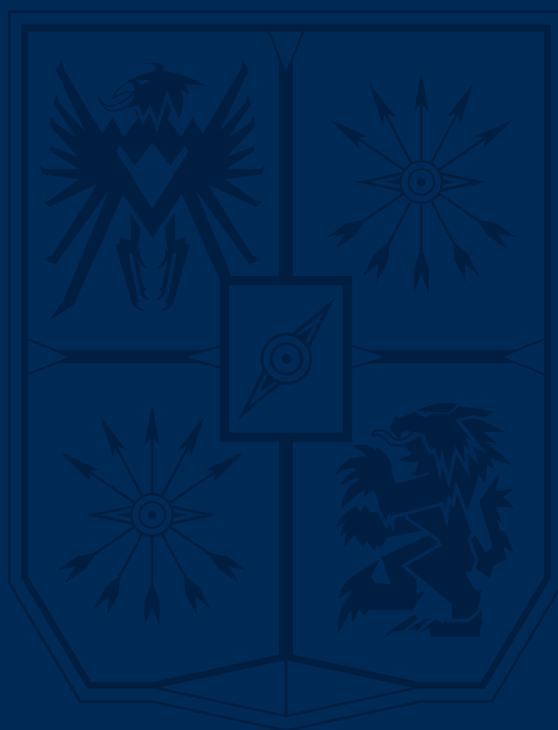




EDMOND
DE ROTHSCHILD



ANNUAL REPORT 2019
EDMOND DE ROTHSCHILD (SUISSE) S.A.



**EDMOND
DE ROTHSCHILD**

Edmond de Rothschild (Suisse) S.A.
Annual report 2019

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Message from the Shareholders

Dear Shareholders,

Despite the bleak start to the year, 2019 ended on a more positive note – with markets trading much higher despite an overall slowdown in global growth and company performances that did not seem to justify such enthusiasm.

The most notable event of the past year was undoubtedly the about-face of central banks, which began lowering interest rates again and buying securities in large quantities, masking weak economic fundamentals.

Given the slowdown in the American economy in the lead-up to the election, ongoing tensions between the US and China, and geopolitical concerns, central banks in developed and emerging economies are expected to continue their accommodative policies in 2020.

The coronavirus outbreak that began in January has proven to be a game changer, darkening the outlook for a year we had hoped would be unexceptional. Over and above the extreme reaction of the markets, the pandemic has highlighted the extent to which production in American and European economies is dependent on China's unilateral decisions.

In terms of shareholder news, 2019 was defined by a major decision: our family announced our intention to make Edmond de Rothschild once again a fully family-owned group. We believe that our family's long-term commitment will help our Group progress toward our ambitious goal of becoming the leading conviction-driven investment house.

Our efforts over the past few years have laid the groundwork.

Knowing that the world of the future begins today and that the finance sector has a responsibility toward society, we have spent the past few years developing our Real Assets portfolio, now valued at over CHF 16 billion.

Our Edmond de Rothschild Real Estate Investment Management platform is part of our recognised expertise, one that engages our investors with strategies that accord with new real estate realities and conform to the most exacting environmental standards. That is why we launched a pan-European themed fund in 2019, motivated by the knowledge that we must rethink urban logistics as online commerce continues to grow. We also now manage a residential fund for affordable housing in the United Kingdom that aims to have a major social impact. In addition, we finalised the acquisition of two large housing projects in Berlin and London that will enable us to roll out ambitious urban renewal strategies.

Our BRIDGE infrastructure debt platform continued its strong growth in the green, digital and social infrastructure sector, with one of these strategies being awarded the GreenFin label in recognition of our commitment and standing in this field. In 2019 BRIDGE made 15 investments, the majority of which saw improvements in their carbon footprint. We also led the way in investing in e-mobility under the Juncker Plan.

In keeping with our entrepreneurial spirit, which drives everything we do, our Private Equity platform added a new strategy in 2019 that focuses on transfer issues for SMEs and mid-sized businesses. We aim to continue supporting the real economy with lasting solutions, so all 13 of our private equity strategies will comply with responsible investing criteria starting this year.

In terms of liquid assets, we have continued to work on our defining characteristics, concentrating on the strategies that have made us successful.

Edmond de Rothschild was one of the first companies to commit to socially responsible investing (SRI) and to develop our own internal ratings model. Putting this principle into action, we now manage CHF 10.7 billion in accordance with responsible investment strategies. In 2019 we became the first group in France to earn an SRI label for our global convertibles strategy. We intend to continue transitioning all our funds to ones managed in accordance with SRI strategies.

Our Private Banking arm is engaged in an ongoing conversation with families and entrepreneurs. We deliver content not found anywhere else, combining financial performance and a positive impact on the world, all whilst meeting our clients' growing ambitions. Our clients have had the chance to take part in the structural transformations underway in several sectors through funds like our Big Data fund, driven by disruptive innovations, or PEARL, our Private Equity fund, which supports the green energy transition. Our SMART Estate real estate fund, which repositions outdated buildings whilst capitalising on new trends, also proved very popular with our private clients. Lastly, we launched a new SRI mandate in response to the

clear demand for a positive impact. Going in this direction resulted in considerable sums invested, particularly in France.

In a rapidly changing industry where technology is playing an increasingly important role, we are as committed as ever to becoming the leading conviction-driven investment house in our sector – recognised for our unique approach that combines financial performance and a lasting social impact, and for our consistent human values.

Our commitment to our values shows in the way we do business. It is the embodiment of our long-term vision, our intended impact and the fact that we strive for excellence in everything we do.

We are approaching 2020 with the goal of making the year a source of growth opportunities for our clients, whom we would like to thank for their faith in us. We hope that it will also be a source of inspiration and satisfaction for our employees, whom we would like to thank for all their hard work.



Ariane de Rothschild
Chairwoman of the Board of Directors
of the Edmond de Rothschild Group



Benjamin de Rothschild
Chairman of the Board of Directors
of Edmond de Rothschild Holding

Message from the Executive Committee

Dear Shareholders,

Political tensions, the Brexit negotiations and the US/China trade war did not prevent an overall appreciation across all asset classes in 2019. The markets benefited from the shift in stance of the central banks, which resumed their accommodative monetary policies to curb the economic slowdown.

The strong positive performances of 20% to 30% recorded by the main stock markets were nevertheless more related to the drop in interest rates than the lacklustre company results.

These gains must not let the weaknesses of the global economy be forgotten, nor the political risks, with, notably, the upcoming US elections on 3 November. Investors did show a high level of caution in 2019, keeping their distance from the equity markets, which resulted in a drop in transaction volumes. In 2020, the markets are unlikely to benefit from as large a flow of liquidity as in 2019. They will be less protected and more left to their own devices, as indicated by the volatility resulting from the Covid-19 epidemic since the first few weeks of 2020.

Our scenario of a slowdown in the global economy was compounded by the strong negative impact of the coronavirus outbreak. Even if the virus is contained, the gradual restart of activity, the fiscal support and the central banks' actions will not be enough to reverse the structural trend of lower activity levels. Moreover, our investment teams believe that the pressure on company margins is set to limit the rise of earnings, and thereby contain the performance of the equity markets.

In a complex and increasingly competitive environment, throughout 2019 we sought to strengthen our conviction-based investment house model and pursue our strategy of a group anchored in the real economy and impact investment.

Our real assets under management now exceed 16 billion Swiss francs. Grouped under the single brand Edmond de Rothschild Real Estate Investment, our palette of expertise in real estate, which has become an indispensable component in all asset allocations, continues to be expanded and diversified, totalling a current 11.4 billion Swiss francs.

Regarding infrastructure debt, the last fund-raising round of our Bridge strategy with international investors brought the amount under management to 2.8 billion Swiss francs. Trajan Capital joined us in 2019. We currently hold 13 Private Equity strategies, with close to 95% of assets managed in accordance with responsible investing principles, and we support entrepreneurs in expanding their companies, be it in providing support for the transfer of businesses, developing the future African champions, or participating in brownfields decontamination. Our responsible assets under management total more than CHF10.7 billion, real assets and liquid assets combined.

While some of our active strategies may have encountered difficulties in 2019 due to the market conditions, our roadmap is clear and consists of reinforcing our points of excellence. First, in socially responsible investment (SRI), where Edmond de Rothschild Asset Management announced the first SRI label awarded to a French international convertible bond fund. In line with our positioning, we will pursue the extension of the ESG (Environmental, Social and Governance) criteria to several of our existing funds.

While 11 trillion dollars in bonds worldwide post negative returns, we are proud that our entire bond management was recognised, for both its quality and the diversity of its strategies, by Quantalys, a major fund database player.

In this fairly new environment, the Private Bank has provided close support to its clients, to respond to their concerns with respect to the preservation and development of their wealth via innovative solutions, like our real estate club deals, impact private equity funds, developing strategies that anticipate future trends (Big Data, Smart Estate) or our SRI mandate. This method of matching our clients' needs enabled us to record strong momentum and confirms the added value of our approach, which aims to combine financial performance and making a difference in the world.

At the same time, we are working to make our organisations more agile and more digital.

Our view for 2020 is cautious given the geopolitical environment and the strong volatility of markets, while we maintain our course: to become the reference as an agile, high-performance conviction-based investment house with impact. To achieve this, we count on the commitment of our staff, whose motivation is equalled only by the size of the daily challenges they meet in serving our clients.

We thank all our shareholders for their confidence, our teams for their commitment, and our clients for their loyalty.

The Executive Committee

Corporate Governance

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Corporate Governance

Introduction

This section of our Annual Report was drawn up in accordance with the legal and regulatory requirements, notably the Swiss Code of Obligations (CO) and FINMA Circular 16/1 “Disclosure – banks” of 28 October 2015 and its Appendix 4 “Corporate governance”. The Appendix 4 defines what information must be published by banks with respect to corporate governance. The present section also draws on the Swiss Code of Best Practice issued by the Swiss Business Federation, Economiesuisse, in its revised version of 2016, containing standards for corporate governance.

The major concerns underlying the above-mentioned regulations are to limit economic risks, safeguard companies’ reputations and promote responsibility. Corporate governance is anchored in a set of principles designed to ensure transparency, clarity of information and a balance between the company’s directors and executives, on the one hand, while upholding the decision-making power and efficiency.

The main information required by FINMA Circular 16/1 Disclosure is presented on the following pages and in other chapters of this Annual Report, which refer to the internal regulatory framework of Edmond de Rothschild (Suisse) S.A., notably the Articles of Association, which can be found on the Bank’s website, under the heading Investor relations / General Information / Legal documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

1. Group structure and shareholders

1.1. Structure of the Edmond de Rothschild (Suisse) S.A. Group (the “Group”)

1.1.1. Presentation of the Group’s operating structure

Board of Directors

(from 31 December 2018 and until 26 April 2019)

Chair

Baron Benjamin de Rothschild¹⁾

Vice-Chair

Baronne Benjamin de Rothschild

Secretary

Jean Laurent-Bellue

Members

Tobias Guldemann
Klaus Jenny²⁾
Maurice Monbaron
François Pauly
Philippe Perles

Board of Directors*

(from 27 April 2019)

Chairwoman

Baronne Benjamin de Rothschild¹⁾

Vice-Chairman

Benoit Dumont³⁾

Secretary

Jean Laurent-Bellue

Members

Katie Blacklock³⁾
Tobias Guldemann
Maurice Monbaron
François Pauly
Philippe Perles

Audit & Risk Committee

(at 31 December 2019)

Chairman

François Pauly²⁾

Vice-Chairman

Benoit Dumont³⁾

Members

Jean Laurent-Bellue
Tobias Guldemann

Nomination Committee⁴⁾

(at 31 December 2019)

Chairwoman

Baronne Benjamin de Rothschild

Vice-Chairman

Jean Laurent-Bellue

Members

Philippe Perles
Katie Blacklock²⁾

Pay Committee⁴⁾

(at 31 December 2019)

Chairwoman

Baronne Benjamin de Rothschild

Vice-Chairman

Jean Laurent-Bellue

Members

Philippe Perles
Katie Blacklock²⁾

Further information on the Board of Directors can be found starting on pages 17 and seq.

* These changes were announced in a press release on 13 March 2019 (<https://www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/communiqué-de-presse>)

1) Baroness Benjamin de Rothschild took over from Baron Benjamin de Rothschild as Chair of the Board of Directors on 27 April 2019.

2) Until 26 April 2019, François Pauly replaced Klaus Jenny as Chair of the Audit & Risk Committee and Katie Blacklock replaced Klaus Jenny on the Remuneration and Nomination Committees.

3) New member from 27 April 2019.

4) According to article 3.2.1.2. (4) of the Bylaws, the composition of the Nomination Committee is identical to that of the Pay Committee.

Executive Committee

(until 13 March 2019)

Chair

Emmanuel Fiévet¹⁾
CEO

Martin Liebi²⁾
Vice-Chairman
Head of Private Banking Switzerland

Members

Jean-Christophe Pernollet
Chief Risk Officer and
Head of Legal & Compliance

Sabine Rabald
Deputy Chief Executive Officer
Chief Administrative Officer

Cynthia Tobiano
Head of Finance, Treasury and Credit

Executive Committee*

(from 14 March to 31 December 2019)

Chair

Vincent Taupin^{1) 3)}
CEO

Cynthia Tobiano⁴⁾
Deputy CEO, Head of Finance, Treasury and Credit
Chief Brand and Marketing Officer ad interim⁴⁾

Members

Christophe Caspar³⁾
Head of Asset Management

Pierre-Etienne Durand³⁾
Head of Strategy

Diego Gaspari³⁾
Chief Human Resources Officer

Robert Jenkins⁴⁾
Chief Brand and Marketing Officer

Michel Longhini²⁾
Head of Private Banking

Jean-Christophe Pernollet
CRO and Head of Legal & Compliance

Sabine Rabald
COO, Head of IT, Operations, and Corporate Services

Internal Audit

Director

Emmanuel Rousseau

Statutory Auditors

PricewaterhouseCoopers S.A.

Further information on the Executive Committee can be found starting on pages 27 and seq.

* These changes were announced in a press release on 13 March 2019 (<https://www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/communique-de-presse>)

1) Until 13 March 2019, Emmanuel Fiévet was replaced as from 14 March 2019 by Vincent Taupin, Chief Executive Officer of Edmond de Rothschild (Suisse) S.A.

2) Until 13 March 2019, Vincent Taupin took over Martin Liebi's duties *ad interim* until the arrival of Michel Longhini on 1 November 2019.

3) New member from 14 March 2019.

4) Until 31 December 2019, Cynthia Tobiano took over Robert Jenkins' duties *ad interim* from 1 January 2020.

1.1.2 Legal structure of Edmond de Rothschild (Suisse) S.A.

Edmond de Rothschild (Suisse) SA is a Swiss public limited company (société anonyme) and an authorised bank, within the meaning of Art. 3 of the Swiss Federal Law on Banks (LB) of 8 November 1934, under the supervision of the Swiss Financial Market Supervisory Authority FINMA.

Edmond de Rothschild (Suisse) S.A. was listed on the Swiss stock exchange up until 26 August 2019 (its last day of trading). By decision of 16 August 2019, SIX Exchange Regulation AG accepted the request for delisting submitted by Edmond de Rothschild (Suisse) S.A., and its bearer shares were delisted on Tuesday 27 August 2019. These events were announced in a press release on 19 August 2019 (www.edmond-de-rothschild.com/site/Suisse/fr/banque-privee/relation-investisseurs/communiqués-de-presse).

1.1.3. Group legal structure

The fully consolidated entities of the Edmond de Rothschild (Suisse) S.A. group are listed on pages 71 to 74 of this report.

1.2. Owners of significant holdings and group of owners bound by voting agreements

	2019			2018		
	Par value (in CHF '000)	Percentage of capital (in %)	Percentage of voting rights (in %)	Par value (in CHF '000)	Percentage of capital (in %)	Percentage of voting rights (in %)
1.2 Owners of significant holdings and group of owners bound by voting agreements						
Major Shareholders						
Edmond de Rothschild Holding SA ¹⁾	58'302,5	99,3	99,7	37'836,0	84,1	87,9
Edmond de Rothschild (Suisse) S.A.	206,0	0,4	0,2	4'336,5	9,6	9,9

1) The entire share capital of Edmond de Rothschild Holding SA is directly or indirectly controlled by members of the Rothschild family and employees of the Group. 16.90% of the company's share capital (representing 6.77% of voting rights) is owned by Baroness Edmond de Rothschild and 65.94% (representing 89.84% of voting rights) by Baron Benjamin de Rothschild.

