limited	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Quintus European Mezzanine Fund Limited partnership	Asset Management	50.00	49.20	50.00	48.64	EM	EM
Rothschild Asset Management Holdings (CI) Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Bank (CI) Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Rothschild Bank International Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Mexico (Guernsey) Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Switzerland (CI) Trustees Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Rothschild Trust Financial Services Limited	Other	100.00	72.77	100.00	71.95	FC	FC
Rothschild Trust Guernsey Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Rothschilds Continuation Finance (CI) Limited	Other	100.00	98.40	100.00	97.28	FC	FC
S y C (International) Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Shield Holdings (Guernsey) Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Shield Securities Limited	Other	100.00	98.40	100.00	97.28	FC	FC
St. Julian's Properties Limited	Other	50.00	49.20	50.00	48.64	EM	EM
China							
Rothschild & Sons Financial Advisory Services (Beijing) Co. Ltd.	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Rothschild Financial Advisory Services (Tianjin) Co. Ltd.	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Curaçao							
NM Rothschild & Sons (Asia) NV	Other	100.00	98.40	100.00	97.28	FC	FC
NMR Consultants NV (in liquidation)	Other	100.00	98.40	100.00	97.28	FC	FC
NMR International NV	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Latin America NV	Other	100.00	98.40	100.00	97.28	FC	FC
Dubai							
Rothschild (Middle East) Limited (consolidated sub-group)	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
France							
Chaptal Investissements SAS	Asset Management	-	-	100.00	99.93	-	FC
Concordia Holding SARL	Other	100.00	99.95	100.00	99.93	FC	FC
Financière Nextpool	Other	-	-	39.98	39.41	-	EM
Financière Rabelais SAS	Other	100.00	99.95	100.00	99.93	FC	FC
FircoSoft SAS	Other	-	-	26.33	26.32	-	EM

(1) *FC: full consolidation.*
EM: equity method.

Company name	Activity	31/03/2015 % Group voting interest	31/03/2015 % Group ownership interest	31/03/2014 % Group voting interest	31/03/2014 % Group ownership interest	Consolidation method[1] 31/03/2015	Consolidation method[1] 31/03/2014
Five Arrows Managers SAS	Asset Management	100.00	99.01	100.00	98.32	FC	FC
GIE Rothschild & Cie	Other	100.00	99.24	100.00	98.73	FC	FC
K Développement SAS	Asset Management	100.00	99.95	100.00	99.93	FC	FC
Messine Managers Investissements SAS	Other	100.00	99.80	100.00	99.93	FC	FC
Messine Participations SAS	Other	100.00	99.15	100.00	98.64	FC	FC
Monceau Rabelais SAS (ex Rothschild Investments Solutions)	Other	100.00	99.23	100.00	98.71	FC	FC
Montaigne Rabelais SAS	Other	100.00	99.24	100.00	98.73	FC	FC
Paris Orléans Holding Bancaire SAS	Other	100.00	99.95	100.00	99.93	FC	FC
Paris Orléans SCA	Asset Management	100.00	99.95	100.00	99.93	Parent company	Parent company
PO Capinvest 1 SAS	Asset Management	100.00	99.95	100.00	99.93	FC	FC
PO Capinvest 2 SAS	Asset Management	-	-	100.00	99.93	-	FC
PO Développement SAS	Asset Management	100.00	99.95	100.00	99.93	FC	FC
PO Fonds SAS	Asset Management	100.00	99.95	100.00	99.93	FC	FC
PO Mezzanine SAS	Asset Management	100.00	99.95	100.00	99.93	FC	FC
Rivoli Participation SAS (consolidated sub-group)	Other	-	-	30.56	30.55	-	EM
Rothschild & Cie SCS[2]	Global Financial Advisory	99.98	99.22	99.98	98.71	FC	FC
Rothschild & Compagnie Banque SCS[2]	Asset Management and Other	99.99	99.24	99.99	98.73	FC	FC
Rothschild & Compagnie Gestion SCS[2]	Asset Management	99.99	99.23	99.99	98.71	FC	FC
Rothschild Assurance & Courtage SCS	Asset Management	99.83	99.05	99.83	98.54	FC	FC
Rothschild Europe SNC (French partnership)	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
Rothschild HDF Investment Solutions SAS	Asset Management	100.00	95.25	63.00	94.76	FC	FC
SCS Holding SAS	Other	100.00	98.40	100.00	97.28	FC	FC
Sélection 1818 SA	Asset Management	25.00	24.79	34.00	33.54	EM	EM
Somanfi SAS	Asset Management	-	-	100.00	98.54	-	FC
Transaction R SCS[2]	Global Financial Advisory	99.83	98.95	99.73	98.73	FC	FC
Verseau SAS	Asset Management	95.00	94.95	95.00	94.95	FC	FC
Germany							
Rothschild & Cie Gestion - Frankfurt branch	Asset Management	99.99	99.23	-	-	FC	-
Rothschild GmbH	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
Rothschild Vermögensverwaltungs-GmbH	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Hong Kong							
JRE Asia Capital (Hong Kong) Ltd	Asset Management	100.00	49.58	100.00	49.29	EM	EM
RAIL Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild (Hong Kong) Limited	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Rothschild Wealth Management (Hong Kong) Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
India							
JRE Asia Capital Advisory Services (India) Private Limited	Asset Management	100.00	49.58	100.00	49.29	EM	EM
Rothschild (India) Private Limited	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Indonesia							
PT Rothschild Indonesia	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Israel							
RCF (Israel) BV - Israel branch	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
Italy							
Rothschild & Cie Gestion - Milan branch	Asset Management	99.99	99.23	-	-	FC	-
Rothschild S.p.A.	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
Rothschild Trust Italy Srl	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Rothschild Wealth Management (UK) Limited - Milan branch	Asset Management	100.00	80.46	100.00	79.55	FC	FC
Luxembourg							
Centrum Jonquille	Asset Management	100.00	99.95	100.00	99.93	FC	FC
Centrum Narcisse	Asset Management	100.00	99.95	100.00	99.93	FC	FC

(1) FC: full consolidation.
EM: equity method.
(2) % ownership interest is stated before profit share

