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# PRESS RELEASE

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9 March 2017

## CONSOLIDATED RESULTS OF EDMOND DE ROTHSCHILD (SUISSE) S.A. AT 31.12.2016: NET PROFIT UP 13%

- ▶ Solid results in a year marked by political and economic uncertainties and high volatility in financial markets.
- ▶ Consolidated net profit of CHF 63 million, up 13% on the 2015 level, with a proposed dividend of CHF 67.5 million.
- ▶ Assets under management of CHF 118.1 billion, up 2.9%, driven by CHF 1.7 billion of net new cash in the Bank's main markets (Western Europe, Eastern Europe and Asia).
- ▶ Robust financial situation with a capital ratio of 25.7%, well above the 12% legal minimum, representing surplus shareholders' equity of nearly CHF 580 million.
- ▶ Implementation of a new phase in the Group's strategy designed to reinforce its focus, its uniqueness and the integration of its businesses lines.

### POSITIVE RESULTS

In 2016 Edmond de Rothschild (Suisse) S.A. saw its client funds grow by nearly CHF 1.7 billion. At 31 December 2016 assets under management stood at CHF 118.1 billion (CHF 114.8 billion at end-2015), an all-time high.

Consolidated earnings came to CHF 655.4 million, up nearly 3%. This fine showing was due in particular to the integration of the Group's Israeli business, the good performance of asset-liability management and our successful partnerships, particularly in Asset Management. The growth of assets under management in our core markets enabled the Group to limit the pressure on margins, especially on asset-related fees.

Costs rose 4.1% to CHF 535 million, mainly owing to the integration of Edmond de Rothschild (Israel) and the investment being made for the Group's development.

Gross profit was stable at CHF 120 million (compared with CHF 123.8 million at end-2015, a 2.7% decrease). Consolidated net profit rose 13% to CHF 63 million (up from CHF 56 million at end-2015).



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## SOLID FINANCIAL SITUATION

The balance sheet of Edmond de Rothschild (Suisse) S.A. remained solid and liquid. This, combined with conservative risk management, resulted in a consolidated capital ratio of 25.7% at end-December 2016, well above the 12% legal minimum. Surplus shareholders' equity amounted to almost CHF 580 million.

## NEW STRATEGIC PHASE

2016 was marked by the deployment of a new stage in the Edmond de Rothschild Group's strategy **designed to strengthen our position as a conviction-driven investment house**. There are three pillars to this strategy:

- **Focusing efforts and investments** to better serve clients in strategic markets. For this purpose Edmond de Rothschild (Suisse) SA decided to sell its Nassau subsidiary in 2016 and reconfigure its operations in Hong Kong and the UK.
- **Investing in new expertise to enhance the range of the Group's products, solutions and know-how.** Edmond de Rothschild offers its clients high-value-added services and investment proposals. In particular, the Group has continued to expand its Private Equity division, one of its flagship businesses, by launching new generations of funds on existing themes and by facilitating private clients' access to this asset class. The assets under management of the Group's infrastructure expertise last year topped a billion euros. Our real-estate expertise was once again rewarded, most notably by Thomson Reuters Lipper, which rated the real-estate SICAV ERRES as the best Swiss property fund. This unique range of products provides clients with access to long-term investment solutions that are rooted in the real economy.
- **Better integrating all our expertise** by bringing Private Banking and Asset Management closer together. Improved collaboration between our various business lines – Private Banking, Asset Management, Corporate Finance, Private Equity and Institutional & Fund Services – enables the Group to take full advantage of its combined strengths and offer innovative investment solutions to private and institutional clients.

In the words of Emmanuel Fievet, CEO of Edmond de Rothschild (Suisse) SA: *"Despite a year marked by heavy market volatility and uncertainties, our diversified business model based on two core businesses, Private Banking and Asset Management, enabled us to achieve another positive year in terms of net new money. Assets under management and consolidated revenues both increased significantly. These results encourage us to press ahead with our transformation plans so we can adapt to an increasingly demanding regulatory and macroeconomic environment in order to better serve our clients. This is what drives and distinguishes Edmond de Rothschild's teams. Thanks to the solid resources, firm commitment and long-term vision of our family shareholder base, we are able to look to the future with determination and confidence."*



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*“I am satisfied with the performance of the Group in 2016 and, in particular, with the innovations proposed by our teams. In 2017, our expertise in risk management should indeed prove itself to be a unique and relevant solution for our clients in markets where we expect high volatility. By the end of the year, we will have completed most of our Group’s major modernisation initiatives, including the first implementation phase of our new technological platform. I am convinced that all this will reinforce our position. This momentum will enable us to seize the strategic opportunities for the successful development of our activities”* – Ariane de Rothschild, Chair of the Group Executive Committee.

## **BOARD OF DIRECTORS**

As announced on 28 April 2016, Jacques-André Reymond has decided not to stand for re-election when his term of office ends at the next General Meeting on 2 May 2017.

### **About the Edmond de Rothschild Group**

Edmond de Rothschild is an independent, family-controlled financial group focused on Asset Management and Private Banking. It comprises especially Edmond de Rothschild (Switzerland) SA, a publicly traded Swiss company. The Group was established in 1953 and since 1997 has been presided over by Baron Benjamin de Rothschild. At 31 December 2016 the Group had CHF 167 billion of assets under management and 2,700 employees spread across about 30 offices, branches and subsidiaries throughout the world. In addition to its core businesses of Asset Management and Private Banking, the Group is also active in Corporate Finance, Private Equity and Investment Fund Administration.

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