1.3. Cross-holdings

There are no cross-holdings at this date.

2. Capital structure

2.1. Share capital

	2019		
	Par value (CHF '000)	Number of shares	Capital ranking for dividend (CHF '000)
2.1 Share capital			
Fully paid registered shares at CHF 100.- par value	18'000	180'000	18'000
Fully paid registered shares at CHF 500.- par value	17'494	34'987	17'494
Fully paid bearer shares at CHF 500.- par value	23'200	46'400	23'200
Total share capital	58'694		

Edmond de Rothschild (Suisse) S.A. carried out a capital decrease in the amount of CHF3'800'000 through the cancellation of 20'000 registered treasury shares with restricted transferability with a par value of CHF100 each, and 3'600 bearer treasury shares with a par value of CHF500 each, executed and registered with the Geneva Trade Register on 16 July 2019. In addition, Edmond de Rothschild (Suisse) S.A. carried out a capital increase via the issue of 34'987 new Class B registered shares with restricted transferability with a par value of CHF500 each, executed and registered with the Geneva Trade Register on 7 August 2019.

2.2. Specific indications regarding authorised and contingent capital

Edmond de Rothschild (Suisse) S.A. has no authorised or contingent capital.

2.3. Change in share capital

(in CHF '000)	2019	2018
2.3 Share capital		
Fully paid registered shares at CHF 100.- par value	18'000	20'000
Fully paid registered shares at CHF 500.- par value	17'494	
Fully paid bearer shares at CHF 500.- par value	23'200	25'000
Total share capital	58'694	45'000

2.4. Shares and non-voting certificates

The 180'000 Class A registered shares with a par value of CHF 100, with privileged voting rights and restricted transferability in accordance with the Articles of Association*, the 34'987 Class B registered ordinary shares with a par value of CHF 500, with restricted transferability in accordance with the Articles of Association*, and the 46'400 bearer shares with a par value of CHF 500 are fully paid up.

The Class A registered shares confer preferential membership rights: each share has one vote, regardless of its par value (Art. 15 (1) of the Articles of Association*). Again, in

respect of membership rights, Article 18 (3) of the Articles of Association* provides that each group of shareholders (i.e. the owners of bearer or registered shares) may demand to be represented on the Board of Directors by at least one member of its choice. This clause is taken from Article 709 (1) of the Code of Obligations, which provides that if there is more than one category of shares, the Articles of Association* must provide for the election of at least one representative to the Board of Directors for each of them. Edmond de Rothschild (Suisse) S.A. has not issued any dividend-right certificates.

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

2.5. Dividend-right certificates

Edmond de Rothschild (Suisse) S.A. has not issued any dividend-right certificates.

2.6. Transferability restrictions and registration of nominees

2.6.1. Transferability restrictions and provisions governing dispensations

Under art. 6 (5) of the Articles of Association*, the Board of Directors may refuse the transfer of title to or use of registered shares on valid grounds, having due regard for either the corporate purpose or the Bank's desire to preserve its financial independence and, in particular, its family character. The Board of Directors may also refuse to enter shares in the share register if the buyer fails to warrant in writing that he/she is purchasing the shares in his/her own name and on his/her own behalf (art. 6, para. (6) of the Articles of Association*). Finally, the Board of Directors may refuse to enter shares in the share register by offering to purchase the transferred shares on behalf of the Bank, other shareholders or third parties, at the shares' actual value at the time their registration is requested (art. 6 (8) of the Articles of Association*).

When registered shares are transferred by inheritance, distribution of estate, matrimonial property rights or judicial execution proceedings, the Board of Directors may only refuse to enter the shares in the share register if it offers to buy the relevant shares at their actual value (art. 6 (7) of the Articles of Association* and art. 685b (4) of the Code of Obligations).

2.6.2. Grounds for allowing exceptions during the reporting year

No dispensations were granted during the year, and none were requested.

2.6.3. Eligibility of nominees' registration

According to article 6 of the Articles of Association*, there is no percentage clause or provision in the Articles of Association* allowing exceptions to the rules indicated in item 2.6.1 relating to the registration of nominees.

2.6.4. Procedure and conditions for lifting the restrictions on transferability

Any amendment to the provisions of Article 6 of the Articles of Association* relating to the restrictions on transferring registered shares must be approved by at least two thirds of the votes represented at a General Meeting and by an absolute majority of the par value of the shares represented (cf. Article 15 (6) of the Articles of Association* and Article 704 (1) ch. 3 of the Code of Obligations).

2.7. Convertible bonds and options

Edmond de Rothschild (Suisse) SA has not issued any convertible bonds or options.

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

3. Board of Directors

3.1. Members of the Board of Directors

As at 31 December 2019, the Board of Directors was made up of eight members, who, in accordance with standard banking practice, do not exercise an executive function within the company, it being specified that some directors do exercise managerial duties within the Group, or did so in the past.

Baron Benjamin de Rothschild¹⁾

Chairman, French, 1963

Education

1984 Master in Business and Management, Pepperdine University, California (US)

Career Summary

1985 BP, London
1985-1987 Edmond de Rothschild Group, Geneva and Paris
1989 Chairman
Fondation de la Compagnie Benjamin de Rothschild

Present duties

Since 1997 Chairman of the Board of Directors of Edmond de Rothschild Holding SA

Directorships

Chairman of the Board of Directors of:

- Edmond de Rothschild Holding SA
- Edmond de Rothschild (Suisse) S.A.¹⁾ (until 26 April 2019)
- Edmond de Rothschild S.A.
- Holding Benjamin et Edmond de Rothschild, Pregny SA
- The Caesarea Edmond Benjamin de Rothschild Development Corporation Ltd (Israel)
- The Edmond de Rothschild Foundation

Member of the Board of Directors of:

- La Compagnie Fermière Benjamin et Edmond de Rothschild S.A.
- La Compagnie Vinicole Baron Edmond de Rothschild S.A.
- La Compagnie Générale Immobilière de France (Cogifrance)
- EBR Ventures

Chairman of the Supervisory Board of:

- Edmond de Rothschild (France)
- SFHM

Member of the Supervisory Board of Les Domaines Barons de Rothschild (Lafite)

Baroness Benjamin de Rothschild

Chairwoman¹⁾, French, 1965

Education

1984 A-levels, Kinshasa – Nantes Academy
1988 BBA in Finance, Pace University, New York
1990 MBA in Financial Management, Pace University, New York

Career Summary

1988-1990 Financial analyst, then currency dealer at Société Générale, Australia and New York
1990-1995 Currency dealer at AIG, New York. Helped launch the Paris subsidiary and developed business in Europe

Present duty

Chairwoman of the Board of Directors of Edmond de Rothschild (Suisse) S.A.¹⁾

Directorships

Chairwoman of the Supervisory Board of Edmond de Rothschild Asset Management (France) (until 14 May 2019)

Chairwoman of the Remuneration and Nomination Committees of Edmond de Rothschild (Suisse) S.A.

Chairwoman of the Board of Directors of:

- Edmond de Rothschild (Suisse) S.A.
- Compagnie Benjamin de Rothschild Conseil S.A.
- Administration et Gestion SA

Vice-Chairwoman of the Board of Directors of:

- Edmond de Rothschild Holding SA
- Edmond de Rothschild SA
- Holding Benjamin et Edmond de Rothschild Pregny SA

Vice-Chairwoman of the Supervisory Board of:

- Edmond de Rothschild (France)
- Edmond de Rothschild Heritage (SFHM)

Member of the Board of Directors of:

- Baron et Baronne Associés (holding company of S.C.B.A. - Société Champenoise des Barons Associés)
- Edmond de Rothschild Private Equity SA
- Amdocs Limited (USA)

General Secretary of OPEJ's Founders College

1) Until 26 April 2019, Baroness Benjamin de Rothschild took over from Baron Benjamin de Rothschild as Chair of the Board of Directors on 27 April 2019. She was Vice-Chairman up to that date.

Benoit Dumont¹⁾

Vice-Chairman, Belgian, 1952

Education

1974	Degree in Commercial Engineering, Solvay Brussels School of Economics and Management, University of Brussels
1984	Master's in Finance and Economics, Solvay Brussels School of Economics and Management, CÉPAC, University of Brussels

Career Summary

1977-1980	J.P. Morgan, Bruxelles
1980-1995	Euroclear Operation Center, Bruxelles
1995-1999	J.P. Morgan, New York
1999-2007	J.P. Morgan Suisse SA, Genève, CEO

Directorships

Since 2005	J.P. Morgan Private Bank Funds, Luxembourg Member of the Board of Directors
Since 2007	J.P. Morgan Suisse SA, Geneva Member of the Board of Directors and the Audit and Risk Committee
Since 2013	Holding Benjamin et Edmond de Rothschild, Pregny SA Member of the Board of Directors, the Audit Committee and Pay Committee
Since 2013	Edmond de Rothschild Holding SA Member of the Board of Directors
Since 2014	Equatex S.A., Zurich Vice-Chairman of the Board of Directors Chairman of the Audit, Risk and Compliance Committee
Since 2016	British School of Brussels Member of the Board of Trustees
Since 2019	Edmond de Rothschild (Suisse) S.A. ¹⁾ Vice-Chairman of the Board of Directors and the Audit & Risk Committee

1) From 27 April 2019.

Jean Laurent-Bellue

Secretary, French, 1951

Education

1974	Institut d'Études Politiques de Paris
1975	Bachelor's degrees in Literature and Law
1977	MBA HEC

Career Summary

1978-1980	Executive with the Compagnie du Midi Group
1980-1987	Institut de Développement Industriel (IDI), first as a budget controller and later in charge of marshalling industrial equity investments and managing the portfolio of holdings
1987-1999	Various duties with the Crédit Commercial de France Group relating to corporate finance and private equity:- 1987-1999 : Head of investments - 1993: CEO of Nobel, Central Manager of CCF, member of the Bank's Executive Board - 1994-1998: Head of Corporate Finance in Paris and London (Charterhouse Bank) - 1998-1999: Head of Private Equity in Paris and London (Charterhouse Development Capital)
2000-2004	Member of the Executive Board of Crédit Lyonnais Group
2004	Member of the Executive Board of Compagnie Financière Edmond de Rothschild Banque and Chairman of the Executive Board of Edmond de Rothschild Corporate Finance
2009-2011	General Secretary of the Executive Board of Compagnie Financière Saint Honoré and Chairman of the Supervisory Board of Edmond de Rothschild Corporate Finance
2011-2013	CEO of Edmond de Rothschild Holding SA
2011-2017	Group General Secretary

Directorships

Since 1999	KPMG Associés, Paris Member of the Supervisory Board
Since 2005	KPMG S.A., Paris Member of the Supervisory Board
Since 2011	Edmond de Rothschild (Suisse) S.A. Member and Secretary of the Board of Directors, Member of the Audit & Risk Committee, and Member of the Pay and Nomination Committees (Vice-Chairman from 2019)
Since 2011	Edmond de Rothschild SA Member of the Board of Directors and Chairman of the Audit & Risk Committee (since 2015)
Since 2011	Edmond de Rothschild (France) Member of the Supervisory Board and Chairman of the Audit Committee (since 2015)
Since 2014	Holding Benjamin et Edmond de Rothschild Pregny S.A. Member of the Board of Directors
Since 2014	Fondation Actions-Addictions Member of the Board of Directors
Since 2015	Edmond de Rothschild Holding SA Member of the Board of Directors, of the Audit & Risk Committee, and Vice-Chairman of the Remuneration and Nomination Committees
Since 2015	Rotomobil - Member of the Board of Directors
Since 2019	Edmond de Rothschild (Monaco) Vice-Chairman of the Board of Directors and Chairman of the Audit & Risk Committee

Katie Blacklock¹⁾

Member, British, 1973

Education

1991	Huddersfield New College
1996	Jnt Hons French & German 2:1 Queen's College - Oxford
1999	PGDip in investment analysis University of Stirling

Career Summary

1996-2000	Stewart Ivory, portfolio manager
2000-2003	American Express Asset Management, portfolio manager
2003-2011	Nevsky Capital, co-founder of a \$7bn EM hedge fund
2011	Sloane Robinson, consultant

Directorships

2015-2019	The Power to Change Director of the Board of a \$150m trust
2012-2014	Resolution Foundation Member of the Board
2012-2018	Wellbeing of Women Investment Committee
2015-2018	Social Finance Director of the Board
Since 2016	Edmond de Rothschild Holding SA Member of the Board of Directors
Since 2016	Edmond de Rothschild Asset Management (France) Member of the Supervisory Board
Since 2019	Member of the Audit & Risk Committee
Since 2016	Edmond de Rothschild Asset Management (Luxembourg) Member of the Board of Directors
Since 2019	Sarasin & Partners' Climate Active Director of the Board
Since 2019	M&G plc With Profits Committee Director of the Board
Since 2019	Edmond de Rothschild (Suisse) S.A. ¹⁾ Member of the Board of Directors, the Pay Committee and the Nomination Committee

Tobias Guldemann

Member, Swiss, 1961

Education

1976-1980	Schooling in Zurich
1980-1986	Licence in Economic Sciences University of Zurich, Switzerland
1986-1990	Doctorate from the University of Zurich, Switzerland. Thesis subject "Planning for internal audits of risk- oriented banks"

Career Summary

1980-1986	Regular part-time work as a commercial programmer developing IT solutions for SMEs
1986-1990	IT system auditor in the Internal Audit department of Credit Suisse, Zurich
1990-1996	Senior Vice-President with various functions in the Trading division (derivatives, new issues, global cash management) at Credit Suisse, Zurich
1998-2004	Risk Manager at Credit Suisse Group AG, Zurich
2002-2004	Director of Strategic Risk Management at Credit Suisse Financial Services, Zurich
2005-2006	Member of the Board of Directors and Risk Committee at Winterthur Insurance
2006-2009	Director of Strategic Risk Management in Private Banking at Credit Suisse AG
2002-2013	Member of the Board of Directors of CSi / CSSEL
2004-2013	Risk Manager and member of the Executive Board of Credit Suisse AG, Zurich
2015-2016	Chief Independent Auditor for the special audit on the clean-up at UBS following its currency market manipulation, FINMA

Directorships

Since 2005	Fondation Hans Huber, Basel Member of the Supervisory Board
Since 2007	Fondation S. Eustachius, Winterthur Member of the Supervisory Board
Since 2010	The Winterthur Museum of Art Member of the Supervisory Board (Chairman since 2016)
Since 2015	Fedafin AG Chairman and Member of the Board of Directors
Since 2016	Edmond de Rothschild Holding SA Member of the Board of Directors and of the Audit & Risk Committee
Since 2016	Edmond de Rothschild (Monaco) Member of the Board of Directors and Chairman of the Audit & Risk Committee
2017-2019	Vice-Chairman of the Board of Directors
Since 2017	Vice-Chairman of the Board of Directors
Since 2017	Edmond de Rothschild (Suisse) S.A. Member of the Board of Directors and Member of the Audit & Risk Committee
Since 2017	Commerzbank AG, Frankfurt Member of the Supervisory Board
Since 2018	Chairman of the Audit Committee

1) From 27 April 2019.