Company name	Activity	31/03/2015 % Group voting interest	31/03/2015 % Group ownership interest	31/03/2014 % Group voting interest	31/03/2014 % Group ownership interest	Consolidation method[1] 31/03/2015	Consolidation method[1] 31/03/2014
Centrum Orchidée	Asset Management	100.00	99.95	100.00	99.93	FC	FC
Fin PO SA	Asset Management	100.00	99.92	100.00	99.88	FC	FC
Five Arrows Co-Investments Feeder V SCA SICAR	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Five Arrows Credit Solutions General Partner	Asset Management	100.00	99.01	100.00	98.32	FC	FC
Five Arrows Investments SCA SICAR	Asset Management	100.00	99.16	100.00	98.58	FC	FC
Five Arrows Managers SA	Asset Management	100.00	99.01	100.00	98.32	FC	FC
Five Arrows Mezzanine Investments Sàrl	Asset Management	100.00	99.16	100.00	98.58	FC	FC
Five Arrows Principal Investments International Feeder SCA SICAR	Asset Management	100.00	99.16	100.00	98.58	FC	FC
Five Arrows Secondary Opportunities III FCPR	Asset Management	100.00	99.42	100.00	8.36	FC	FC
Jardine Rothschild Asia Capital (Luxembourg) Sàrl	Other	50.00	49.58	50.00	49.29	EM	EM
Messine Investissement SA	Asset Management	100.00	99.15	-	-	FC	-
Oberon GP Sàrl	Asset Management	100.00	99.01	100.00	98.32	FC	FC
PO Invest 1 SA	Asset Management	-	-	62.86	62.78	-	FC
PO Invest 2 SA	Asset Management	93.78	93.71	93.78	93.71	FC	FC
PO Participations Sàrl	Asset Management	99.98	99.92	99.98	99.88	FC	FC
R Commodity Finance Fund General Partner	Asset Management	63.00	95.25	-	-	FC	-
Malaysia							
Rothschild Malaysia Sendirian Berhad	Global Financial Advisory	70.00	98.40	70.00	97.28	FC	FC
Mauritius							
JRE Asia Capital (Mauritius) Ltd	Other	33.34	49.58	33.34	32.87	EM	EM
Mexico							
Rothschild (Mexico) SA de CV	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Netherlands							
Continuation Investments NV	Asset Management	39.33	37.30	39.33	37.23	EM	EM
RCF (Israel) BV	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
RCF (Russia) BV	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
Rothschild Europe BV	Other	100.00	98.82	100.00	98.01	FC	FC
Rothschilds Continuation Finance BV	Other	69.00	68.15	69.00	67.56	FC	FC
New Zealand							
Rothschild Trust New Zealand Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Poland							
Rothschild Polska Sp. z o.o.	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
Portugal							
Rothschild Portugal Limitada	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
Russia							
RCF (Russia) BV - Moscow branch	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
Singapore							
Jardine Rothschild Asia Capital (Singapore) Pte Limited	Asset Management	-	-	100.00	49.29	-	EM
Rothschild (Singapore) Limited	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Rothschild Trust (Singapore) Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Rothschild Wealth Management (Singapore) Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
South Africa							
Rothschild (South Africa) Foundation	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild (South Africa) Proprietary Limited	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Southern Arrows Proprietary Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Spain							
Rothschild SA	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
Sweden							
Rothschild Nordic AB	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
Switzerland							
Anterana Holdings AG Glarus	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Creafin AG	Other	100.00	72.77	100.00	71.95	FC	FC

(1) *FC: full consolidation.*
EM: equity method.

Company name	Activity	31/03/2015		31/03/2014		Consolidation method[1]	
		% Group voting interest	% Group ownership interest	% Group voting interest	% Group ownership interest	31/03/2015	31/03/2014
Equitas SA	Asset Management	90.00	65.50	90.00	64.76	FC	FC
ESOP Services AG	Asset Management	100.00	97.52	100.00	97.43	FC	FC
Five Arrows Capital AG	Asset Management	100.00	98.40	100.00	97.28	FC	FC
RBZ Fiduciary Ltd.	Asset Management	100.00	72.77	100.00	71.95	FC	FC
RCH Employees Share Trust	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild & Cie Gestion - Zurich branch	Asset Management	99.99	99.23	-	-	FC	-
Rothschild Asset Management Holdings AG	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Bank AG	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Rothschild China Holding AG	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Concordia AG	Other	100.00	97.52	100.00	97.43	FC	FC
Rothschild Holding AG	Other	73.96	72.77	73.96	71.95	FC	FC
Rothschild India Holding AG	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Private Trust Holdings AG	Other	100.00	72.77	100.00	71.95	FC	FC
Rothschild Trust (Switzerland) Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Rothschilds Continuation Holdings AG	Other	99.77	98.40	98.74	97.28	FC	FC
RTS Geneva SA	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Turkey							
Rothschild - Kurumsal Finansman Hizetleri Limited Sirketi	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
United Kingdom							
City Business Finance Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Continuation Computers Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Elgin Capital LLP	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Elgin Capital Services Limited	Other	100.00	98.40	100.00	97.28	FC	FC
F.A. International Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Five Arrows (Scotland) General Partner Limited	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Five Arrows Business Finance plc (ex State Securities plc)	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Five Arrows Finance Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Five Arrows Leasing Group Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Five Arrows Leasing Holdings Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Five Arrows Media Finance Limited	Other	100.00	98.40	100.00	97.28	FC	FC
International Property Finance (Spain) Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Investor Perceptions Limited	Other	50.00	49.20	50.00	48.64	EM	EM
Lanebridge Holdings Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Lanebridge Investment Management Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Marplace (No 480) Limited	Other	100.00	98.40	100.00	97.28	FC	FC
NM Rothschild & Sons Limited	Global Financial Advisory, Asset Management and Other	100.00	98.40	100.00	97.28	FC	FC
NM Rothschild Holdings Limited	Other	100.00	98.40	100.00	97.28	FC	FC
New Court Property Services	Other	100.00	98.40	100.00	97.28	FC	FC
New Court Securities Limited	Other	100.00	98.40	100.00	97.28	FC	FC
NMR Europe (UK partnership)	Global Financial Advisory	100.00	98.82	100.00	98.01	FC	FC
O C Investments Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Risk Based Investment Solutions Ltd	Asset Management	100.00	72.77	100.00	98.71	FC	FC
Rothschild Australia Holdings Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Credit Management Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Gold Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild HDF Investment Adviser Limited	Asset Management	100.00	95.25	100.00	94.76	FC	FC
Rothschild Holdings Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Investments Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Private Fund Management Limited	Asset Management	100.00	80.46	100.00	79.55	FC	FC

(1) *FC: full consolidation.*
EM: equity method.

Company name	Activity	31/03/2015 % Group voting interest	31/03/2015 % Group ownership interest	31/03/2014 % Group voting interest	31/03/2014 % Group ownership interest	Consolidation method[1] 31/03/2015	Consolidation method[1] 31/03/2014
Rothschild Trust Corporation Limited	Asset Management	100.00	72.77	100.00	71.95	FC	FC
Rothschild Wealth Management (UK) Limited	Asset Management	100.00	80.46	100.00	79.55	FC	FC
Rothschilds Continuation Finance Holdings Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschilds Continuation Finance PLC	Other	100.00	-	100.00	97.28	FC	FC
Rothschilds Continuation Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Second Continuation Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Shield MBCA Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Shield Trust Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Specialist Fleet Services Limited	Other	100.00	98.40	100.00	97.28	FC	FC
State Securities Holdings Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Third New Court Limited	Other	100.00	98.40	100.00	97.28	FC	FC
Walbrook Assets Limited	Other	100.00	98.40	100.00	97.28	FC	FC
United States of America							
Five Arrows Friends & Family Feeder LP	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Francarep Inc	Asset Management	100.00	99.95	100.00	99.93	FC	FC
PO Black LLC	Asset Management	100.00	82.87	100.00	82.84	FC	FC
Rothschild Asset Management Inc.	Asset Management	100.00	98.40	100.00	97.28	FC	FC
Rothschild Inc.	Global Financial Advisory	100.00	98.40	100.00	97.28	FC	FC
Rothschild North America Inc.	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Realty Group Inc.	Other	100.00	98.40	100.00	97.28	FC	FC
Rothschild Trust North America LLC	Asset Management	100.00	72.77	100.00	71.95	FC	FC

(1) FC: full consolidation.
EM: equity method.