Maurice Monbaron

Member, Swiss, 1946

Education

1965	Diploma from the Neuchâtel Business School
1965-1966	Sales representative for Montres Cortébert, Biel
1968	Baccalauréat in Commerce, Collège de Fribourg
1972	Bachelor's degree in Management Studies (HEC), University of Lausanne

Career Summary

1972-1988	American Express Bank (Switzerland) AG, credit analyst and commercial banking employee in Zurich, Geneva Branch Deputy Manager, Basel Branch Manager, Geneva Branch Manager
1988-1990	Deputy CEO of TDB American Express Bank, Geneva and a member of the Executive Board
1990-2005	Crédit Lyonnais (Suisse) SA, Deputy CEO from 1992, CEO from 1996, Head of International Private Banking for the Crédit Lyonnais Group

Directorships

Since 1992	CCI France Suisse Member of the Board of Directors
2008-2013	Chairman of the Board of Directors
Since 2010	Hôtel Royal SA, Crans-Montana Sole member of the Board of Directors
Since 2013	Edmond de Rothschild (Suisse) S.A. Member of the Board of Directors and Member of the Audit & Risk Committee
2013-2019	Member of the Audit & Risk Committee
Since 2016	Hôtel Royal SA, Crans-Montana Chairman of the Board of Directors

Klaus Jenny¹⁾

Member, Swiss, 1942

François A. Pauly

Member, Luxembourg national, 1964

Education

1984-1987	ESCP Europe, Paris, Oxford, Berlin
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Career Summary

1987-2004	Dexia Banking Group Senior Management position in Retail, Corporate Banking Deputy CEO Dexia Crediop Italia (2002-2003)
2004-2007	Bank Sal. Oppenheim Jr. & Cie (Luxembourg) SA CEO Sal Oppenheim International SA Member of the Management Board
2007-2010	Sal. Oppenheim Jr. & Cie SCA General Manager Board Member of Swiss, Austrian, German banking affiliates
2011	BIP Investment Partners SA CEO
2011-2014	Banque Internationale à Luxembourg SA (BIL) CEO
2014-2016	Banque Internationale à Luxembourg SA (BIL) Chairman of the Board of Directors

Directorships

Since 1995	Compagnie Financière La Luxembourgeoise - Chairman
Since 1995	Lalux Group SA & affiliates
Since 2004	Cobepa / Cobehold Bruxelles
Since 2007	M&C Milano
Since 2015	IWG Plc Zug
Since 2015	Castik Capital Partners
2016-2020	Quilvest Wealth Management, Luxembourg
Since 2016	Edmond de Rothschild Holding SA Member of the Board of Directors and Member of the Audit & Risk Committee
Since 2016	Edmond de Rothschild (Europe), Luxembourg Vice-Chairman of the Board of Directors and Chairman of the Audit & Risk Committee
Since 2018	Edmond de Rothschild (Suisse) S.A. Member of the Board of Directors and Member of the Audit & Risk Committee
Since 2019	Chairman of the Audit & Risk Committee ²⁾
Since 2019	Fondation de Luxembourg Member of the Board of Directors

1) Until 26 April 2019. His personal details can be found in previous annual reports available on the Bank's website: www.edmond-de-rothschild.com/site/Suisse/fr/banque-privee/relation-investisseurs/resultats-et-rapports-annuels. (see page 21 of the 2018 annual report).

2) From 27 April 2019. François Pauly replaced Klaus Jenny as Chair of the Audit & Risk Committee.

Philippe Perles

Member, Swiss and French, 1961

Education

- 1986 Degree in commercial and industrial sciences, University of Geneva
- 1994 International Centre for Monetary and Banking Studies

Career Summary

- 1993-1995 Crédit Lyonnais (Suisse) SA, Genève
Member of the Executive Board
Member of the Asset Allocation and Investment
Commitment in Geneva, overseeing the Bank's global
investment policy
International investment fund manager
- 1995-2000 Beldex SA, Geneva, Managing Director, Head of Sales
Development
- 2000-2003 Sherwood Alliance SA, Geneva, Principal, Head of Sales
and Product Development
- 2003-2005 Geneva Business Consulting Sàrl, Geneva
Partner, Head of Sales and Product Development
- 2010-2011 Novel Management Services, Geneva
Partner, Head of Sales and Product Development
- 2012-2015 Satocao LDA, São Tomé and Príncipe, Founder and
Managing Director

Present duties

- Since 2005 Noveo Conseil SA, Geneva, Paris, London and
Luxembourg
Founder and Principal, Head of Sales and Product
Development

Directorships

- Since 2002 Association Romande des Intermédiaires Financiers
(ARIF)
Member of the Board of Directors
- Since 2015 Edmond de Rothschild (Suisse) S.A.
Member of the Board of Directors
- Since 2018 Member of the Pay and Nomination Committees
- Since 2016 Bedrock Holdings SA
Member of the Board of Directors
- 2016-2019 Edmond de Rothschild Asset Management (France)
Member of the Supervisory Board and
Chairman of the Audit Committee
- Since 2017 Edmond de Rothschild Holding SA
Member of the Board of Directors
- Since 2018 Hyposwiss Private Bank Genève SA
Member of the Board of Directors
- Since 2019 Inoks Capital SA
Member of the Board of Directors

None of the Directors had a close business relationship with Edmond de Rothschild (Suisse) S.A. or with a Group company.

3.2. Other activities and vested interests

To find out the other activities and interests of Board members, please refer to their personal data in section 3.1.

3.3. Provisions relating to the number of positions that may be held

Article 19c of the Articles of Association* of Edmond de Rothschild (Suisse) S.A. provides for a maximum number of offices that its Directors may hold external to the Group.¹⁾

3.4. Elections and terms of office

The General Meeting elects the Chair (art. 9 (3) of the Articles of Association) and members of the Board of Directors (art. 9 (2) of the Articles of Association*). Their term of office is one year, regardless of their age, and ends at the conclusion of the next ordinary General Meeting after their election (art. 19 (1) and 19bis (2) of the Articles of Association). They may, however, be re-elected. Article 3.1.1.2 of the Bank's Bylaws (the "Bylaws") provides for an age limit of 75, at the date of the election, to be elected to the Board.

The Bank also provides in its Articles of Association* that the members of the Pay Committee be elected by individual ballot for a one-year term, like the Chair and the members of Board of Directors.

The average age of the Directors is 60, as of 31 December 2019.

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

The following table provides details of the length of Board members' current terms:

Directors	Member of the Board of Directors since:	Term ends :
Baron Benjamin de Rothschild	1985	2019 ²⁾
Baroness Benjamin de Rothschild	2009	2020
Mr Benoit Dumont [#]	2019 ³⁾	2020
Mrs Katie Blacklock [#]	2019 ³⁾	2020
Mr Jean Laurent-Bellue [#]	2011	2020
Mr Tobias Guldemann [#]	2016	2020
Mr Klaus Jenny [#]	2010	2019 ²⁾
Mr Maurice Monbaron [#]	2013	2020
Mr François Pauly [#]	2018	2020
Mr Philippe Perles [#]	2015	2020

[#] Fulfil the independence requirements provided in FINMA Circular 2017/01 "Corporate governance – banks" at 31 December 2019.

3.5. Organisational structure

The Bank's Bylaws provide inter alia as follows:

1. In addition to its wealth management and securities dealing core business, the Bank operates as the parent company of a banking and financial group as defined in Swiss legislation and rules on banking. As a result, the duties and powers of the Bank's governing bodies have increased (art. 2.1. of the Bylaws);
2. The Bylaws and Articles of Association state the required level of skills, experience, diligence, availability, loyalty and independence for each governing body (Article 1.4., and 3 of the Bylaws and Articles 22 and 22bis of the Articles of Association*);
3. The Bank points out that the members of its governing bodies must organise their personal and work relationships so as to avoid as much as possible any conflict of interests with the Bank and the banking and financial group of which it is the parent company (art. 3.1.1.7., 3.2.1.6., 3.3.1.6. and 3.4.1.5 of the Bylaws);

1) On the revision of the Articles of Association of Edmond de Rothschild (Suisse) S.A. in 2020, this rule, pursuant to the ORAb decree, will be repealed.

2) Until 26 April 2019.

3) From 27 April 2019.

4. Both for itself and the banking and financial group of which it is the parent company, the Bank has an Audit & Risk Committee and a department of Internal Auditors whose tasks and powers are set out in articles 3.3.2 and 4.2 of the Bylaws. It also has a Compliance function and a Risk Control and Management function (pursuant to Articles 2.3.1. and 3.1.2 of the Bylaws);
5. The Bank consolidates the systems used for internal monitoring, information management, reporting (Articles 3.4.2. III of the Bylaws) and risk management (Articles 2.3.1., 3.1.2., 3.3.2., 3.4.2. IV of the Bylaws);
6. Lastly, in a document annexed to the Bylaws, the Board of Directors defines the credit-granting powers assigned to the governing bodies, as well as to the Credit Committee and heads of the Department concerned and their subordinates.

3.5.1. Breakdown of tasks within the Board of Directors

The Board of Directors, which at 31 December 2019 was made up of eight members, is chaired by Baroness Benjamin de Rothschild. Since 27 April 2019, Mr Benoît Dumont and Mr Jean Laurent-Bellue respectively hold the offices of Vice-Chairman and Secretary. The full composition of the Board of Directors is provided on page 12. The Board of Directors operates as a collegial body. Resolutions are passed by an absolute majority of the Directors present (art. 3.1.1.3 of the Bylaws and art. 20 of the Articles of Association). In the event of a tie, the Chairman has the casting vote (art. 20 of the Articles of Association). In special circumstances Board resolutions may be passed by circular as prescribed in the Bylaws (art. 3.1.1.3).

The Chair of the Board shall have the rights and prerogatives provided in the law, the Articles of Association* and the Bylaws (art. 3.1.1.9. of the Bylaws).

The Chair must be informed regularly by the Chair or Vice-Chair of the Executive Committee on business development and the situation of the Bank and its subsidiaries (art. 3.1.1.9. of the Bylaws).

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

If the Chair and/or Vice-Chair of the Executive Committee hesitate as to whether a matter falls within the Executive Committee's jurisdiction, they must submit the issue to the Chair of the Board of Directors, who shall decide whether the matter should be handled by the Executive Committee or the Board (art. 3.1.1.9. of the Bylaws).

If the Chair is absent, his/her duties shall be exercised by the Vice-Chair of the Board or, failing this, by the oldest member (art. 3.1.1.9. of the Bylaws).

3.5.2. Composition, powers and limitation of powers of the Board's committees

In accordance with the Bank's Articles of Association* and Bylaws, the Board of Directors is empowered to set up supervisory and executive committees composed of its members. It has created an Audit & Risk Committee, a Pay Committee and a Nomination Committee.

Audit & Risk Committee

Under the Bylaws the Board of Directors has delegated part of its powers to an Audit & Risk Committee made up of at least three Board members. Their powers primarily include acting as a liaison unit between the Statutory Auditors and the Board of Directors and supervising the activities of the Internal Auditors, the Compliance Office and the Risk Management Department. The Board has appointed four of its members, François Pauly (Chairman), Benoît Dumont¹⁾ (Vice-Chairman), Jean Laurent-Bellue and Tobias Guldemann, to form the Audit & Risk Committee. Furthermore, Fabienne Thionnet-Chevrier, attorney, is non-member Secretary.

Most of these members meet the requirements regarding independence pursuant to FINMA Circular 2017/01, CM17, and all have the necessary skills and experience.

1) From 27 April 2019.

Pay Committee and Nomination Committee

Under the Articles of Association* (art. 22bis) and the Bylaws (art. 3.2.1.1), the Board of Directors has delegated some of its powers to the Pay Committee, which must comprise at least three Directors elected by the General Meeting. The powers of the Pay Committee include (i) drawing up rules for remuneration; (ii) approving the overall pay package and level of bonuses for the Bank's staff; (iii) after consulting the CEO, submitting proposals to the Board of Directors regarding the remuneration of the members of the Executive Committee; and (iv) submitting proposals to the Board of Directors regarding the remuneration of the Directors for the tasks they perform in this capacity and as members of the Board's committees. Proposals relating to the remuneration referred to in subsections (iii) and (iv) shall be decided by the Board of Directors and then submitted to the General Meeting for approval by vote (art. 9 para. 6 and 7 of the Articles of Association*).

In 2019, the General Meeting elected four members to form the Remuneration Committee: Baroness Benjamin de Rothschild (Chair), Mr Jean Laurent-Bellue (Secretary), Mr Philippe Perles and Mrs Katie Blacklock.

The Nomination Committee is responsible for submitting a preliminary opinion to the Board of Directors regarding the appointment and removal of Directors, members of the Executive Committee and persons in charge of managing and representing the Bank.

The composition of the Nomination Committee is the same as that of the Pay Committee (pursuant to art. 3.2.1.2 of the Bylaws).

The preparatory, advisory and decision-making powers of the aforementioned Committees appear in the Bylaws and the Articles of Association*.

3.5.3 Working procedures of the Board of Directors

The Board of Directors meets periodically and holds extraordinary meetings if necessary. It met seven times in 2019. On average, Board meetings last half a day. The Board of Directors works on the basis of files prepared by its secretariat. Minutes are taken at Board meetings. They must be duly numbered and signed jointly by the Chair and the Secretary. The meetings, in principle, follow a set agenda that mainly covers the following items:

1. Reading and approval of the minutes of the last meeting;
2. Word by the Chair of the Board of Directors;
3. Report of the CEO;
4. Report of the Deputy CEO & CFO;
5. Report of the Head of Private Banking;
6. Report of the Head of Asset Management;
7. Report of the COO;
8. Report of the Head of Risks, Legal & Compliance;
9. Report of the Audit & Risk Committee;
10. Report of the Remuneration Committee;
11. Work performed by independent directors;
12. Any other business.

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

1) From 27 April 2019, to replace Klaus Jenny.

3.6. Powers

The Board of Directors is the Bank's highest governing body and is responsible for supervising and monitoring its operations. Under the statutes and the Articles of Association*, it has the widest powers of oversight as regards how the Bank's business is managed.

In particular, the Board has the inalienable and non-transferable powers stated in Article 22 of the Articles of Association*, namely to do the following:

a) review and draw up the proposals to be submitted to the General Meeting and execute its resolutions; b) issue the necessary instructions and organisational regulations regarding the Bank's management and delineate the powers of the various governing bodies; c) decide on all matters that, under the Bylaws, fall within the responsibility of the Board of Directors; d) appoint and remove members of the Executive Committee and persons in charge of managing and representing the company; e) appoint the independent auditors required by the Banking Act; f) set the accounting and financial control principles and draw up the financial plan and financial report; g) review the reports of the independent auditors; h) decide on all matters which, under the law and the Articles of Association*, are not the responsibility of the General Meeting or any other governing body; i) oversee the persons in charge of managing the Bank to ensure, in particular, that they abide by the law, the Articles of Association*, applicable regulations and instructions that have been given; j) inform FINMA if the Bank exceeds the prescribed debt limits; k) draw up the Pay Report.¹⁾

In addition to exercising the powers set out in article 22 of the Articles of Association*, the Board of Directors has the authority to decide on all matters assigned to it in article 3.1.2 of the Bylaws, notably (i) defining the objectives of the general policy and strategy, (ii) the organisation, management, supervision and control of the EdR (Suisse) Group, (iii) the creation, acquisition, liquidation or sale of subsidiaries and/or shareholdings, (iv) appointment of candidates to the position of Chair and members of the Board of Directors to be submitted to vote by the General Meeting, (v) appointment, removal and definition of the scope of powers of the Executive Committee, and the persons responsible for the management and representation of the Bank, (vi) appointment and removal of the Bank's Chief Internal Auditor, on prior notice of the Audit & Risk Committee, (vii) the approval of the budgets of the Bank and the EdR (Suisse) group, (viii) approval of the Bank's annual financial statements and the consolidated statements of the

EdR (Suisse) group and submitting them for adoption by the General Meeting, along with the proposed appropriation of income; (ix) planning of shareholders' equity and liquidity of the Bank and of the EdR (Suisse) Group, (x) establishment and supervision of an appropriate internal control system, (xi) approval of the audit plan of Internal Audit after review by the Audit & Risk Committee; (xii) supervision of legal and regulatory communications to FINMA, the Swiss National Bank (SNB) and other authorities, (xiii) granting of loans or commitments when they exceed the powers of the Executive Committee, (xiv) approval of the introduction or withdrawal of court petitions and in-court or out-of-court settlements when they exceed the powers of the Executive Committee, (xv) establishing provisions for any potential loss that exceed the powers of the Executive Committee, and (xvi) outsourcing of any essential function within the meaning of the FINMA regulation on outsourcing.

Aided by its Committees, the Board has the authority, in accordance with Article 3.1.2 of the Bylaws, to set the general strategy of the Bank and Group, establish the principles of organisation, management and control and ensure their application. It supervises on a consolidated basis all the Swiss and foreign entities that together comprise the Edmond de Rothschild (Suisse) S.A. Group. The Board of Directors has delegated oversight of the Bank's day-to-day business to the Executive Committee (*see section 4*).

Its powers and those of its Committees are clearly delineated in the Bank's Articles of Association* and Bylaws.

Furthermore, the consolidated oversight of the activities of the EdR Group is delegated to EdR (Suisse) since 26 April 2019, in accordance with the decision of the Board of Directors of EdR Holding SA. In this framework the tasks and responsibilities of top management within the meaning of FINMA "Circular 2017/01 Corporate governance – banks" is delegated to the Board of Directors of EdR (Suisse), and the tasks and responsibilities of executive management to the Executive Committee of EdR (Suisse). Edmond de Rothschild Holding SA remains in charge of the supervision of this delegation of the consolidated oversight of the activities of the EdR Group.

1) On the revision of the Articles of Association of Edmond de Rothschild (Suisse) S.A. in 2020, this obligation, pursuant to the ORAb decree, will be repealed.

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

3.7. Information and control to instruments

Description of reporting by the Executive Committee

At each meeting of the Board of Directors, the CEO and / or other members of the Executive Committee exercising the duties of Deputy CEO, CFO, Heads of Private Banking, Asset Management, Risk, Legal and Compliance and COO report on the main decisions taken by the Executive Committee, as well as on current business and the operations within the jurisdiction of the Board of Directors. They have only an advisory vote.

To help them perform their oversight duties, at each meeting the members of the Board of Directors are given, among other documents, a progress report mainly including comments by the CEO, the statements of the various Group entities compared to budget and, finally, a list of the Group's financial investments and holdings (quarterly financial report).

At meetings the Board members also receive a quarterly report on risks containing, inter alia: the level of shareholders' equity, upcoming major risks; market risks, interest rate and counterparty default risks in the banking industry; the level of cash as well as reports on the legal and reputational risks (quarterly report on risks, half-year report of the compliance function and quarterly summary of the legal, compliance and reputational risks). The Board of Directors has also put facilities in place that are designed to monitor and supervise management at the Group level. These facilities are outlined on pp. 62 et seq. of this annual report.

Between meetings of the Board of Directors, the Chair and Deputy Chair of the Executive Committee keep the Chair of the Board of Directors regularly informed of major decisions.

Other members of the Executive Committee, as well as employees, internal auditors and external advisers or experts whose presence is needed, may also be invited to the meetings of the Board of Directors. However, these persons may only participate in an advisory capacity.

Description of the internal auditing system

Pursuant to the applicable regulations and laws (art. 12 (4) of OB, art. 41 (7) and 68 (4) of OEFin, as well as section 82 et seq of FINMA Circular 2017/01 "Corporate governance – banks"), the Board of Directors has an Internal Audit Department that reports directly to it in the chain of

command. The Chief Internal Auditor is appointed by the Board on the advice of the Audit & Risk Committee, and reports directly to the Audit & Risk Committee. The rights and obligations of the Internal Auditing Department are set out in the Bank's Bylaws and in the internal auditors' Charter. In particular, the Internal Auditing Department has access to all the documents of the Bank and of the consolidated affiliates that it audits.

At 31 December 2019, the Group Internal Audit Department had a staff of 24, and two new employees arrived in the first days of January 2020.

It draws up an auditing programme each year that is discussed and approved by the Audit & Risk Committee. In addition to a detailed list of assignments planned for the current year, this programme contains a summary of the departments and functions that have been audited over the past four years and of those for which a review is scheduled.

This programme is also discussed with the Independent Auditors.

A separate report is drafted for each area audited. The Executive Committee's view on each item is included in the report, along with a deadline for implementing the recommended steps. At its meetings, the Audit & Risk Committee deals with the Internal Auditing Department's reports in the presence of the Chief Internal Auditor and resolves to take additional measures when necessary. The Chief Internal Auditor participates in meetings of the Audit & Risk Committee and may also be called upon in certain cases to participate in meetings of the Board of Directors. The Chairman of the Board of Directors or of the Audit & Risk Committee may assign special tasks to the Chief Internal Auditor.

The Independent Auditors draw up a prudential auditing plan for each financial year and submit it to the Audit & Risk Committee for discussion and implementation. The Audit & Risk Committee meets regularly with representatives of the Independent Auditors.

Description of the risk control and management system

See pages 62 to 66 of this Report.

4. Executive Committee

At 31 December 2019¹⁾, the Executive Committee was comprised of eight members appointed by the Board of Directors. On average meetings last half a day. In 2019 it met 43 times. On average meetings last half a day. Resolutions are passed by an absolute majority of the members present, provided they form a quorum. In the event of a tie, the Chairman has the casting vote. The Executive Committee's resolutions may also be passed by circular as prescribed in the Bylaws (art. 3.4.1.3). Minutes are taken at the meetings of the Executive Committee; they are duly numbered and signed by the Secretary. Each meeting follows an agenda that covers the full range of the Bank's operations.

Each of the Bank's departments is placed under the supervision of a member of the Executive Committee. After each meeting these members inform their staff on any major developments that have occurred in their area of responsibility.

The members of the Executive Committee receive documents and statistics issued weekly, monthly, quarterly or every six months by the departments and groups concerned. These include settlements comparing actual business performance with the budget, the financial statements of the various entities forming the Edmond de Rothschild (Suisse) S.A. Group, a quarterly report on risks noting market, interest rate and counterparty risks, the level of shareholders' equity, as well as the half-year compliance report and the quarterly report on risks of a legal, compliance and reputational nature. The Executive Committee can also rely on the supervision and monitoring facilities described in section 3.7 above, which it endeavours to perfect year after year.

To assist it in its task, the Executive Committee has set up the following committees: a Private Banking Management Committee; an Operational Management Committee; an Asset Allocation Strategy Committee; a Compliance Committee; a Risks Committee; a Credit Committee; an Assets & Liabilities Management Committee; an Account Opening Committee, a Projects Committee, a Reputation Committee and an Ethics Committee.

Minutes are taken at the meetings of these committees, and a copy of these minutes is given to each member of the Executive Committee as well as to the Internal Auditors.

Employees, internal auditors and external advisers or experts may also be invited to the meetings of the Executive Committee when their help is needed. However, these persons may only participate in an advisory capacity. However, these persons may only participate in an advisory capacity

1) For the new composition from 14 March 2019, please refer to page 13.

4.1. Members of the Executive Committee

Vincent Taupin¹⁾

Chairman, French, 1959
CEO

Education

Ecole Spéciale des Travaux Publics (ESTP)
Ecole Nationale Supérieure des Télécommunications
(ENST)

Career Summary

1985-1987	Peat Marwick Mitchell & Cie - KPMG, Paris, Consultant	2000-2010	Boursorama, Paris, Chairman and CEO
1987-1988	Tuffier Ravier Py, Paris, Equity Options Manager	2010-2012	Crédit du Nord (Groupe Société Générale), Paris, CEO
1988-1990	Liaud Courtage, Paris, Head of Development Department	2012-2014	Alma Consulting Group, Paris, President
1990-1994	GTI Finance (filiale CIC), Paris, Directeur Général	2014-2019	Chairman of the Executive board of Edmond de Rothschild (France)
1994-1998	Société Générale, FIMAT SNC, Paris, Directeur Général	2014-2019	Chief Executive Officer of Edmond de Rothschild S.A.
1998-2000	Société Générale, FIMAT, London, European Head		

Present duties

CEO
Chairman of the Executive Committee

Directorships

Since 2013	France-Israel Chamber of Commerce and Industry - Member of the Board of Directors	2016-2019	Edmond de Rothschild Asset Management (France) - Vice-Chairman of the Supervisory Board, Member of the Audit & Risk Committee
depuis 2013	EDRRIT Limited – Member of the Board of Directors		
2014-2019	Edmond de Rothschild Corporate Finance - Chairman of the Supervisory Board	2017-2019	Edmond de Rothschild Asset Management (Luxembourg) - Chairman of the Board of Directors
	Permanent representative of Edmond de Rothschild (France) on the Supervisory Board of:	2017-2019	Edmond de Rothschild Asset Management (Suisse) SA - Chairman of the Board of Directors
2014-2019	Edmond de Rothschild Assurances et Conseils (France)	Since 2017	Edmond de Rothschild Asset Management (UK) Limited - Member of the Board of Directors
2014-2019	Edmond de Rothschild Private Equity (France)	Since 2018	Compagnie Benjamin de Rothschild Conseil SA - Vice-Chairman of the Board of Directors
2014-2019	Permanent representative of Edmond de Rothschild S.A. on the Board of Directors of Cogifrance	Since 2019	EdR (Monaco) - Chairman of the Board of Directors and member of the Audit & Risk Committee
2016-2019	Cleveland - Chairman of the Supervisory Board		

1) From 14 March 2019, Vincent Taupin replaced Emmanuel Fiévet on his departure. Vincent Taupin also carried out the ad interim function of Head of Private Banking, until the arrival of Michel Longhini on 1 November 2019.

Emmanuel Fiévet's personal details can be found in previous annual reports available on the Bank's website:
www.edmond-de-rothschild.com/site/Suisse/fr/banque-privée/relations-investisseurs/resultats-et-rapports-annuels.

Cynthia Tobiano

Member, French, 1976
Deputy CEO

Education

1994-1996	Private preparatory institute for higher teaching exams (IPESUP), Paris
1996-2000	Master in Business Administration, École supérieure des sciences économiques et commerciales de Paris (ESSEC)
1998	Brandeis University, Boston

Career Summary

2000-2003	Goldman Sachs, London, Analyst, M&A team
2003-2006	Goldman Sachs, Paris, Associate, M&A team
2006-2011	Goldman Sachs, London/Paris, VP M&A team
2011-2013	Edmond de Rothschild (France), CFO and Member of the Board of Directors and of the Executive Committee

Present duties

Deputy CEO of Edmond de Rothschild (Suisse) S.A.
Member of the Executive Committee
Head of Finance, Treasury and Credit
Head of Strategy
Head of Marketing and Communications *ad interim*
CEO of Edmond de Rothschild Holding SA

Directorships

Since 2012	Edmond de Rothschild Buildings Boulevard Limited (Israël) Member of the Board of Directors
Since 2013	Edmond de Rothschild (UK) Limited Member of the Board of Directors and Member of the Audit & Risk Committee (Chair since 2017)
Since 2013	Edmond de Rothschild (Monaco) Member of the Board of Directors and Member of the Audit & Risk Committee
Since 2013	Edmond de Rothschild (Europe) Member of the Board of Directors and Member of the Audit & Risk Committee
Since 2013	Edmond de Rothschild (Israel) Ltd. Member of the Board of Directors and Member of the Audit & Risk Committee
Since 2014	Compagnie Benjamin de Rothschild Conseil SA Member of the Board of Directors
Since 2016	Edmond de Rothschild Asset Management (France) Chair of the Supervisory Board (since 2019)
Since 2019	Edmond de Rothschild (France) Member of the Supervisory Board

Christophe Caspar¹⁾

Member, French, 1971
Head of Asset Management

Education

1990-1995	Reims Management School
1996-1999	Royal Holloway, London University
2002	CFA Charterholder

Career Summary

1999-2005	Russell Investments, Londres, Portfolio Analyst to Portfolio Manager
2006-2008	Russell Investments, Tokyo, Chief Investment Officer for Japan
2008-2009	Russell Investments, Tokyo, Chief Investment Officer for Asia Pacific
2009-2016	Russell Investments, Londres, Global CIO, Multi-Asset Solutions and CIO EMEA
2016-2018	Pictet Bank & Cie SA, Head of Investments, Pictet Wealth Management
2018-2019	Edmond de Rothschild Asset Management, Deputy CEO and Head of Investments
Since 2019	Member of the Executive Committee of Edmond de Rothschild Asset Management (Suisse) S.A.

Present duties

Head of Asset Management
Global CEO Asset Management
Member of the Executive Committee

Directorships

Since 2019	Edmond de Rothschild Asset Management (France) Chairman of the Executive Board
2019	Edmond de Rothschild Asset Management (France) Chairman of the Supervisory Board
Since 2019	Edmond de Rothschild Asset Management (Luxembourg) Chairman of the Board of Directors
Since 2019	Edmond de Rothschild Asset Management (UK) Chairman of the Board of Directors
Since 2019	Edmond de Rothschild Asset Management (Suisse) S.A. Chairman of the Board of Directors
Since 2019	Edmond de Rothschild SICAV, France Member of the Board of Directors
Since 2019	ERAAM, France Member of the Board of Directors
Since 2019	Compagnie Benjamin de Rothschild Conseil S.A. Member of the Board of Directors

1) From 14 March 2019.

Pierre-Etienne Durand¹⁾

Member, French, 1976
Head of Strategy

Education

1994	Baccalauréat C (with distinction)
1994-1995	Lycée du Parc, classe préparatoire - Lyon
1995-1998	ESSEC
1997	Kellogg (Northwestern University), MBA exchange - Chicago
2005	INSEAD, MBA - Fontainebleau

Career Summary

1998-2000	Renault - Londres Financial controller
2000-2004	Olivier Wyman - Paris Consultant
2006-2008	Bain & Company - Paris Consultant
2008-2012	Bain & Company - Paris Manager
2013	Bain & Company - Paris Partner

Present duties

Head of Strategy
Member of the Executive Committee

Diego Gaspari¹⁾

Member, Argentinian and Italian, 1969
Chief Human Resources Officer

Education

1989-1993	University of Belgrano, Argentina Degree in Psychology
1997-1998	ESEADE, Argentina Master's in Business Administration
2010	INSEAD, France Diploma in Business Strategy for Human Resources Leaders

Career Summary

1993-1995	Bemberg Group, Argentina Young graduates programme
1995-1996	Philip Morris Group - Monthelado, Argentina Head of Industrial Relations
1996-1999	Philip Morris Group - Kraft Argentina, Argentina Head of Industrial Relations
1999-2000	Philip Morris Group - Massalin Particulares, Argentina Industrial Relations Manager
2000-2001	Keystone Foods - McCain, Argentina Head of Human Resources Latin America
2001-2005	PSA - Peugeot Citroën, Argentina Head of Human Resources
2005-2007	PSA, France Head of international social relations
2007-2010	PSA, France Head of Talent Management
2010-2014	Credit Agricole Group - Credit Agricole SA, Switzerland Head of International Human Resources
2014-2018	Credit Agricole Group - CA Indosuez Wealth Management, Switzerland - Head of Human Resources

Present duties

Head of Human Resources
Member of the Executive Committee

1) From 14 March 2019.

1) From 14 March 2019.

Robert Jenkins¹⁾

Member, British, 1961
Chief Brand and Marketing Officer

Education

1974-1980 Royal Grammar School, High Wycombe
1980-1983 University College of Wales, Aberystwyth
BSc(ECON) (Droit et Science politique)

Career Summary

1983-1985 Barclays Bank, Graduate Trainee
1985-1988 Valin Pollen Ltd, Senior Account Executive
1988-1989 Andrew Derrick Ltd, Senior Account Manager
1989-1995 Gavin Anderson & Company, Account Director
1995-1997 Cable & Wireless, Directeur Corporate Affairs, Lattelekom
1997-2005 Barclays Global Investors, Head of Corporate Communications for Europe
2006-2011 BNP Paribas, Head of Brand and Communications for the UK
2011-2016 BNP Paribas Wealth Management, Global Head of Brand and Communications

Directorships

Since 2016 Gitana France SAS

Michel Longhini²⁾

Member, French, 1966
Head of Private Banking

Education

1988 MBA from the Lyon School of Management

Career Summary

1988-1991 BNP Paribas, Paris, Banque Privée, Product Marketing Support
1991-1994 BNP Paribas, Milan, Banque Privée, in charge of launch and development
1995-1999 BNP Paribas, Paris, Head of Product and Development Private Banking Europe
1999-2003 BNP Paribas Private Bank, Paris, Global Head Investment Services
2003-2005 BNP Paribas Private Bank, Singapore, CEO, South East Asia Private Bank
2005-2008 BNP Paribas Private Bank, Singapore, CEO, Private Bank Asia
2008-2010 BNP Paribas, Paris/Luxembourg, CEO Wealth Management International
2010-2019 Union Bancaire Privée, CEO Private Banking

Present duties

Head of Private Banking
Member of the Executive Committee

1) From 14 March to 31 December 2019.