Note 38 - Results, tax and headcount by territory

Pursuant to article L511-45 II to V of the French Monetary and Financial code, referred to in Note 37 Consolidation Scope, the table below specifically provides information linked to net banking income, pre-tax profit, income tax and headcount as at 31 March 2015.

Country/Region of operation	Net banking income *(in millions of euro)*	Profit before tax *(in millions of euro)*	Current Tax *(in millions of euro)*	Deferred Tax *(in millions of euro)*	Headcount (full-time equivalent)
United Kingdom	450.1	48.8	(3.9)	(15.4)	997
France	355.8	140.2	(20.1)	0.0	663
Other Europe	155.6	41.6	(13.6)	(0.0)	270
North America	129.4	(8.0)	4.7	0.0	219
Switzerland	108.2	15.1	(6.4)	1.2	364
Luxembourg	62.0	58.9	(0.2)	-	7
Asia	42.1	0.6	(0.4)	0.1	128
Oceania	32.7	8.7	(3.5)	0.9	51
Latin America	27.8	3.4	(2.8)	(0.6)	33
Channel Islands	25.6	7.7	(0.5)	0.4	74
British Virgin Islands	0.5	0.3	-	-	-
Curaçao	0.1	(0.1)	(2.2)	-	-
Cayman Islands	0.0	0.0	-	-	-
Bermuda	-	(0.0)	-	-	-
Other	13.3	(0.5)	(0.7)	0.1	47
TOTAL	**1 403.2**	**316.7**	**(49.6)**	**(13.3)**	**2 853**

Revenues and profits are measured before the elimination of intercompany fees and interest income and expense.

The Group has not received any public subsidies in the year.

For France, profit before tax includes amounts deducted as non-controlling interests, being profit share paid as prefered amounts to French partners who individually account for tax (see also note 32).

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory auditor's report on the consolidated financial statements

Year ended 31 March 2015

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 31 March 2015, on:

- the audit of the accompanying consolidated financial statements of Paris Orléans SCA;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Management. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 March 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the accounting policies changes, as well as the related impacts shown in part "II Preparation of the financial statements" regarding the application of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and the amendments to IAS 32, which specify the terms of presentation offset in the balance sheet of financial instruments.

2. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code ("Code de commerce") relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

- Your Group accounts for impairments in order to cover for credit risks inherent in its activities.

Our work consisted in assessing the appropriateness of the processes used by the management, in reviewing the control procedures implemented to identify and measure such exposures and their valuation, in examining data and available documentation used, in assessing the underlying assumptions and make sure appropriate disclosure is included in the notes to the financial statements, in particular in note 30.

- Your Group performs accounting estimates related to the assessment of the fair value of available-for-sale financial assets, intangible assets and goodwill.

Our work consisted in assessing the appropriateness of the processes used by the management, in reviewing, when applicable, independent valuation reports, in examining data and available documentation used, in assessing the underlying assumptions and make sure appropriate disclosure is included in the notes to the financial statements, in particular in notes 3, 9, 10 and 26.

- Your Group records some provisions to cover the risks and litigation generated by its activities (Note 23 of Part III and Note 14 of Part V).

We reviewed the methodology of determining these provisions as well as the main assumptions used.

- Your Group recognised deferred tax assets, some of which are relating to losses carried forward (Note 20 in Part III and Note 17 of Part V).

  We examined the main estimates and assumptions that led to the recognition of these deferred taxes.

We also assessed whether these estimates were reasonable.

However, we point out that these estimates are based on forecasts that are therefore uncertain; realised outcomes could differ significantly from these forecasts.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information related to the Group presented in the Management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense, on 24 June 2015

KPMG Audit FS II

Pascal Brouard

Partner

Paris, on 24 June 2015

Cailliau Dedouit et Associés

Jean-Jacques Dedouit

Partner

Parent company balance sheet as at 31 March 2015

Assets

In thousands of euro	Notes	31/03/2015 Gross value	31/03/2015 Depreciation, amortisation and provisions	31/03/2015 Net carrying amount	31/03/2014 Net carrying amount
Non-current assets					
Intangible assets	1				
Concessions, patents, brand and software		211	211	–	10
Total intangible assets		**211**	**211**	–	**10**
Property, plant and equipment	2				
Land		–	–	–	–
Buildings		15	15	–	–
Other property, plant and equipment		438	336	102	171
Total property, plant and equipment		**453**	**351**	**102**	**171**
Non-current financial assets					
Investments in Group and other companies	3	1,455,906	1,093	1,454,813	1,453,537
Portfolio holdings	4	23,665	7,407	16,258	17,024
Receivables related to portfolio holdings		334	–	334	8
Loans		–	–	–	–
Other non-current financial assets		6	–	6	6
Total non-current financial assets		**1,479,911**	**8,500**	**1,471,411**	**1,470,575**
Total non-current assets		**1,480,575**	**9,062**	**1,471,513**	**1,470,756**
Current assets					
Accounts receivable	5	**33,553**	**–**	**33,553**	**50,569**
Marketable securities	6				
Treasury stock		12	2	10	3,092
Other securities		4,445	19	4,426	5,280
Cash	7	**60,206**	**–**	**60,206**	**54,268**
Prepaid expenses		**157**	**–**	**157**	**18**
Total current assets		**98,373**	**21**	**98,352**	**113,227**
Unrealised translation losses	8	**5,314**	**–**	**5,314**	**615**
TOTAL ASSETS		**1,584,262**	**9,083**	**1,575,179**	**1,584,598**

Liabilities and shareholders' equity

In thousands of euro	Notes	31/03/2015	31/03/2014
Shareholders' equity	9		
Share capital		142,274	142,208
Share premium		983,062	982,561
Reserves			
Legal reserves		12,968	12,469
Regulated reserves		–	–
Other reserves		153,044	153,044
Retained earnings		**119,620**	**146,145**
Net income for the year		**11,764**	**9,986**
Regulated provisions		303	273
Total shareholders' equity		**1,423,035**	**1,446,686**
Provisions for contingencies and charges			
Provisions for contingencies	10	3,650	1,500
Total provisions for contingencies and charges		**3,650**	**1,500**
Liabilities			
Financial liabilities			
Borrowings and other financial liabilities - banks	11	60,879	72,403
Borrowings and other financial liabilities - others		–	–
Operating liabilities	12		
Accounts payable		909	818
Tax and social liabilities		1,655	4,212
Other liabilities			
Miscellaneous liabilities	13	83,387	58,259
Deferred income		–	–
Total liabilities		**146,830**	**135,692**
Unrealised translation gains		**1,664**	**720**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,575,179**	**1,584,598**