2) From 1 November 2019.

Jean-Christophe Pernellet

Member, French, 1966
CRO and Head of Legal & Compliance

Education

1986	Bachelor's degree, Institute of Political Studies – Grenoble (France)
1987	Institute of European Studies, University of Hull (UK)
1990	Master in Management - EDHEC Business School, France
1998	US CPA
2002	Senior Executive Program, Columbia Business School, New York

Career Summary

1990-1993	Deloitte & Touche, Paris
1993-1997	PricewaterhouseCoopers, Geneva (Switzerland)
1997-1999	PricewaterhouseCoopers New York, USA
1999-2010	PricewaterhouseCoopers, Geneva (Switzerland) - Partner from 2001
2005-2010	PricewaterhouseCoopers, Geneva - Partner and office lead
2010-2012	EFG International AG, CFO Member of the Board of Directors, Audit and Risk Committees of EFG Private Bank Limited – London
2012-2013	CFO of the Edmond de Rothschild Group
2014-2015	Chief Internal Auditor of the Edmond de Rothschild Group

Present duties

Chief Risk Officer and Head of Legal & Compliance
Member of the Executive Committee

Directorships

Since 2014	Swissquote Bank Member of the Board of Directors
Since 2015	Edmond de Rothschild Real Estate SICAV (ERRES) Chairman of the Board of Directors
Since 2015	Edmond de Rothschild Asset Management (Suisse) S.A. Member of the Board of Directors and Chairman of the Audit & Risk Committee
Since 2015	Swissquote Group Holding Member of the Board of Directors and Chairman of the Group's Audit & Risk Committee
Since 2015	Edmond de Rothschild Personnel Welfare Foundation Chairman of the Board of Trustees
Since 2015	Edmond de Rothschild (UK) Limited Member of the Audit Committee
Since 2017	Edmond de Rothschild Informatique SA (in liquidation) Receiver/Official Liquidator
Since 2018	Compagnie Benjamin de Rothschild Conseil SA Member of the Board of Directors

Sabine Rabald

Member, Swiss, 1969
COO, Head of IT, Operations and General Services

Education

1986-1989	Société de Banque Suisse, Geneva – Commercial apprenticeship, Federal Certificate of Capacity in business
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Career Summary

1990-1995	Société de Banque Suisse, Genève Cash management (one year) Back office derivative currencies (two years) and Middle office Société de Banque Suisse, Zurich Back office derivative securities (two years)
1995-2014	Edmond de Rothschild Asset Management (Suisse) S.A., Geneva
1995-1997	Back-office employee
1998-2007	Head of Back office and Control
2007-2013	Head of Control and Compliance
2014	Chairwoman of the Executive Committee and Head of the Administration, Control and Compliance Department

Present duties

COO, Head of IT, Operations and General Services
Member of the Executive Committee

Directorships

Since 2014	Compagnie Benjamin de Rothschild Conseil S.A. Member of the Board of Directors
2015 - 2018	Benjamin de Rothschild Management (Luxembourg) S.A. Member of the Board of Directors
Since 2015	Edmond de Rothschild (UK) Limited Member of the Audit Committee
Since 2015	Edmond de Rothschild (Europe) Member of the Board of Directors
Since 2016	Member of the Audit & Risk Committee
Since 2015	Edmond de Rothschild (Monaco) Member of the Board of Directors
Since 2017	Vice-Chair of the Audit & Risk Committee
Since 2016	Edmond de Rothschild Asset Management (Suisse) SA Member of the Board of Directors and the Audit & Risk Committee
Since 2018	Vice-Chair of the Audit & Risk Committee
2016-2019	Finhub SA Member of the Board of Directors
Since 2019	Nucoro Holdings Limited Member of the Board of Directors

4.2. Other activities and vested interests

For information about the other activities and interests of Executive Committee members, please refer to their personal data provided in section 4.1.

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

5. Remuneration, profit-sharing and loans

Overview

The remuneration policy of Edmond de Rothschild (Suisse) SA is consistent with the strategy, culture, and nature of the activities of the Edmond de Rothschild Group. It also takes account of local factors that are specific to each entity. Finally, it is designed to foster loyalty among employees and encourage them to promote the Group's long-term success by espousing entrepreneurship and risk control.

The remuneration policy of the Edmond de Rothschild (Suisse) S.A. group draws on the guidelines set out in Circular 2010/1 – “Remuneration Systems” issued by the Swiss Financial Market Supervisory Authority (FINMA), while also complying with local rules.

Powers and procedure for setting remuneration and profit-sharing programmes

The rules on remuneration-setting powers are provided in the Bank's Articles of Association¹⁾ and Bylaws.

The Pay Committee has the following powers and duties in accordance with article 22 (a) (5) of the Articles of Association^{*1)}:

- draw up remuneration rules and submit them to the Board of Directors for approval;
- approve once a year the overall remuneration of the Bank's staff as proposed by the Executive Committee, excluding the salaries and bonuses of the members of the Executive Committee;
- approve the remuneration of the persons in charge of control functions identified by the Chair of the Executive Committee (CEO);
- after consulting with the CEO, make proposals to the Board of Directors regarding the remuneration of the members of the Executive Committee;
- approve the remuneration of the Chief and Deputy Chief Internal Auditor as proposed by the Audit & Risk Committee; and
- make proposals to the Board of Directors regarding the remuneration of the Directors for the tasks they perform in this capacity and as members of the Board's Committees.

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

The 2019²⁾ General Meeting elected four Directors to serve on the Pay Committee for a one-year term: Baroness Benjamin de Rothschild (Chair), Mr Jean Laurent-Bellue (Secretary), Mrs Katie Blacklock and Mr Philippe Perles. The Pay Committee meets twice a year normally.

Under Article 22 let. a of the Articles of Association^{*3)}, the Board of Directors decides the overall remuneration of the Board of Directors and the Executive Committee. These amounts are then submitted to the General Meeting, which has the unalienable right to approve them.

The Board of Directors is also responsible for drawing up the Pay Report⁴⁾ (article 22 let. k of the Articles of Association^{*}).

- 1) During financial year 2020, the Articles of Association of EdR (Suisse) will be revised. The responsibilities arising from the stock exchange and securities law, notably the decree relating to abusive remuneration for listed public companies (Ordonnance contre les rémunérations abusives dans les sociétés anonymes cotées en bourse (ORAb)) will be repealed, as Edmond de Rothschild is no longer a listed public company since 27 August 2019.
- 2) The power to appoint the members of the Pay Committee will be transferred to the Board of Directors on the next revision of the Articles of Association of Edmond de Rothschild (Suisse) S.A. Article 22 (a) of the Articles of Association will thus be repealed.
- 3) The power to approve the remuneration of the Board of Directors and the Executive Committee will be transferred to the Board of Directors on the next revision of the Articles of Association of Edmond de Rothschild (Suisse) S.A. Article 24 (d) will thus be repealed.
- 4) As Edmond de Rothschild is no longer a listed public company since 27 August 2019, it is no longer required to publish a remuneration report under the stock exchange law. Article 22 (1)(k) will thus be repealed.

Voting on remunerations¹⁾

Pursuant to article 24 (d) of the Articles of Association*²⁾, the General Meeting each year votes on the overall amount proposed by the Board of Directors in regard to the following:

- the overall pay package of the Board of Directors for the period up to the next ordinary General Meeting;
- the overall fixed pay package (excluding bonuses) of the Executive Committee for the next financial year; and
- the Executive Committee's bonuses paid for the reporting year.

The Board of Directors may submit proposals to the General Meeting regarding remuneration in respect of other periods for all the Directors, for all the members of the Executive Committee or for only some of them.

The General Meeting's votes on proposals regarding remuneration are binding. Thus, should the General Meeting decide not to approve a pay package proposed by the Board of Directors, the Board will have to convene an extraordinary General Meeting.

Remuneration of members appointed after the General Meeting¹⁾

If a member of the Executive Committee is appointed after the General Meeting has approved the fixed remuneration of the members of the Executive Committee, the remuneration granted to him by the Board of Directors for the period up to the next ordinary General Meeting may not exceed by more than 40% the average remuneration of the other members of the Executive Committee given final approval by the General Meeting. The restriction is 50% for the Chair of the Executive Committee. The average remuneration is calculated by dividing the Executive Committee's overall remuneration given final approval by the General Meeting by the number of members in office (article 24 (d) para. (4) of the Articles of Association*¹⁾).

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

1) The power to approve the remuneration of the members of the Board of Directors and the Executive Committee will be transferred to the Board of Directors on the next revision of the Articles of Association of Edmond de Rothschild (Suisse) S.A. Article 24 (d) will thus be repealed.

2) During financial year 2020, the Articles of Association of EdR (Suisse) will be revised. The responsibilities arising from the stock exchange and securities law, notably the decree relating to abusive remuneration for listed public companies (Ordonnance contre les rémunérations abusives dans les sociétés anonymes cotées en bourse (ORAb)) will be repealed, as Edmond de Rothschild is no longer a listed public company since 27 August 2019.

Components of the remuneration and profit-sharing plan

Principles

An employee's remuneration is set according to his job, qualifications, responsibilities and experience. It also takes account, when necessary, of the prevailing conditions in the labour market, as determined by surveys on remuneration in the banking and wealth management sectors internationally.

An employee's remuneration includes his annual contractual fixed salary and a discretionary bonus, both paid in cash. Key employees of the Edmond de Rothschild Group may be beneficiaries of deferred remuneration providing scope for a closer alignment of interests between the Group's shareholders and such employees. In 2019, the proportion of bonuses (including deferred remuneration) was set at 26% of fixed salaries.

The Board amended Article 24b of its Articles of Association* at the 2016 General Meeting so that members of the Bank's governing bodies may receive financial instruments as remuneration.²⁾

This change was accepted by the General Meeting of Edmond de Rothschild (Suisse) S.A. on 28 April 2016.

The beneficiaries will be allotted the following financial instruments:

- rights to acquire, free of charge according to a defined timetable, non-voting shares of Edmond de Rothschild Holding SA. This is the Group's Employee Share Plan (ESP) (formerly called the LTIP), and/or
- a deferred cash amount indexed to the value of the non-voting share of Edmond de Rothschild Holding SA.

The ESP was introduced in 2016, and the process ended in the month of March 2016 with the allotment of the first series of restricted stock units (RSUs) to the selected participants. Once the RSUs are granted, they enter a so-called "vesting period" of one, two and three years. At the end of each period, a third of the RSUs are allotted and converted into Edmond de Rothschild Holding S.A. non-voting shares (provided the employee has fulfilled the conditions set out in article 8 of the ESP regulations). These shares embody the usual ownership and membership rights attaching to non-voting equity securities.

When the underlying non-voting shares are obtained and become a “firm claim”), they are blocked for an additional period of two years from the vesting date. Employees may not sell their non-voting shares during this period, subject to the applicability of the right of drag-along / tag-along, “malus” clauses and termination of their contractual relationship with the Group.

The ESP was set up in 2019 according to the same model as in 2016; conversely, the 2020 vintage will contain a one-year blocking period instead of two years, with the other rules remaining unchanged.

For the 2020 programme, in relation to remuneration for 2019, 117 employees (including in the branches and subsidiaries) are participating in the ESP.

No employees benefited from the indexed deferred cash programme in 2019.

The remuneration of employees who perform control functions, including the Head of Internal Auditing and those who work in the Compliance, Legal, Control and Risk Management departments, is mainly composed of a fixed salary to avoid any conflicts of interest. The variable portion does not depend directly on the results of the of the business units that they oversee.

The Bank does not pay signing bonuses, although in certain cases it does grant compensation for a loss of variable remuneration resulting from the new employee’s job change.

Under the Bylaws, the remuneration system and any objectives that have been assigned must not encourage employees to disregard the Bank’s internal control mechanisms and compliance rules, or act against the interests of its clients.

Remuneration of the Directors

The members of the Board of Directors receive a fixed annual pay package that varies depending on whether they serve on committees. The Directors are also entitled to a reimbursement of their expenses, which do not form part of their remuneration (under art. 24 (a) para. (1) of the Articles of Association^{*1)}).

* The Articles of Association can be found on the Bank’s website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

1) The power to approve the remuneration of the members of the Board of Directors and the Executive Committee will be transferred to the Board of Directors on the next revision of the Articles of Association of Edmond de Rothschild (Suisse) S.A. Article 24 (d) will thus be repealed.

2) On the revision of the Articles of Association of Edmond de Rothschild (Suisse) S.A. in 2020, this obligation, pursuant to the ORAb decree, will be repealed.

The remuneration of the Directors is decided by the Board of Directors based on a proposal made by the Pay Committee. The Board’s overall remuneration is then submitted to the General Meeting for approval.

Remuneration of the members of the Executive Committee

The remuneration of the members of the Executive Committee comprises a fixed salary and a discretionary bonus and they may also be eligible for the ESP. The amounts of the bonus and the ESP depend on the Bank’s performance and on the individual qualitative and quantitative performance of each member. The Bank’s performance objectives are set by the Board of Directors. The individual performance objectives of the members of the Executive Committee, excluding the Chair, are set by the CEO. The performance objectives of the CEO are set by the Board of Directors.

The members of the Executive Committee are entitled to a reimbursement of their expenses, which do not form part of their remuneration.

On the proposal of the Pay Committee, the Board of Directors decides on the amount of the pay of the members of the Executive Committee. The overall amount is then submitted to the General Meeting for approval (under Article 24(a) para. (2) of the Articles of Association^{*1)}).

Any agreements that provide for the remuneration of members of the Executive Committee and that are made between the Bank or companies it controls, on the one hand, and members of the Executive Committee, on the other, may not be signed for a period exceeding one year.²⁾

Common rules applicable to the remuneration of the governing bodies

Within the limits provided by law, the work performed by members of the Board of Directors and the Executive Committee in companies controlled directly or indirectly by the Bank may be remunerated. Any such sums are included in the overall pay package submitted to the General Meeting for approval (under Article 24 (d) of the Articles of Association¹⁾), in accordance with article 24 (b) (3) of the Articles of Association^{*2)}.

The members of the Executive Committee are covered by the same pension plan as the Bank’s staff.

Provisions of the Articles of Association on loans, credit facilities and company benefits granted to members of the Board of Directors and the Executive Committee

Under article 24 (c) of the Articles of Association^{*1}), the Bank may grant loans and other credit facilities to members of the Board of Directors and the Executive Committee up to the weighted collateral value of the pledged assets, or in the case of mortgage loans, 60% of the encumbered property's value. Loans and other credit facilities are granted in the form of temporary current-account overdrafts, confirmed credit lines and/or fixed-term advances, which may be secured or unsecured. Mortgage loans are granted at variable or fixed rates.

For all types of loans and other credit facilities granted to Directors, the Bank receives interest and fees that are in line with market conditions and with those charged to clients. Members of the Executive Committee enjoy the preferential interest rates granted to the Bank's staff.

In addition to the occupational benefits approved each year by the General Meeting, the members of the Board of Directors and the Executive Committee may receive occupational benefits paid by the Bank up to an amount corresponding to 20% of their last remuneration (excluding any bonus) as approved by the General Meeting (under Article 24(b) para. (4) of the Articles of Association^{*1}).

Remuneration of employees other than members of the Executive Committee

Employees other than the members of the Executive Committee receive an annual fixed salary and a discretionary bonus. They may be eligible for the Group's Employee Share Plan ("ESP").

The bonus is mainly based on the Bank's results and on each employee's individual qualitative and quantitative performance at the conclusion of an annual performance evaluation process.

The Bank's results are its financial results. A discretionary portion of EBIT, set annually by the Group Executive Committee, is allocated to variable remuneration. The annual performance evaluation process is based on individual annual objectives that are:

- qualitative (e.g. managerial responsibilities, values, fulfilment of obligations in terms of client management, compliance with internal rules, compulsory training, risk management & compliance);
- quantitative (e.g. bringing in new money, profits on investments, budget management, cost control).

These objectives are set at the beginning of the calendar year, reviewed, in some cases, mid-year then definitively appraised at the end of the year. This evaluation is instrumental in setting the variable remuneration.

If a discretionary bonus is granted, it is paid within 30 days from the date of the Board of Directors meeting at which the Bank's annual financial statements are approved.

Even if a full year has elapsed, no bonus is due to an employee whose employment contract has been terminated by either party prior to the payment date of the bonuses. Nor is any bonus due for the current year if the employment contract is terminated by either party.

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

1) On the revision of the Articles of Association of Edmond de Rothschild (Suisse) S.A. in 2020, this allocation, pursuant to the ORAb decree, will be repealed.

6. Shareholders' rights

6.1. Limitation and representation of voting rights

6.1.1 Provisions of the Articles of Association limiting voting rights

Owners of registered shares may exercise their voting rights if their names have been entered in the share register (art. 6 (4) and art. 14 (1) of the Articles of Association). Paragraphs 5 et seq of art. 6 of the Articles of Association indicate the grounds on which the Board of Directors may refuse to enter the name of a shareholder in the share register (see also section 2.6). Unless the approval needed to transfer registered shares has been given by the Board of Directors, the shareholder rights attached to such shares shall remain vested in the shareholder whose name appears in the share register (art. 6 (9) of the Articles of Association and art. 685c (2) of the Code of Obligations).

The Articles of Association do not contain any restrictions on the voting rights attaching to bearer shares. Holders of bearer shares may exercise their voting rights at the General Meeting simply by producing such shares or in any other manner prescribed by the Board of Directors (art. 14 (3) of the Articles of Association*).

6.1.2 Provisions of the Articles of Association limiting the voting rights of institutional representatives

The Articles of Association* do not contain any restrictions on the voting rights of institutional representatives.

6.1.3 Grounds for granting exceptions during the reporting year

As mentioned in section 2.6.2, no exceptions to the restrictions on transferring registered shares were granted in 2019.

6.1.4 Procedure and conditions for abolishing restrictions on voting rights

The procedure and conditions for abolishing restrictions on transferring registered shares are indicated in section 2.6.4.

6.1.5 Provisions of the Articles of Association on participation in General Meetings

Shareholders who own registered shares may only be represented at General Meetings by another owner of registered shares who has received a written proxy card or by the Independent Proxy (art. 14 (2) of the Articles of Association*).

6.1.6 Grounds for allowing exceptions during the reporting year

The Articles of Association* contain no rules on giving instructions to the Independent Proxy and no provisions on online voting for General Meetings.

6.2. Quorums

Annual General Meetings are deemed validly held when over half the shares are represented. In cases where this quorum is not achieved, a second meeting may be convened with the same agenda (cf. art. 15, para. (2) of the Articles of Association*). The second meeting may not take place until at least 30 days have elapsed, and it will be deemed validly held regardless of the number of shares represented. This must be mentioned in the notice (art. 15 para. (3) of the Articles of Association*).

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

6.3. Notice of Annual General Meetings

The rules pertaining to notices of AGMs are set forth in articles 11, 12 and 31 of the Articles of Association*, which draw on the provisions of the Swiss Code of Obligations.

6.4. Items on the agenda

The rules pertaining to agendas and deadlines are set forth in articles 11 and 12 of the Articles of Association*, which draw on Articles 699 et seq of the Swiss Code of Obligations:

Article 11 of the Articles of Association*

1. *General Meetings shall be convened by the Board of Directors and, if necessary, by the Auditors, the liquidators or the representatives of bondholders.*
2. *One or more shareholders together representing at least 10 per cent of the capital stock may also request that a General Meeting be convened.*
3. *Shareholders representing shares with a total par value of CHF 1 million may request that an item be included in the agenda.*
4. *Convocations and inclusion of items in the agenda must be requested in writing, mentioning the topics of discussion and proposals.*

Article 12 (1) and (2) of the Articles of Association*

1. *General Meetings shall be convened at least 20 days prior to the date on which they are to be held, in accordance with the procedures provided in article 31 on the Company's notices.*
2. *Items included in the agenda must be referred to in the notice of the General Meeting, together with the proposals of the Board of Directors and the shareholders who requested the convocation of the meeting or the item's inclusion.*

6.5. Entries in the share register

In accordance with Company practice, the deadline for entering unlisted registered shares falls on the day the AGM agenda is notified.

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

7. Take-overs and defensive measures

7.1. Obligation to tender an offer

The Bank has included in art. 6 (3) of its Articles of Association* a clause providing that bidders are not required to make a formal takeover bid in accordance with articles 135 and 163 of the 19 June 2015 Financial Market Infrastructure Act (LIMF).

7.2. Clauses relating to take-overs

None of the members of the governance bodies (Board of Directors, Executive Committee) or other senior officers has signed a contract protecting him/her from a transfer of control by the issuer.

* The Articles of Association can be found on the Bank's website under the heading Investor Relations / General Information / Legal Documents, at: www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information.

8. Statutory Auditor

8.1. Duration of the audit mandate and of the term of service of the head auditor in charge of the mandate

8.1.1 Effective date of the current Auditors' mandate

PricewaterhouseCoopers SA, Geneva, has been auditing the financial statements of Edmond de Rothschild (Suisse) SA, Geneva, since 1982. It is responsible for reviewing the individual and consolidated financial statements of Edmond de Rothschild (Suisse) S.A.

8.1.2 Taking office of the auditor in charge of the current auditing mandate

Christophe Kratzer has served as the auditor in charge of the audit mandate since 27 April 2019. He replaced Beresford Caloia, head external auditor for Edmond de Rothschild (Suisse) S.A. between 2012 and 2019.

As required by the Swiss Financial Market Supervisory Authority FINMA, the rotation of the term of the head external auditor in charge of the audit mandate is every seven years.

8.2. Auditing fees

Edmond de Rothschild (Suisse) S.A. paid a total of CHF 3'369'000 in audit fees, VAT included.

8.3. Additional fees

Edmond de Rothschild (Suisse) S.A. paid a total of CHF 1'033'000 in additional fees, VAT included.

8.4. Consultation with the Statutory Auditors

PricewaterhouseCoopers SA each year draws up a prudential auditing plan, drafting a report on the planning of the audit of the financial statements and consolidated accounts. The auditor in charge of our account discusses these reports with the Audit & Risk Committee. The prudential audit plan and audit schedule of the 2019 annual individual and consolidated financial statements were presented to the Audit & Risk Committee at its meeting on 29 August 2019. The findings of the audit of the annual financial statements were presented and discussed with the Audit & Risk Committee and with the Board of Directors at their respective meetings in March.

The Statutory Auditors have access to the Audit & Risk Committee at all times, as well as to the Executive Committee and to the Internal Audit Department, with whom they have regular work sessions.

PricewaterhouseCoopers SA is hired on an annual basis. The company's qualifications, performance and fees are assessed each year by the Audit & Risk Committee.

9. Information policy

Edmond de Rothschild (Suisse) S.A. informs the general public as fully and transparently as possible, notably through its annual reports, press releases, press conferences and interviews with the specialist press and financial analysts, as well as at the Annual General Meetings of its shareholders and on its website: www.edmond-de-rothschild.ch, under the heading "Investor Relations":
<https://www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information>.

Edmond de Rothschild (Suisse) S.A. also publishes certain information required by the banking legislation on its website: www.edmond-de-rothschild.ch, under the heading "Investor Relations":
<https://www.edmond-de-rothschild.com/site/Suisse/en/private-banking/investor-relations/general-information>.

Contacts

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Financial Report

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Key figures

Edmond de Rothschild (Suisse) SA Group

	2019	2018	Change	Change %
Consolidated profit and loss account (in CHF '000)				
Interest income, net	23'163	49'156	(25'993)	(52,9)
Fee and commission income, net	589'668	490'293	99'375	20,3
Results of trading operations and statements of fair value	138'139	109'535	28'604	26,1
Operating expenses (personnel costs and overheads)	(653'181)	(574'541)	(78'640)	13,7
EBITDA	131'032	119'897	11'135	9,3
Operating profit	35'436	62'142	(26'706)	(43,0)
Net income	43'921	221'739	(177'818)	(80,2)
Profitability				
% return on equity (net profit / average shareholders' equity ¹⁾)	3,3	19,4	-	-
% return on assets (net income/average assets)	0,3	1,4	-	-
Shares (in CHF)				
Earnings per registered share, at 500.- par value, after deducting portion due to minority interests	310	-	310	-
Earnings per bearer share, at 500.- par value, after deducting portion due to minority interests	310	2'517	(2'207)	(87,7)
Earnings per registered share, at 100.- par value, after deducting portion due to minority interests	62	503	(441)	(87,7)
	2019	2018	Change	Change %
In CHF '000 Consolidated Balance sheet				
Due from banks	1'274'322	1'684'773	(410'451)	(24,4)
Amounts due from clients	3'991'770	2'820'068	1'171'702	41,5
Due to banks	986'185	867'441	118'744	13,7
Due on client deposits	13'641'622	12'519'207	1'122'415	9,0
Shareholders' equity	1'603'098	1'291'235	311'863	24,2
Balance sheet total	17'383'563	15'163'186	2'220'377	14,6
Basel III CET1 ratio (%)	22,7%	25,6%	-	-
Basel III total equity ratio (%)	23,0%	25,6%	-	-
Liquidity coverage ratio (%)	153,9%	173,0%	-	-
Leverage ratio (%)	7,4%	6,3%	-	-
Assets under management (in millions of CHF)				
Total assets under management (includes double reporting)	173'364	127'620	45'744	35,8
<i>double reporting</i>	<i>12'980</i>	<i>6'910</i>	<i>6'070</i>	<i>87,8</i>
<i>+/- net inflow/outflow of fresh funds</i>	<i>(2'405)</i>	<i>(4'040)</i>	<i>1'635</i>	<i>-</i>
Group personnel (number of employees)				
Average number of employees	2'620	1'857	763	41,1
- in Switzerland	825	850	(25)	(2,9)
- abroad	1'795	1'007	788	78,3
Total number of employees at year-end	2'593	1'876	717	38,2
Number of employees at year-end, converted into full-time jobs	2'537	1'825	712	39,0

¹⁾ Including Group net income after payment of the parent company dividend and minority interests.

Report of the Board of Directors

to the shareholders on the consolidated accounts of Edmond de Rothschild (Suisse) S.A. at the General Meeting

Mesdames et Messieurs les actionnaires,

Despite geopolitical tensions, Brexit negotiations and the trade war between China and America, all of the asset classes gained value in 2019. The markets benefited from the change of stance by central banks, which resumed their accommodating monetary policies to curb the economic slowdown. Nevertheless, the 20% to 30% surge on the leading stock exchanges is more related to the fall in interest rates and inflation in valuations than mixed company results.

This did not necessarily prompt investors to return to the stock market, where volumes declined, and customers have remained fairly defensive in a climate of negative rates.

In this complex and increasingly competitive environment, the Group strove throughout 2019 to develop its conviction-driven investment house model and to continue its strategy of a group rooted in the real economy, long-term active management and impact investing.

In 2019, Edmond de Rothschild pursued its commercial strategy of focusing on the most relevant market segments by maintaining its organic growth focused on a targeted number of priority clients and markets.

During the first half of 2019, Edmond de Rothschild conducted significant transactions to become an entirely family-owned group.

Following the voluntary public acquisition offer for all bearer shares in Edmond de Rothschild (Suisse) S.A., the total holding of Edmond de Rothschild Holding SA (and persons acting in concert with it) represents 99.86% of the voting rights and 99.68% of the share capital of Edmond de Rothschild (Suisse) S.A.

The withdrawal from listings became effective on 26 August last year. The withdrawal from listings operation will be finalised after the next and final operation, through the request to cancel all of the bearer shares held by the public in return for the payment to shareholders of cash compensation equal to the public acquisition offer (squeeze-out procedure).

Edmond de Rothschild (Suisse) S.A. becomes the bridgehead for the banking activities of the Edmond de Rothschild Group with the transfer of 100% of the holding of Edmond

de Rothschild (France), conducted in August 2019, within its business scope.

All of these transactions, which are designed to create a solid and unified entity, reflect the family's commitment and confidence in the group's future.

We are continuing to adapt to the shift in our clients' expectations towards more authenticity, relevant content and solutions that meet their needs. We have made preparations for this in recent years by modernising our organisation, tools and content in order to serve our clients more effectively. We are continuing to bolster our positioning in themes to offer our clients investment solutions that reach beyond financial performance and are rooted in the real economy.

In this context, the Asset Management division made progress in several significant areas during the year.

Several organisational changes took place in Asset Management: Christophe Caspar was named the head of Asset Management and Benjamin Melman was appointed Global Chief Investment Officer.

There were also several new arrivals in the management team to expand the management capabilities, including analysts specialising in certain market segments.

Alain Krief joined the Edmond de Rothschild Group to lead the fixed income team. Mikaël Dauvert, convertible bonds manager, and Kévin Net, in the international equities division, also joined us.

The liquid asset class management division was structured as four units: sovereign assets and debt allocation, equities management, fixed income and the SRI unit, along with a cross-functional approach spanning all of the asset classes; this is aligned with the strong commitment to this area, which began in 2007.

The Group has announced SRI labelling for the first French international convertible bond fund. In 2020, we will also be extending the ESG (Environment, Social and Governance) criteria to several of our existing funds in order to meet our clients' growing expectations.

To extend our range in a controlled manner, we continued innovating by developing a delegated management platform that will be rolled out in the coming months and years.

The Real Assets (Private Equity, Real Estate, Infrastructure) unit continued to grow, reaching over CHF 16 billion in assets under management at the end of 2019.

In addition, three of the Group's subsidiaries specialising in real estate were placed under a single management team and a single brand, Edmond de Rothschild REIM. In the current environment, real estate continues to be an asset popular with private clients. Our Real Estate Investment platform has over CHF 11 billion in assets under management and 170 dedicated professionals.

We also continued to consolidate our private equity expertise around strong ideas, namely impact investing and searching for niche and visionary strategies.

Our innovative private equity strategies aim to achieve performance while also having a positive social, economic and environmental impact in such varied areas as remediating brownfield sites in Europe, converting crops to agroforestry, investing in growth businesses in Africa and water treatment.

We now have 12 private equity strategies, with nearly 95% of outstandings managed in accordance with responsible investment principles. The goal is to achieve 100% by 2021.

With the last round of Bridge fundraising, our infrastructure debt platform surpassed CHF 2.6 billion in 2019. This enabled us to invest in green infrastructures in Europe and support the development of innovative energies, notably by co-financing the construction of a biomass plant in the UK.

All of these activities also benefit the commercial clout of the Asset Management teams so that they can be actively offered to all our clients.

This drive to adopt a cross-functional approach enables us to create gateways between our various areas of expertise and pool specific skills.

We need to adapt to the shift in our clients' expectations towards more authenticity, relevant content and solutions that meet their needs. We have made preparations for this in recent years by modernising our organisation.

In Private Banking, we welcomed Michel Longhini as head of the Group's Private Bank in 2019.

The Group carried out fundamental work on all of its systems. The goal is to reconcile compliance with regulation and excellence in the client relationship – a genuine trademark.

The main achievements include automating the various stages linked to investment services (order placement, mandatory tests, sending additional information). Furthermore, each client is assisted with each change to the services offered to them in this regulatory environment.

We also created a Wealth Solutions unit at a Group level, which aims to strengthen the range of advice and solutions we provide to our private clients.

The goal is to offer our private clients solutions in wealth engineering, investment opportunity search and distribution, and financing convictions in Real Estate and Private Equity, as well as specialised advice and monitoring of dedicated projects.

France

Commercial activity remained strong throughout France. Our Edmond de Rothschild (France) subsidiary posted exceptional net inflows of nearly CHF 1.5 billion in 2019.

Entrepreneurs are one of the main sources of growth in France for the Bank. The Edmond de Rothschild offering, which draws on a range of expertise aimed at SMEs and their directors (consulting, mergers and acquisitions, financial and wealth engineering, private equity), perfectly meets their needs.