Parent company income statement for the year ended 31 March 2015

In thousands of euro	Notes	31/03/2015	31/03/2014
Income transactions			
Operating income transactions			
Operating income	14	2,616	1,776
Operating expenses	15	(13,302)	(15,978)
Net operating income		**(10,686)**	**(14,202)**
Other income transactions			
Income from investments in Group and other companies and portfolio holdings	16	19,474	18,764
Other financial income	17	1,758	2,023
Capital gains/(losses) on disposals of marketable securities	18	649	49
Recoveries of provisions on other income transactions	19	66	2,617
Financial expenses	20	(1,546)	(4,438)
Charges to provisions on other income transactions	19	(3,671)	(66)
Income from other income transactions		**16,730**	**18,949**
Income from joint ventures			
Share of profit (loss)		–	–
Current income before tax		**6,044**	**4,747**
Capital transactions			
Capital gains on disposals of investments in Group and other companies and portfolio holdings	21	1,935	3,360
Recoveries of impairment of investments in Group and other companies and portfolio holdings	22	1,961	53
Capital losses on disposals of investments in Group and other companies and portfolio holdings	23	(1,548)	(56)
Charges for impairment of investments in Group and other companies and portfolio holdings	24	(460)	(147)
Income from capital transactions		**1,888**	**3,210**
Income tax charge/(credit)	25	(3,832)	(2,029)
NET INCOME		**11,764**	**9,986**

Notes

I. Highlights of the financial year

Paris Orléans SCA ended financial year 2014/2015 with net income of €11.8 million, compared with €10 million the previous year. Thus, Paris Orléans' net income increased by 17.8% between years.

During financial year 2014/2015, the Company received dividends totalling €19.5 million from its subsidiaries, including €11.7 million from Paris Orléans Holding Bancaire (POHB) SAS, which therefore contributed significantly to the year's earnings.

II. Subsequent events

No significant adjusting events have occurred after the 31 March 2015 closing date.

III. Accounting principles and valuation methods

To ensure operating continuity and consistency of methods and to adhere to the principles of prudence and reliability, the financial statements are prepared in accordance with the provisions of French law (1999 General Chart of Accounts) and with the accounting principles generally accepted in France.

The financial statements have been approved in accordance with Financial Regulations 2014-03 from the French Accounting Standards Authority *(Autorité des Normes Comptables)* approved by ministerial decree of 8 September 2014 relating to the general chart of accounts

To provide relevant reporting on the Company's business, the income statement is presented in accordance with the so-called "TIAP" model for other non-current holdings in the passive investment portfolio ("portfolio holdings") as recommended by the French Accounting Standards Authority for financial companies.

Income transactions are split in two: operating income transactions (at the top of the income statement) and other income transactions (primarily financial transactions).

Current income corresponds to "income from ordinary activities", i.e. "all activities in which the company engages in the normal course of its business, and any related activities that it carries out on an add-on basis or as an extension of its ordinary activities".

Operating profit does, however, include non-recurring income and expenses from events which are clearly separate from the Company's ordinary activities and which are not, therefore, deemed to occur on a frequent or regular basis.

Capital transactions include transactions concerning holdings classified as non-current assets.

The main accounting policies applied are as follows:

Intangible assets and property, plant and equipment are valued at their acquisition cost and amortised and depreciated in the following manner:

	Estimated useful life	Method
Start-up costs	3 years	straight-line
Software	3 years	straight-line
Buildings	20 years	straight-line
Plant and general improvements	8 to 10 years	straight-line
Vehicles	5 years	straight-line
Office equipment	3 years	reducing-balance
Office furniture	10 years	straight-line

Current financial assets are valued at their historical acquisition cost. The values of holdings denominated in foreign currencies are translated into euro at the exchange rate on the transaction date. All loans and receivables denominated in foreign currencies classified among non-current financial assets are translated at the closing rate for the financial year.

Investments in Group and other companies and portfolio holdings are recognised at their acquisition cost. An impairment loss is recognised when fair value is below acquisition cost.

The fair values of investments in Group and other companies and portfolio holdings are calculated in the following manner:

- unlisted securities: market value. This is obtained using either the Company's share of book net assets or re-appraised net assets of the holding or the price used for a recent transaction in the security;
- treasury stock: average price in the final month of the financial year;
- listed securities: last quoted price of the financial year;

- funds: impairment is recognised when the acquisition cost or total investments in the fund exceed the Company's share of the fund's adjusted net asset value as certified by the fund's auditors or the redemption value as determined by the issuer. The portion of unrealised capital losses linked to currency effects is recognised separately from impairment, which relates solely to changes in the value of the underlying assets.

The value of the portfolio at 31 March 2015 was measured using the same methodology as applied in the preceding financial year.

Dividends are recorded in the month in which it is decided to distribute them.

Regarding FCPR-type venture capital funds, in accordance with market practice, only amounts actually called up are now recorded, and the unfunded capital commitment is recorded as an off-balance sheet item.

Sales of shareholdings, long-term portfolio holdings or investment securities are recognised using the first-in first-out (FIFO) method, i.e. the longest-held securities will be deemed to be the first sold.

Receivables are recognised at their nominal value. An impairment loss is recognised when the inventory value is lower than the carrying cost. Receivables denominated in foreign currencies are translated at the closing rate for the financial year.

Marketable securities are recognised at their acquisition cost. When their overall inventory value is lower than their acquisition cost, an impairment loss is recognised. The book value is equal to the closing price for the financial year.

Transactions denominated in foreign currencies are recognised at the rate on the transaction date. At the end of the financial year, all assets and liabilities are converted at the closing rate. For items covered by an exchange rate hedge, these are offset so that only the net balances are shown. Depreciation is recognised to take account of unrealised losses; only the uncovered portions of transactions for which an exchange rate hedge has been set in place are subject to depreciation.

Paris Orléans SCA uses foreign currency-denominated loans to hedge certain of its acquisitions of securities and other assets denominated in US dollars. The exchange difference between the historical rate and the weighted average rate on the loans is recognised as the loan principal is repaid. This accounting treatment resulted in a €40 thousand net loss for the year.