The synergy efforts pursued together with the corporate finance team also make it possible to provide adapted responses in transfer, capital increases and external growth. In 2019, Edmond de Rothschild Corporate Finance conducted 33 transactions, thereby illustrating the accelerating growth in business, the escalation of the Lyon team that joined Edmond de Rothschild in 2019 and the work on internal organisation carried out in recent years. The year was characterised by a strong performance at the three cornerstones of the Corporate Finance business, namely M&A, real estate consulting and financing advisory.

Monaco

Our Edmond de Rothschild (Monaco) subsidiary achieved very good results in 2019. The strong sales performance and additions to the teams enabled nearly 9% growth in average assets over the period.

Luxembourg

Edmond de Rothschild (Europe), our subsidiary in Luxembourg, is continuing a growth strategy at its various branches. It continued to expand in private banking in Belgium, with the arrival of a new CEO, in Spain and in Portugal, where the front office teams were bolstered, signalling the Group's intention to expand in this region of Europe.

Israel

The results presented below include the private banking and asset management businesses of Edmond de Rothschild (Israel) Ltd. This entity has roughly fifty employees. With CHF 2.2 billion in assets under management, our Israeli platform is active in both private banking and asset management.

Results

Consolidated financial statements

In this eventful context, client assets reached CHF 173 billion at the end of the year, including the scope effect linked to the integration of Edmond de Rothschild (France) activities. In this new scope, the 3% growth in assets relative to the level at the end of 2018 is primarily due to the markets' good performance over the year, despite foreign exchange movements.

The Group also saw an outflow of CHF 2.4 billion, primarily due to customer withdrawals in the equities and overlay ranges. These asset classes have been particularly affected, with CHF -1.8 billion and CHF -1.5 billion respectively in outflows in 2019. This was partially absorbed by the rise in assets invested in real estate (Private Equity, Real Estate and Infrastructure), as well as the growth in private client assets.

At CHF 784 million, consolidated revenue advanced over 13%, including the integration of Edmond de Rothschild (France) (-4% like for like). This level of income reflects the positive environment of asset-liability management, linked to the growth of credit business and the significant results from the distribution of holdings in the Private Equity business, the success of our link-ups (particularly in asset management) and more pronounced aversion to risk among our clients.

Net interest income fell by CHF 26 million compared with the previous year. This change, which includes the integration of Edmond de Rothschild (France), is due in particular to low interest rates and the higher interest expense on deposits at other banks.

Fee and commission income grew by 20% to CHF 590 million from CHF 490 million in 2018. Although the integration of the Edmond de Rothschild (France) business contributed to this, the real estate and private equity businesses posted significant growth.

Income from trading advanced by nearly CHF 29 million compared with the previous year. It reached CHF 138 million, versus CHF 110 million in 2018, driven by strong business in Monaco and the integration of EdR France.

Other ordinary income reached nearly CHF 33 million, down 27% compared with the previous reporting year, due in particular to the depreciation of shares in private equity funds.

The gross profit margin advanced from 51 bps to 52 bps (51 like for like in 2019), reflecting the market constraints.

At CHF 653 million, operating expenses rose by around 14% over the year, due in particular to the integration of Edmond de Rothschild (France) activities.

Like for like, expenses are under control and fell by nearly 5%: this trend includes a combined fall in personnel costs (-3.5%) and other operating expenses (-7%).

EBITDA advanced 9% to CHF 131 million, versus CHF 119.9 million in 2018 (+1.5% like for like).

Value adjustments on holdings and write-downs on fixed and intangible assets totalled CHF 89 million, up CHF 47.1 million, due to the integration of Edmond de Rothschild (France) activities into the scope of business.

Changes in the level of provisions, other valuation adjustments and losses came to CHF 6.6 million, against CHF 15.9 million in 2018. The value adjustments primarily incorporate operating losses at Edmond de Rothschild (Suisse) S.A., Edmond de Rothschild (Europe) and Edmond de Rothschild (Monaco).

Operating profit

The foregoing items resulted in operating income of CHF 35.4 million, versus CHF 62.1 million during the previous reporting year.

Extraordinary income totalled CHF 4.9 million, mainly comprised of a tax reimbursement on a real estate gain in Switzerland. Extraordinary expenses totalled CHF 13.9 million, due in particular to additional VAT taxation in Israel.

The variation in reserves for general banking risk provisions amounted to CHF 27 million in 2019, compared to CHF 9.8 million in 2018.

Taxes totalled CHF 9.6 million, compared with CHF 59.4 million in 2018, linked to the high level of extraordinary income during the previous reporting year.

The foregoing items (after taking account of minority interests) led to consolidated net income of CHF 43.9 million, versus CHF 221.7 million in 2018, linked to the high level of exceptional income in 2018.

Balance sheet review

The balance sheet total of the Edmond de Rothschild (Suisse) S.A. Group stood at CHF 17.4 billion, compared with CHF 15.2 billion as at 31 December 2018. This increase is linked to the integration of Edmond de Rothschild (France) activities.

Current assets including cash, bank deposits, claims arising from securities financing, loans to customers, mortgage bills and claims arising from securities and precious metals trading totalled CHF 14.9 billion, down 13% compared with the year-earlier level.

Positive replacement values of derivative instruments totalled CHF 82 million versus CHF 78 million in 2018.

Financial investments amounted to CHF 1.608 billion, a 6% increase compared with CHF 1.518 billion in 2018.

Adjustment accounts amounted to CHF 261 million, as against CHF 174 million in 2018.

On the liabilities side, sums due to banks and customers amounted to CHF 14.6 million, compared with CHF 13.4 billion in 2018. They accounted for 84.0% of the balance sheet total.

Reserves for general banking risks fell 12% compared with the previous reporting year, amounting to CHF 205 million versus CHF 232 million in 2018.

Prior to the dividend payment, the shareholders' equity of the Edmond de Rothschild (Suisse) S.A. Group stood at CHF 1.6 billion, accounting for 9.3% of the balance sheet total.

Capital ratio

The Edmond de Rothschild (Suisse) S.A. Group continues to boast a healthy balance sheet. This, combined with conservative risk management, resulted in a consolidated capital ratio of 23% as of end-December 2019, well above the 12% legal minimum. Surplus shareholders' equity amounted to over CHF 650 million.

Outlook for 2020

In 2020, the markets are not expected to see as high an influx of liquidity as in 2019. They will be less protected and more left to their own devices, as shown by the jolts caused by the Covid-19 epidemic during the initial weeks of 2020.

According to forecast models from our economic research team, growth could slow to 1.6% in the US, stabilise at 1% in the eurozone and advance just 6% in China. Meanwhile, our investment teams believe that pressure on companies' margins will limit the increase in profits and therefore constrict the performance of the equities markets.

In this complex environment, we will continue to develop our conviction-driven investment house model and continue our strategy of a group rooted in the real economy, long-term active management and impact investing. All of these undertaken and initiated projects are aligned with a single strategy of differentiation and adaptation in a changing industry.

Our family shareholder base and solid balance sheet continue to be a major asset, providing us with the stability required to contend with these changes. The pursuit of excellence, the vision of responsible capitalism and a long-term commitment enable us to rise to the challenges of 2020 and turn them into opportunities to create value for the benefit of our clients.

The Board of Directors



Report of the statutory auditor

to the General Meeting of Edmond de Rothschild (Suisse) S.A., Geneva

Report on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Edmond de Rothschild (Suisse) SA, which comprise the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and notes (pages 51 to 91) for the year ended 31 December 2019.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with accounting rules for banks and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating 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.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2019 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with accounting rules for banks and comply with Swiss law.

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PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (art. 728 CO and art. 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with art. 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Christophe Kratzer

Audit expert
Auditor in charge

Julien Baer

Audit expert

Geneva, 31 March 2020

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Balance sheet

consolidated as of 31 December 2019 (in thousands of CHF)

	Notes	2019	2018	Change	Change %
Assets					
Cash and other liquid assets	19	8'366'102	7'111'060	1'255'042	17,6
Due from banks	19	1'274'322	1'684'773	(410'451)	(24,4)
Claims arising from securities financing	1,19	54'270	611'020	(556'750)	(91,1)
Due from customers	2,19	3'991'770	2'820'068	1'171'702	41,5
Mortgage claims	2,19	1'161'106	884'271	276'835	31,3
Trading book	3,19	17'333	15'568	1'765	11,3
Positive replacement value of derivative instruments	4,19	81'628	77'678	3'950	5,1
Financial investments	5,19	1'608'307	1'517'880	90'427	6,0
Accrued income and prepaid expenses		261'234	174'052	87'182	50,1
Non-consolidated holdings	6,7	14'492	6'126	8'366	136,6
Tangible assets	8	316'420	165'896	150'524	90,7
Intangible assets	9	167'510	42'373	125'137	295,3
Other assets	10	69'069	52'421	16'648	31,8
Total assets	11,20,21,23	17'383'563	15'163'186	2'220'377	14,6
Total subordinated claims		412	3'383	(2'971)	(87,8)
<i>with an obligation to convert and/or abandon the right</i>		-	-	-	-

Balance sheet

consolidated as of 31 December 2019 (in thousands of CHF)

	Notes	2019	2018	Change	Change %
Liabilities					
Due to banks	19	986'185	867'441	118'744	13,7
Due on client deposits	19	13'641'622	12'519'207	1'122'415	9,0
Negative replacement value of derivative instruments	4,19	114'202	71'991	42'211	58,6
Loans from central mortgage bond issuers	14	500'188	1'355	498'833	36'814,2
Accrued income and prepaid expenses		340'110	305'028	35'082	11,5
Other liabilities	10	130'987	53'418	77'569	145,2
Provisions	15	67'171	53'511	13'660	25,5
Reserves for general banking risks		204'529	231'556	(27'027)	(11,7)
Share capital	16	58'694	45'000	13'694	30,4
Additional paid-in capital		504'816	88'030	416'786	473,5
Retained earnings		935'835	945'829	(9'994)	(1,1)
Currency reserve		(154'897)	(136'232)	(18'665)	13,7
Own capital stakes		(8'760)	(151'813)	143'053	(94,2)
Minority interests in own capital		18'960	47'126	(28'166)	(59,8)
Consolidated profit		43'921	221'739	(177'818)	(80,2)
<i>minority interests' share in consolidated income</i>		7'698	17'049	(9'351)	(54,8)
Total Group capital and reserves		1'603'098	1'291'235	311'863	24,2
Total liabilities	20,23	17'383'563	15'163'186	2'220'377	14,6
Total subordinated liabilities		22'793	-	22'793	-
<i>with an obligation to convert and/or abandon the right</i>		-	-	-	-

Off-balance sheet transactions

Contingent liabilities	2,24	206'776	180'945	25'831	14,3
Irrevocable liabilities	2	725'045	175'067	549'978	314,2
Liabilities to release/make additional payments		364'608	255'254	109'354	42,8

Profit and loss account

consolidated for the year ended 31 December 2019 (in thousands of CHF)

	Notes	2019	2018	Change	Change %
Interest and discount income		51'256	56'251	(4'995)	(8,9)
Interest and dividend income on trading portfolios		16	207	(191)	(92,3)
Interest and dividend income on financial investments		24'142	17'315	6'827	39,4
Interest payable		(52'150)	(24'729)	(27'421)	110,9
Interest income, gross		23'264	49'044	(25'780)	(52,6)
Changes to valuation adjustments for risks of default and losses relating to interest transactions		(101)	112	(213)	-
Interest income, net		23'163	49'156	(25'993)	(52,9)
Commission income on securities and investment activities		707'403	665'587	41'816	6,3
Commission income on lending activities		3'741	1'734	2'007	115,7
Commission income on other services		42'857	19'136	23'721	124,0
Commissions payable		(164'333)	(196'164)	31'831	(16,2)
Fee and commission income, net		589'668	490'293	99'375	20,3
Results of trading operations and statements of fair value	28	138'139	109'535	28'604	26,1
Proceeds from the sale of financial investments		22'546	23'033	(487)	(2,1)
Income from holdings		13'158	12'474	684	5,5
<i>holdings reported using the equity method</i>		<i>5'967</i>	<i>6'116</i>	<i>(149)</i>	<i>(2,4)</i>
<i>other non-consolidated holdings</i>		<i>7'191</i>	<i>6'358</i>	<i>833</i>	<i>13,1</i>
Proceeds from real estate		227	121	106	87,6
Other ordinary income		16'248	12'795	3'453	27,0
Other ordinary expenses		(18'936)	(2'969)	(15'967)	537,8
Other ordinary results		33'243	45'454	(12'211)	(26,9)
Personnel expenses	30	(438'888)	(383'670)	(55'218)	14,4
Other operating expenses	31	(214'293)	(190'871)	(23'422)	12,3
Operating expenses		(653'181)	(574'541)	(78'640)	13,7
Value adjustments on holdings and write-downs on fixed and intangible assets	34	(89'005)	(41'868)	(47'137)	112,6
Changes to provisions, other value adjustments and losses	32	(6'591)	(15'887)	9'296	(58,5)
Operating income		35'436	62'142	(26'706)	(43,0)
Extraordinary income	33	4'912	209'716	(204'804)	(97,7)
Extraordinary expenses	33	(13'848)	(517)	(13'331)	-
Changes to reserves for general banking risks	33	27'027	9'783	17'244	176,3
Taxes	36	(9'606)	(59'385)	49'779	(83,8)
Consolidated profit	35	43'921	221'739	(177'818)	(80,2)
<i>minority interests' share in consolidated income</i>		<i>7'698</i>	<i>17'049</i>	<i>(9'351)</i>	<i>(54,8)</i>

Statement of changes in equity

as of 31 December 2019 (in thousands of CHF)

	Share capital	Additional paid-in capital	Retained earnings	Reserves for general banking risks	Currency reserve	Own capital stakes	Minority interests	Result for the financial year	Total
Shareholders' equity at 1 January 2019	45'000	88'030	945'829	231'556	(136'232)	(151'813)	47'126	221'739	1'291'235
Employee incentive plan / allocations to reserves	-	-	-	-	-	-	-	-	-
Capital increase/decrease	13'694	524'805	-	-	-	-	-	-	538'499
Other contributions / injections	-	19'734	-	-	-	-	-	-	19'734
Purchase of own capital stakes	-	-	-	-	-	-	-	-	-
Sale of own capital stakes	-	(125'400)	-	-	-	143'053	-	-	17'653
Profit / (loss) on sale of own capital stakes	-	(2'353)	-	-	-	-	-	-	(2'353)
Forex differences	-	-	-	-	(18'665)	-	9'005	-	(9'660)
Dividends	-	-	(220'050)	-	-	-	(5'900)	-	(225'950)
Other distributions	-	-	204'690	-	-	-	17'049	(221'739)	-
Allocations to/releases from reserves for general banking risks	-	-	-	(27'027)	-	-	-	-	(27'027)
Other allocations / (releases) affecting other reserves	-	-	5'366	-	-	-	(48'320)	-	(42'954)
Consolidated net income	-	-	-	-	-	-	-	43'921	43'921
Shareholders' equity at 31 December 2019	58'694	504'816	935'835	204'529	(154'897)	(8'760)	18'960	43'921	1'603'098

The "dividends" entry also includes dividends paid by subsidiaries to their minority shareholders, whereas the "other distributions" entry represents the allocation of earnings before dividend distributions.