IV. Notes to the parent company balance sheet

Note 1 - Intangible assets

There were no concessions, patents, brand and software acquisitions or disposals during the financial year. The changes in intangible assets during the year were as follows:

In thousands of euro	01/04/2014	Acquisitions	Disposals	31/03/2015
Non-current assets				
Concessions, patents, brand and software	211	–	–	211
Total gross values	**211**	**–**	**–**	**211**
Amortisation		**Increases**	**Decreases**	
Concessions, patents, brand and software	201	10	–	211
Total amortisation	**201**	**10**	**–**	**211**
TOTAL NET VALUES	**10**	**(10)**	**–**	**–**

Note 2 - Property, plant and equipment

Changes in property, plant and equipment during the financial year were as follows:

In thousands of euro	01/04/2014	Acquisitions	Disposals	31/03/2015
Property, plant and equipment				
I – Land	–	–	–	–
II – Other				
Buildings	15	–	–	15
Plant and improvements	10	–	–	10
Vehicles	305	–	147	158
Office equipment	78	–	–	78
Office furniture	192	–	–	192
Total gross values	**600**	–	**147**	**453**
Depreciation		**Increases**	**Decreases**	
II – Other				
Buildings	15	–	–	15
Plant and improvements	7	1	–	8
Vehicles	214	33	130	117
Office equipment	78	–	–	78
Office furniture	115	18	–	133
Total depreciation	**429**	**52**	**130**	**351**
TOTAL NET VALUES	**171**	**(52)**	**17**	**102**

Note 3 - Investments in Group and other companies

At 31 March 2015, the gross values of the company's investments in group and other companies could be analysed in the following manner:

In thousands of euro	31/03/2015
Paris Orléans Holding Bancaire (POHB) SAS	1,335,455
K Développement SAS	94,698
Finatis SA	12,287
Other investments in Group and other companies with a value less than €10m	13,466
TOTAL INVESTMENTS IN GROUP AND OTHER COMPANIES	**1,455,906**

The movements for the 2014/2015 financial year are summarised in the table below:

In thousands of euro	01/04/2014	Acquisitions/ Increases	Sales/Disposals/ Reclassifications	31/03/2015
Gross value	1,455,068	838	–	1,455,906
Total gross value	**1,455,068**	**838**	**–**	**1,455,906**
		Increases	**Decreases**	
Impairment	1,531	132	570	1,093
Total impairment	**1,531**	**132**	**570**	**1,093**
TOTAL NET VALUES	**1,453,537**	**706**	**(570)**	**1,454,813**

The purchases/increases in equity interests during the financial year related to both the French subsidiaries Cavour SAS, Verdi SAS, Aïda SAS and Messine Managers Investissements SAS, which had their capital increased by €60 thousand, €60 thousand, €299 thousand and €2 thousand respectively, and the acquisition from a minority shareholder for €416 thousand of preferred shares in the subsidiary Messine Managers Investissements SAS, accounting for 0.10% of its share capital.

As a result of these movements, further impairment losses on equity interests in the subsidiaries Aïda SAS, Cavour SAS and Verdi SAS had to be booked for €120 thousand, €6 thousand and €6 thousand respectively in 2014/2015 financial year. The reversal of impairment relates solely to the US subsidiary Francarep Inc.

Note 4 - Portfolio holdings

This heading includes all non-current strategic portfolio investments that cannot be classified as "investment in Group and other companies". The changes during 2014/2015 financial year may be analysed in the following manner:

In thousands of euro	01/04/2014	Acquisitions/ Increases	Sales/Disposals/ Reclassifications	31/03/2015
Gross value	25,494	–	1,829	23,665
Total gross value	**25,494**	**–**	**1,829**	**23,665**
		Increases	**Decreases**	
Impairment	8,470	328	1,391	7,407
Total impairment	**8,470**	**328**	**1,391**	**7,407**
TOTAL NET VALUES	**17,024**	**(328)**	**438**	**16,258**

The sales/decreases in the financial year related to Paris Orléans SCA treasury shares (€297 thousand), and the liquidation of the investment fund Sofinnova Venture Partners V (€1,588 thousand).

At 31 March 2015, the estimated value of the portfolio of participating interests and investments amounted to €44,153 thousand, of which €5,561 thousand were in treasury shares and €2,307 thousand were in investment certificates.

Note 5 - Accounts receivable

The €33,553 thousand total consisted largely of:

- Group and associated companies' advances and current accounts (€27,690 thousand), primarily in connection with the cash pooling programme, and current accounts related to the tax consolidation group (€5,306 thousand);
- An amount receivable from the tax authorities of €554 thousand;
- Miscellaneous trade receivables and miscellaneous debit balances of €3 thousand.

All of these receivables are current in nature.

Note 6 - Marketable securities

Marketable securities consist of:

- 500 treasury shares (held in accordance with a liquidity contract) of €12 thousand. At 31 March 2015, the estimated value of the marketable securities was €10 thousand, with an unrealised loss of €2 thousand for which a provision was made.
- The other securities (€4,445 thousand) consist mainly of mutual funds and short-term liquid investments. As at 31 March 2015, the fair value of these securities amounted to €4,428 thousand, giving an unrealised gain of €2 thousand offset by an unrealised loss of €19 thousand, for which a provision was made.

Note 7 - Cash

This line amounting to €60,206 thousand did not change significantly compared to the previous year end. During the 2014/2015 financial year, Paris Orléans SCA benefited in particular from cash received from its investment subsidiaries following disposals made by these subsidiaries.

Note 8 - Unrealised translation losses

Unrealised foreign exchange losses corresponding to the difference between the equivalent value in euro at the closing price for portfolio investments and other long-term investments denominated in US dollars, and their historical value were €5,314 thousand as at 31 March 2015.

Note 9 - Shareholders' equity

Changes in shareholders' equity during 2014/2015 financial year may be analysed in the following manner:

In thousands of euro	Share capital	Share premium	Legal reserves	Other reserves	Retained earnings	Regulated provisions	Net income for the year	Total shareholders' equity
Shareholders' equity as at 1 April 2014	**142,208**	**982,561**	**12,469**	**153,044**	**146,145**	**273**	**9 ,986**	**1,446,686**
Capital increase	66	501	–	–	–	–	–	567
Appropriation of net income for 2013/2014 FY	–	–	499	–	9,487	–	(9,986)	–
Distribution of dividends(1)	–	–	–	–	(36,012)	–	–	(36,012)
Net income for 2014/2015 FY	–	–	–	–	–	–	11,764	11,764
Change in investment provision	–	–	–	–	–	30	–	30
SHAREHOLDERS' EQUITY AS AT 31 MARCH 2015	**142,274**	**983,062**	**12,968**	**153,044**	**119,620**	**303**	**11,764**	**1,423,035**

(1) The dividends distributed during 2014/2015 financial year in respect of the previous year were €319 thousand lower than the amount approved in the second resolution proposed to the Combined General Meeting on 25 September 2014, as no dividends were paid on treasury stock (including investment certificates).

At 31 March 2015, the Company's capital comprised 70,991,996 shares and 145,040 of its investment certificates, both with a nominal value of €2 each. The 32,928 new shares issued during the year correspond to the capital increase totalling €66 thousand undertaken in connection with the payment in shares in lieu of the dividend in respect of the previous year.

Treasury shares:

As at 31 March 2015, Paris Orléans SCA holds 145,040 of its own investment certificates (i.e. all the securities issued in this category) and 297,661 of its own shares, including 500 shares held as part of the liquidity contract.

Note 10 - Provisions for contingencies and charges

Provisions may be analysed in the following manner:

In thousands of euro	01/04/2014	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision unused)	31/03/2015
Provisions for contingencies	**1,500**	**3,650**	**–**	**1,500**	**3,650**
Insufficient hedging of foreign currency risk	–	3,650	–	–	3,650
Legal dispute	1,500	–	–	1,500	–
Provisions for charges	**–**	**–**	**–**	**–**	**–**
TOTAL PROVISION FOR CONTINGENCIES AND CHARGES	**1,500**	**3,650**	**–**	**1,500**	**3,650**

The preferential method of accounting for retirement commitments, as recommended by French General Chart of Accounts, was not applied in these accounts and would not have had a material impact on the total assets or current income of the Company.

Note 11 - Borrowings and financial liabilities – banks

Borrowings and financial liabilities to banks may be analysed as follows:

In thousands of euro	31/03/2015	Maturity: Less than 1 year	Maturity: Between 1 and 5 years	Maturity: > 5 years
Medium-term loan	39,493	19,910	19,583	–
US-dollar denominated loan	19,383	19,383	–	–
Bank overdrafts	1,730	1,730	–	–
Accrued interest	273	273	–	–
TOTAL BORROWING AND FINANCIAL LIABILITIES	**60,879**	**41,296**	**19,583**	**–**

These loans have variable rates of interest.

Loan principal amortised or repaid over the financial year amounted to €17,693 thousand and US$6,067 thousand respectively, whereas new loans taken out in the financial year amounted to €10,000 thousand and US$8,000 thousand.

Note 12 - Operating liabilities

These include accounts payable of €909 thousand and tax and social liabilities of €1,655 thousand for 2014/2015. All amounts are payable in less than one year.

Note 13 - Other liabilities

The €83,387 thousand recorded under this heading consists of Group advances and current accounts plus accrued interest granted by the subsidiaries as part of cash pooling arrangements of €83,135 thousand and of sundry liabilities for €252 thousand.

All of these liabilities are current.

V. Notes to the parent Company income statement

Paris Orléans SCA ended 2014/2015 financial year with net income of €11.8 million compared with €10 million the previous year. Net income in 2014/2015 financial year was boosted by dividends received from both the subsidiary POHB and the portfolio holding Perenco Rio Del Rey for respectively €11.7 million and €5.8 million.

The Company recorded current income before tax of €6 million for 2014/2015 financial year compared with an amount of €4.7 million in the previous financial year. This was mainly due to the increase of €3.5 million in the net operating income, whereas the income from other income transactions declined by only €2.2 million between both fiscal years.

The income from capital transactions came to €1.9 million, consisting mainly of investment funds distributions. The capital loss of €1.5 million recorded on an investment fund which was liquidated during the fiscal year, was largely offset by a reversal of impairment pertaining to this fund. A reversal of impairment relating to the US subsidiary Francarep Inc. was also recorded for an amount of €0.6 million.

The net tax income of €3.8 million was primarily due to tax income received from the subsidiaries POHB and Financière Rabelais SAS, within the tax grouping arrangement, totalling €4.8 million and €1.9 million respectively. These amounts were partly offset by a tax charge of €1.9 million and a 3% tax on dividends paid amounting to €1.0 million.

Note 14 - Operating income

Expenses re-billed to related companies amounted to €1,003 thousand. Consequently, an amount of €50 thousand was charged in Rothschild Concordia SAS, parent company of Paris Orléans SCA.

The majority of the remaining operating income came from the reversal of a €1,500 thousand legal dispute recorded during the previous financial year.

Note 15 - Operating expenses

In thousands of euro	31/03/2015	31/03/2014
Purchases and external charges	6,341	4,194
Taxes other than those on income	1,573	1,133
Salaries and payroll taxes	5,047	8,114
Depreciation and amortisation	62	85
Legal dispute	–	1,500
Other expenses	279	952
TOTAL OPERATING EXPENSES	**13,302**	**15,978**

These expenses mainly consist of:

- Actual operating expenses, excluding any expenses passed on to the subsidiaries, amounting to €12,269 thousand (0.86% of shareholders' equity).
- The auditors' fees amounting to €428 thousand in 2014/2015 (this amount includes all charges).

The amount of auditors' fees breaks down as follows:

- Fees for the statutory audit of the financial statements for the 2014/2015 financial year: €408 thousand, all charges included (€340 thousand without value added tax);
- Fees for due diligence work directly linked to the statutory audit of the accounts: €20 thousand, all charges included (€17 thousand without value added tax).

Note 16 - Income from investments in Group and other companies and portfolio holdings

Details regarding income from investments in Group and other companies and portfolio holdings during 2014/2015 financial year are provided in the table below:

In thousands of euro	31/03/2015	31/03/2014
Dividends from investments in Group and other companies		
Paris Orléans Holding Bancaire SAS (POHB)	11,665	14,228
Finatis SA	566	566
Total dividends from investments in Group and other companies	**12,231**	**14,794**
Dividends from portfolio holdings		
Perenco Rio Del Rey	5,807	3,325
Rallye SA	979	551
Norsea Gas	335	–
Compagnie Financière Martin Maurel	73	–
Norsea Pipeline	46	65
Other dividends from portfolio holdings less than €20 thousand	3	4
Total dividends from portfolio holdings	**7,243**	**3,945**
Loan interests from investments in Group and other companies		
K Développement SAS	–	25
Total loan interests from investments in Group and other companies	**–**	**25**
TOTAL INCOME FROM INVESTMENTS IN GROUP AND OTHER COMPANIES AND PORTFOLIO HOLDINGS	**19,474**	**18,764**

Note 17 - Other financial income

Other financial income amounted to €1,758 thousand and comprised:

- Interest income on forward contracts and certificates of deposit of €1,018 thousand;
- €738 thousand of interests on advances granted to Group companies, in particular in K Développement SAS (advances in euro and in US dollars), PO Fonds SAS, PO Développement SAS, PO Capinvest 2 SAS, POHB SAS, and Verseau SAS in amounts of €475 thousand, €150 thousand, €56 thousand, €32 thousand, €17 thousand and €8 thousand respectively,
- Foreign exchange gains of €2 thousand in 2014/2015.

Note 18 - Capital gains/(losses) on disposals of marketable securities

This comprised gains of €649 thousand due to capital gains of €732 thousand on sales of marketable securities which included €626 thousand on the sale of shares in the fund Quadrator and €71 thousand on the sale of treasury shares under the liquidity contract, partially offset by capital losses on disposals of treasury shares of €83 thousand.

Note 19 - Charges to/recoveries of provisions on other income transactions

Charges to provisions on other income transactions amounted to €3,671 thousand and concerned both exchange rate risk of €3,650 thousand and impairment related to marketable securities of €21 thousand (including €2 thousand for treasury stock).

Recoveries of provisions on other income transactions related to Paris Orléans treasury stock held in accordance with the liquidity contract of €66 thousand.

Note 20 - Financial expenses

In thousands of euro	31/03/2015	31/03/2014
Medium-term borrowings	816	1,114
Other interest expense	688	647
Translation charges	42	2,677
TOTAL OF FINANCIAL EXPENSES	**1,546**	**4,438**

Interest expense on medium-term bank borrowings decreased primarily as a result of both the decrease in interest rates and the reduction in debt compared to the previous year. The other interest expense comprised €542 thousand in interest on bank current account overdrafts. The foreign exchange loss was small in 2014/2015 financial year compared with the previous year which had been significantly impacted by the closure of a bank account in US dollars.

Note 21 - Capital gains on disposals of investments in Group and other companies and portfolio holdings

In respect of 2014/2015 financial year , €1,935 thousand concerned solely the portfolio holdings, including Paris Orléans SCA treasury shares in an amount of €184 thousand. The capital gains realised on investment funds increased significantly to a total of €1,751 thousand (including €820 thousand for FCPR-type venture capital funds), compared to the previous year, when they had reached €1,053 thousand.

Note 22 - Recoveries of impairment of investments in Group and other companies and portfolio holdings

The €1,961 thousand mainly relates to the shares held in the US subsidiary Francarep Inc. for €570 thousand, and two US investment funds, comprising Sofinnova Venture Partners V which was liquidated during the financial year.

Note 23 - Capital losses on disposals of investments in Group and other companies and portfolio holdings

Capital losses on disposals of investments in Group and other companies and portfolio holdings amounted to €1,548 thousand. They related solely to the liquidation of the fund Sofinnova Venture Partners V, as mentioned above.

Note 24 - Charges for impairment of investments in Group and other companies and portfolio holdings

Charges of €460 thousand relate to the French subsidiaries Aïda SAS, Cavour SAS and Verdi SAS (€132 thousand), and various investment funds and US shares at €236 thousand and €92 thousand respectively.

Note 25 - Income tax

Net tax credit for 2014/2015 financial year consisted of €6,740 thousand in tax income received from the subsidiaries POHB SAS and Financière Rabelais SAS, which are consolidated for tax purposes. This amount is reduced by a tax charge for the tax group headed by Paris Orléans SCA of €1,844 thousand (of which €1,921 thousand was in respect of the year and €77 thousand was in respect of an adjustment for the previous year), and for the 3% tax on dividends paid during the year of €1,063 thousand.

VI. Other information

A. Employees

The average headcount of 25 people in 2014/2015 financial year included 23 executives and 2 other employees compared to 29 people the previous year.

B. Compensation of management bodies

In respect of their functions as corporate officers of Paris Orléans SCA for 2014/2015, members of the Supervisory Board entitled to compensation under the terms fixed by Supervisory Board, received gross compensation of €319 thousand. In addition, the Supervisory Board members received €6.4 thousand in benefits in kind.

C. Tax consolidation

Paris Orléans SCA is the head of a tax group that includes:

- Paris Orléans Holding Bancaire SAS (POHB),
- Concordia Holding SARL,
- Financière Rabelais SAS.

This tax grouping lasts for five years and expires on 31 March 2019.

As part of the tax consolidation process, each subsidiary in the tax consolidation group calculates its income tax as if it were taxed on a stand-alone basis.

As at 31 March 2015, the tax consolidation group headed by Paris Orléans SCA had no tax loss carry-forward at the standard income tax rate.

D. Consolidation

Paris Orléans SCA, the parent company of the Paris Orléans Group, prepares consolidated financial statements as at 31 March 2015, which are in turn consolidated into the Rothschild Concordia SAS group, registered at 23 bis, avenue de Messine, 75008 Paris.

E. Forward financial instruments

As at 31 March 2015, Paris Orléans SCA has no hedging transactions. Both interest rate swaps held at end of the previous financial year expired in January 2015.

F. Off-balance sheet commitments

The off-balance sheet commitments at 31 March 2015 are presented in the table below:

In thousands of euro	31/03/2015	Executive managers	Subsidiaries	Investments	Other related companies	Other
Commitments given						
Retirement benefits[1]	–	–	–	–	–	–
Commitments linked to investments in petroleum assets	289	–	–	–	–	289
Investment commitments in various funds	26	–	–	–	–	26
TOTAL COMMITMENTS GIVEN	**315**	**–**	**–**	**–**	**–**	**315**
Retirement commitments	**–**	**–**	**–**	**–**	**–**	**–**
Commitments received	**111,000**	**–**	**–**	**–**	**–**	**111,000**
TOTAL COMMITMENTS RECEIVED	**111,000**	**–**	**–**	**–**	**–**	**111,000**
Reciprocal commitments	–	–	–	–	–	–

(1) This commitment is outsourced to an insurance company.

The main changes in off-balance sheet commitments compared with the previous year related to the re-assessment of a commitment received during the year in connection with an intercompany loan.

Change in financial commitments in 2014/2015:

In thousands of euro	31/03/2015	31/03/2014
Commitments given		
Guarantees given and other commitments	289	289
Investment commitments in various funds	26	26
TOTAL COMMITMENTS GIVEN	**315**	**315**

In thousands of euro	31/03/2015	31/03/2014
Commitments received		
Undrawn lines of credit	111,000	99,308
TOTAL COMMITMENTS RECEIVED	**111,000**	**99,308**

Off-balance sheet commitments relating to the stock option plan

The Combined General Meeting of Shareholders of 26 September 2013 delegated the power to management to allocate options to subscribe for or purchase the Company's shares to certain senior executive employees and executive directors of the Paris Orléans Group, to promote the alignment of interests between the shareholders and the recipients of these options.

On 4 October 2013, as a follow-up to this delegation of power, management approved the terms and conditions of a global stock option plan. A component and condition of this plan was the implementation of an Equity Scheme, the terms and conditions of which stipulated that each beneficiary is required to first invest in Paris Orléans SCA shares. Under the terms and conditions of the Equity Scheme, each Paris Orléans SCA share invested in entitles the beneficiary to four stock options. All shares invested in are subject to a four-year lock-up period.

On 11 October 2013, having noted the number of Paris Orléans SCA shares invested in at the close of the period of subscription offered to the beneficiaries of the Equity Scheme, management:

- approved the rules of the 2013 stock option plan which consists of four classes of options (2013-1, 2013-2, 2013-3 and 2013-4), with each one accounting for a quarter of the total number of options granted;
- decided on the list of beneficiaries and granted a total of 3,120,000 options, and
- decided on the exercise period and the exercise price for each class of options.

Under the terms and conditions of the 2013 plan, the only condition governing the exercise of options by beneficiaries is a condition of employment in the Group, i.e. they must be an employee or an Executive Director at the Paris Orléans SCA Group when the options are exercised. In addition, the global plan does not include any performance conditions, it being specified that no options were granted to any Executive Directors of PO Gestion SAS.

The options of the 2013 plan are subject to a vesting period of three years (for class 2013-1), four years (for class 2013-2), five years (for class 2013-3) and six years (for class 2013-4, the last one), starting on 11 October 2013, i.e., the date they were granted.

As at 31 March 2015, Paris Orleans SCA had not yet decided on the delivery methods for the shares resulting from the exercise of the options; these share allocations could therefore result in either issuing new shares after a capital increase, or the delivery of existing available shares or shares acquired as part of the Paris Orléans SCA share buyback plan, which gives rise to a contingent liability.

The number of shares to be allocated to the beneficiaries of the 2013 plan at the end of the vesting period, if the options are exercised, and on condition that there are no cancellations and subject to the adjustment clauses laid down in the option plan in accordance with the legal conditions, would represent 4.10% of Paris Orléans SCA's share capital as at 26 September 2013, the date of the Combined General Meeting of shareholders.

The following table summarises the information on the 2013 stock option plan applicable as at 31 March 2015:

Class of stock option	Allocated	Not exercised	Cancelled	Exercise date	Exercise price (in euro)
2013-1	780,000	780,000	–	October 2016	17.50
2013-2	780,000	780,000	–	October 2017	18.00
2013-3	780,000	780,000	–	October 2018	19.00
2013-4	780,000	780,000	–	October 2019	20.00

As at 31 March 2015, 3,120,000 options were in circulation . Since the 2013 plan, no new Paris Orléans SCA stock option plan has been decided on by management.

The average value of the option used as a basis for the social security contribution of 30% paid by French companies covered by the plan in 2013 was €1.33.

Paris Orléans SCA confirms that it has not omitted any significant current off-balance sheet commitment as defined by the accounting standards in effect.

G. Analysis of subsidiaries and participating interests

Companies or groups of companies *In millions of euro*	Share Capital	APIC, reserves and retained earnings excluding net income for the period	Share of capital held	Carrying value of shares held		Outstanding loans and advances from the company	Guarantees given by the company	Gross revenues (excluding VAT) for the last financial year	Net income for the last financial year	Dividends received by the Company during the financial year
				Gross	Net					
Detailed information:										
A. Subsidiaries (Company holds at least 50% of capital)										
Paris Orléans Holding Bancaire (POHB) SAS (Paris)	729.6	478.7	100%	1,335.5	1,335.5	7.2	-	-	10.1	11.7
K Développement SAS (Paris)	99.0	147.3	94.87%[4]	94.7	94.7	25.2	-	-	8.8	-
Francarep Inc. (USA)[2]	-	2.6	100%	3.5	2.6	-	-	-	-	-
Messine Managers Investissements SAS (Paris)	5.0	5.1	99.94%	9.5	9.5	-	-	-	-	-
B - Participating interests (Company holds 5 to 50% of capital)										
Finatis SA (Paris)[1] [2] [3]	85.0	299.0	5%	12.3	12.3	-	-	49,168	(8.0)	0.6

(1) Consolidated figures.
(2) Financial year ended 31 December 2014 (used rate €1 = US$1,0759).
(3) Reserves and net income (Group share).
(4) Paris Orléans SCA holds 100% of the economic rights.

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory auditors' report on the financial statements as at 31 March 2015

Year ended 31 March 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 31 March 2015, on:

- the audit of the accompanying financial statements of Paris Orléans S.C.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Management. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 March 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

2. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code ("Code de commerce") relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

As stated in paragraph III " Accounting principles and valuation methods" of the notes to the financial statements, your company accounts for impairments, when necessary, in order to cover for the risk of a decrease in fair value of participating interests and portfolio holdings.

In assessing the significant accounting estimates applied by your company for the year ended 31 March 2015, we have examined the methods used by management and described in the notes to the financial statements on the basis of the information available and we have performed tests of detail, on a sample, in order to verify the accurate application of these methods.

However, we point out that these estimates are based on forecasts that are therefore uncertain; realised outcomes could differ significantly from these forecasts.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to its fair presentation and its consistency with the financial statements of the information given in the Management report, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code ("Code de commerce") relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the Management report.

Paris-La Défense, 24 June 2015

KPMG Audit FS II

Pascal Brouard

Partner

Paris, 24 June 2015

Cailliau Dedouit et Associés

Jean-Jacques Dedouit

Partner

General information

Persons responsible for the annual financial report

PO Gestion SAS
Manager

Mark Crump
Group Finance Director

Statement by the persons responsible for the annual financial report

We hereby certify that, to the best of our knowledge, the financial statements have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the management report presents a true and fair picture of the business, its results and the financial condition of the Company and of its consolidated group of companies, as well as a description of the principal risks and uncertainties to which they are exposed.

Paris, 24 June 2015

PO Gestion SAS
Manager
Represented by David de Rothschild, Chairman

Mark Crump
Group Finance Director

Persons responsible for the audit of the financial statements

Statutory Auditors

Cailliau Dedouit et Associés SA

Represented by Mr Jean-Jacques Dedouit
19 rue Clément-Marot
75008 Paris, France

Start date of first term: 24 June 2003
Date of last renewal: 27 September 2011
End date of term: General Meeting called to approve the financial statements for the financial year ending 31 March 2017

KPMG Audit FS I SAS

Represented by Mr Pascal Brouard
Immeuble Le Palatin – 3 cours du Triangle
92939 Paris-La Défense CEDEX, France

Start date of first term: 27 September 2011
Date of last renewal: N/A
End date of term: General Meeting called to approve the financial statements for the financial year ending 31 March 2017

Alternate Auditors

Didier Cardon

19 rue Clément-Marot
75008 Paris, France

Start date of first term: 29 September 2009
Date of last renewal: 27 September 2011
End date of term: General Meeting called to approve the financial statements for the financial year ending 31 March 2017

KPMG Audit FS I SAS

Immeuble Le Palatin – 3 cours du Triangle
92939 Paris-La Défense CEDEX, France

Start date of first term: 27 September 2011
Date of last renewal: N/A
End date of term: General Meeting called to approve the financial statements for the financial year ending 31 March 2017

About Rothschild & Co, the parent company of the Rothschild Group

Rothschild & Co operates in the following areas:

- Global Financial Advisory provides advisory services for mergers and acquisitions, debt financing and restructuring, and equity capital markets;
- Wealth & Asset Management, and
- Merchant Banking which comprises third party private equity and private debt business and proprietary investments.

Rothschild & Co is a French partnership limited by shares (société en commandite par actions) with a share capital of €142,274,072. Paris trade and companies registry 302 519 228. Registered office: 23 bis avenue de Messine, 75008 Paris, France. Rothschild & Co is listed on Euronext in Paris, Compartment A - ISIN Code: FR0000031684.

INVESTOR RELATIONS

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Rothschild & Co