Cash flow statement

consolidated as of 31 December 2019 (in thousands of CHF)

	2019			2018		
	Source of funds	Application of funds	Balance	Source of funds	Application of funds	Balance
Operating cash flow (internal financing):						
Consolidated net income	43'921	-		221'739	-	
Reserves for general banking risks	-	27'027		-	9'784	
Value adjustments on holdings and write-downs on fixed and intangible assets	89'005	-		41'802	-	
Provisions and other value adjustments	53'606	39'946		-	13'479	
Changes to valuation adjustments for risks of default and losses	1'561	1'108		22'391	-	
Asset-side limits	-	103'830		15'966	-	
Liability-side limits	112'651	-		27'195	-	
Previous year's dividend	-	220'050		-	75'150	
Balance	300'744	391'961	(91'217)	329'093	98'413	230'681
Net cash used in/provided by transactions involving shareholders' equity:						
Share capital	13'694	-		-	-	
Booked through reserves	466'291	-		-	25'704	
Change in treasury stock	162'787	127'753		14'636	129'200	
Balance	642'772	127'753	515'019	14'636	154'904	(140'268)
Cash flow arising from changes to holdings, fixed assets and intangible assets:						
Non-consolidated holdings *	3'679	13'021		71'848	848	
Buildings	-	122'005		98'278	-	
Other fixed assets	-	74'093		9'700	50'402	
Intangible assets	-	172'594		-	6'967	
Forex differences	5'000	-		3'028	-	
Balance	8'679	381'713	(373'034)	182'854	58'217	124'637

	2019			2018		
	Source of funds	Application of funds	Balance	Source of funds	Application of funds	Balance
Net cash used in/provided by banking activities:						
Medium – and long-term transactions (> 1 yr):						
Due to banks	-	925		532	-	
Due on client deposits	45'199	-		-	-	
Due from banks	279'859	-		-	-	
Claims arising from securities financing	-	6'073		28'768	-	
Due from customers	-	71'392		2'904	-	
Mortgage claims	-	598'692		-	44'120	
Financial investments	-	395'435		278'669	-	
Short-term transactions:						
Due to banks	119'669	-		-	181'264	
Claims arising from securities financing	-	-		-	-	
Due on client deposits	1'077'217	-		-	634'056	
Negative replacement value of derivative instruments	42'211	-		-	73'651	
Loans from central mortgage bond issuers	218'974	-		1'355	-	
Due from banks	416'524	-		207'182	-	
Claims arising from securities financing	556'750	-		209'321	-	
Due from customers	-	1'100'763		116'414	-	
Mortgage claims	321'857	-		-	76'340	
Trading book	-	1'765		-	1'612	
Positive replacement value of derivative instruments	-	3'950		30'481	-	
Financial investments	305'008	-		-	252'627	
Balance	3'383'268	2'178'994	1'204'274	875'626	1'263'670	(388'044)
Cash situation:						
Cash and other liquid assets	-	1'255'042		172'995	-	
Balance	-	1'255'042	(1'255'042)	172'995	-	172'995
Total cash flows	4'335'463	4'335'463		1'575'204	1'575'204	

Notes to the consolidated financial statements

Name and legal form of the Group

Group companies

The consolidated financial statements of the Edmond de Rothschild (Suisse) Group (hereinafter the “Group”) include the financial statements of the major companies operating in the banking and financial sector, as well as the real estate companies in which Edmond de Rothschild (Suisse) S.A, the headquarters of which are in Geneva, holds, directly or indirectly, a majority interest (for details of the companies concerned, refer to pages 71 to 74).

The legal organisation of Edmond de Rothschild (Suisse) S.A. reached an important stage in its execution on 7 August last year. On that date, Edmond de Rothschild (Suisse) S.A. became the sole shareholder of Edmond de Rothschild (France) as a result of Edmond de Rothschild S.A. tendering all of the shares it held in Edmond de Rothschild (France) to Edmond de Rothschild (Suisse) S.A. in the amount of CHF 542.3 million. In return, Edmond de Rothschild S.A. received 34,987 new unlisted registered shares in Edmond de Rothschild (Suisse) S.A. with a par value of CHF 500 each, which were issued through an ordinary increase in the share capital of Edmond de Rothschild (Suisse) S.A. at a price of CHF 15,500 per new share.

Converted to full-time jobs, the number of staff employed by the Edmond de Rothschild (Suisse) Group stood at 2,537 at the end of the year versus 1,825 a year earlier.

Changes to the scope of consolidation

Companies consolidated during the reporting period:

- › Amethis Advisory East Africa Limited, Nairobi (equity method)
- › Boscalt Hospitality Fund GP S.à.r.l., Luxembourg
- › Bridge Management Sàrl, Luxembourg
- › CFSH Luxembourg Sàrl, Luxembourg
- › CFSH Secondary Opportunities SA, SICAR, Luxembourg
- › Cleaveland SAS, Paris
- › Cording Management Company, Luxembourg
- › CURI Albion Street GP LLP, London
- › CURI Kent Street Birmingham GP LLP, London
- › Edmond de Rothschild (France), Paris
- › Edmond de Rothschild Asset Management (France), Paris
- › Edmond de Rothschild Asset Management (Hong Kong) Ltd., Hong Kong
- › Edmond de Rothschild Assurances et Conseils (France), Paris
- › Edmond de Rothschild Boulevard Buildings Ltd, Tel Aviv
- › Edmond de Rothschild Corporate Finance, Paris
- › Edmond de Rothschild Euroopportunities Invest II Sàrl, Luxembourg

- › Edmond de Rothschild Euroopportunities Invest Sàrl, Luxembourg
- › Edmond de Rothschild Euroopportunities Management II Sàrl, Luxembourg
- › Edmond de Rothschild Euroopportunities Management Sàrl, Luxembourg
- › Edmond de Rothschild Hospitality Partners S.à.r.l., Luxembourg
- › Edmond de Rothschild Investment Partners China Sàrl, Luxembourg
- › Edmond de Rothschild Private Equity (France), Paris
- › Edmond de Rothschild Securities (Hong Kong) Limited, Hong Kong
- › EdR Real Estate (Eastern Europe) Cie Sàrl, Luxembourg
- › EdR Real Estate (Eastern Europe) Management Sàrl, Luxembourg
- › Edritech Advisors Ltd., Tel Aviv (equity method)
- › Edritech Ltd, Cayman Islands
- › ERAAM SAS, Paris (equity method)
- › Financière Boréale, Paris
- › Ginkgo Advisor Limited, London (equity method)
- › Kennet V Management (Luxembourg) S.à.r.l., Luxembourg (equity method)
- › LCFR UK PEP Limited, London
- › Moringa Management S.à.r.l., Luxembourg
- › Saffron Court Apartments GP LLP, London
- › SAS EdR Immo Magnum, Paris
- › SICIT – Sociedade de Investimentos e Consultoria em Infra-estruturas de Transportes SA, Lisboa (equity method)
- › Trajan Investment Advisor SAS, Paris (equity method)
- › Zhonghai Fund Management Company, Shanghai (equity method)

The following companies were deconsolidated during the reporting period:

- Edmond de Rothschild Securities (UK) Limited, London
- Teka Investment SA, Luxembourg

Liquidation in progress:

- Iberian Renewable Energies GP S.à r.l., Luxembourg

Consolidation methods

Full consolidation method

The financial statements of all companies within the Group are fully consolidated.

All assets and liabilities, as well as expenses and income of Group companies, are fully integrated (line-by-line).

Intercompany balance sheet items and profit and loss transactions between consolidated Group companies are set off against each other.

Off-balance sheet items are also fully consolidated and set off when they relate to intercompany transactions within the Group.

Dividends are eliminated through reserves. The entitlement of third-party shareholders (minority interests) to equity and net income is disclosed separately.

Capital consolidation

The capital invested in the Group's banks and investment, asset management and real estate companies is consolidated in accordance with the purchase method.

The positive or negative differences arising from the first consolidation are disclosed under "Intangible assets" and "Extraordinary income" respectively.

The value of the Bank's treasury stock, or own shares, is deducted from capital and reserves at the shares' cost price. Dividends and the proceeds of subsequent sales are directly allocated to "Additional paid-in capital and other reserves".

Holdings accounted for using the equity method

Associated companies in which the Group owns a 20% to 50% interest are consolidated using the equity method; the value shown under "Holdings" represents the Group's share in the equity and net income of these entities, rather than the value of the shares under our control.

This concerns EdR Nikko Cordial (50%), L.C.H. Investment NV (44%), Ginkgo Advisor S.à r.l. (49%), Amethis Advisory SAS (49%), TIIC Advisor SAS (49%), Amethis North Africa S.à r.l. (49%), Amethis Investment Fund Manager S.A. (49%), PEARL Advisory SAS (49%), FORE Advisors LLP (32%),

GP Limited (32%), FORE Grampian Limited (32%), SICIT, – Sociedade de Investimentos e Consultoria em Infra-estruturas de Transportes SA, Lisboa (44%), Ginkgo Advisor Limited, London (49%), Amethis Advisory East Africa Limited, Nairobi (49%), Trajan Investment Advisor SAS, Paris (49%), Edritech Advisors Ltd., Tel Aviv (49%), Kennet V Management FORE Cascade Scotland LP (32%), FORE Cascade Scotland II LP (32%), FORE Cascade Scotland III LP (40%), FORE Sierra (Luxembourg) S.à.r.l. (51%) and ERAAM SAS, Paris (34%).

If initial equity method reporting shows that the purchase cost exceeds net assets, the difference considered as goodwill is stated on the asset side under "Intangible assets". In the opposite case the bad-will is included in "Extraordinary income".

Equity stakes accounted for under the equity method are shown under "Non-consolidated holdings".

The Group's share in the profits of companies consolidated using the equity method is presented as a separate item in the consolidated profit and loss account.

Other holdings

Majority interests of lesser impact or whose sale is envisaged, as well as other stakes of less than 50%, are disclosed under "Non-consolidated holdings".

Newly acquired companies

As a rule, newly acquired companies are included in the consolidated financial statements in the year of their acquisition.

Closing date for consolidated accounts

The consolidated companies all end their financial year on 31 December.

Accounting and valuation principles

The consolidated financial statements of the Edmond de Rothschild (Suisse) group have been prepared in accordance with the provisions of the Swiss Banking Act, its implementing ordinance, the Accounting rules for banks, securities dealers, financial groups and conglomerates stated in Circular 15/1 of the Swiss Financial Market Supervisory Authority (FINMA) and the provisions on drawing up financial statements in the Listing Rules of SIX Swiss Exchange.

The financial statements provide a true picture of the Group's assets, financial situation and earnings.

Changes to the valuation and presentation principles

There were no changes to the valuation and presentation principles for the 2018 financial year.

For comparison purposes, 2017 figures have been reclassified between "Due from customers" and "Mortgage claims".

General valuation policies

The items presented in the balance sheet are valued individually. No use is made of the transitory provision that defers implementation to 1 January 2020 at the latest of individual evaluations applicable to holdings, tangible fixed assets and intangible assets.

Transaction bookings and balance sheet reporting

The balance sheet and profit and loss statement have been drawn up on the basis of settlement dates.

Translation of financial statements in foreign currency

Transactions in foreign currency are reported at the exchange rate applicable on the date of the relevant transaction. Profits and losses arising from the settlement of these transactions are reported in the profit and loss account, along with profits and losses arising from the conversion at the exchange rate on the balance sheet date of claims and liabilities on money market placements denominated in foreign currency.

The balance sheets of fully consolidated companies expressed in foreign currency are translated into Swiss francs at the year-end exchange rate, except for shareholders' equity which is translated at historical rates.

The profit and loss accounts of Group companies are translated at yearly average exchange rates.

In the case of foreign companies consolidated using the equity method, the year-end market rate is applied to the Group's share of equity expressed in foreign currency. The Group's share of the net income of these affiliated companies is translated at the annual average exchange rate.

Translation differences resulting from full consolidation and from the equity method are reported as shareholders' equity in "Forex reserves".

The exchange rates used to convert sums in foreign currency are as follows:

	2019		2018	
	Closing rate	Annual average rate	Closing rate	Annual average rate
Major currencies				
EUR	1,0854	1,1124	1,1269	1,1530
USD	0,9662	0,9920	0,9842	0,9769
GBP	1,2757	1,2687	1,2598	1,3015

Liquidity and other assets deposited with central banks

Liquid assets and deposits with central banks are stated at their face value.

Securities financing transactions

The fees earned or paid as a result of securities lending are reported as per the duration of the loan and appear respectively as interest income or interest charges. Repos and reverse repos are used to finance and refinance the purchase of special kinds of equities. They are stated as loans secured by financial instruments or as deposits secured by shares from the Bank's treasury stock. The interest income arising from reverse repos and the interest charges arising from repos are reported as per the duration of the relevant transactions.

Due from banks, due from customers and mortgage claims

Amounts due from banks, debit balances on current account, advances and fixed-term loans and mortgage claims are stated at their face value less valuation adjustments dictated by the circumstances.

Delinquent claims, i.e. claims for which the borrower is unlikely to honour his future commitments, are evaluated on an individual basis and the resulting depreciation is covered by itemised valuation adjustments. Off-balance sheet transactions, primarily involving contingent liabilities, guarantees and derivative instruments, are also included in this review and a provision would be allocated if necessary.

Statement of overdue interest

Interest (including accrued interest) and corresponding commissions deemed overdue must not be considered as income. Interest and commissions due for more than 90 days but unpaid are considered overdue (overdue claims).

Overdue interest must be determined in accordance with the gross principle. Value adjustments concerning interest that became free during another reference period are recorded under the profit and loss statement heading "Changes to valuation adjustments for risks of default and losses relating to interest transactions".

Non-performing loans and overdue interest do not appear in the profit and loss statement, but are reported instead in "valuation adjustments for risks of default and losses relating to interest transactions".

Trading operations and liabilities resulting from trading operations

Equities, bonds, precious metals, funds and derivative instruments that are not acquired for long-term investment purposes are included under "Trading operations". The positions are valued at the fair value on the balance sheet date. Securities without regular markets are valued at the acquisition price, minus necessary write-downs (lowest value principle).

Income from interest and dividends from portfolios intended for trading is recognised under "Results of trading operations and statements of fair value". The cost of refinancing trading portfolios is directly offset under "Results of trading operations and statements of fair value". Unrealised income stemming from the valuation, as well as realised income, are included under "Results of trading operations and statements of fair value".

Positive and negative replacement value of derivative instruments

Derivative instruments are reported at their fair value. The positive and negative replacement values represent the Bank's claims and obligations respectively, should the Bank enter into contracts identical to the initial ones with other counterparties. Variations in the positive and negative replacement values are shown in the profit and loss account under "Results of trading operations and statements of fair value". The fair value is either the market price (if the instrument is traded on an efficient, liquid market), the price quoted by market makers or the price determined using valuation models.

In certain cases, the Group uses derivative instruments, mainly to manage interest-rate and currency risk exposure. In doing so, it primarily buys interest-rate swaps, conducts forward currency transactions or deals in currency options. These transactions are booked as micro and macro hedges using hedge accounting principles.

Hedge accounting principles

Hedges are valued according to the same principles as the transactions being hedged.

The results of a hedge are captured under the same heading as the results for the transaction being hedged.

Changes of value are captured in the set-off account provided no change in the value of the transaction being hedged has been booked.

The Group applies hedge accounting when the effects of hedging interest-rate and currency risks are documented, along with the aims and strategies involved, when the transactions are entered into. The effectiveness of hedges is checked periodically.

Hedge transactions that do not fulfil their purpose, or fulfil it only partially, are considered trading operations and treated as such in full or to the extent they exceed the transaction being hedged.

Financial fixed assets

Debt instruments that are intended to be held until maturity are evaluated using the accrual method. Capital gains and losses are calculated for the duration of issues, i.e. until the security expires. Allowance is made for gains and losses resulting from interest transactions conducted prior to maturity or early reimbursements over the residual terms of the transaction, that is, until the initially planned maturity date or repaid early. Value changes are in principle recorded under "Other ordinary expenses" or "Other ordinary income".

In the event of a distribution between value changes linked to risks of default and those stemming from market conditions, the proportion of changes concerning the risk of default is recorded under "Changes in valuation adjustments for default risks and losses in interest-related business".

Debt instruments that are not intended to be held until maturity and equity interests are recorded at their acquisition price or the market value on the balance sheet date, whichever is lower.

Precious metals held to set off commitments towards clients are stated at the market price on the balance sheet date.

Non-consolidated holdings

Equity stakes are evaluated at their acquisition price less any write-offs to allow for long-term capital losses.

Fixed assets

Investments in new fixed assets which are to be used for more than one financial year and exceed the balance-sheet reporting threshold are stated at their purchase value. Investments in existing fixed assets are reported as assets if their market or usage value increases for an extended period or if their useful life increases significantly.

Fixed assets are reported in subsequent years at their purchase value less accumulated depreciation. They are written down according to a predetermined schedule throughout their useful life, and the correctness of their value is reviewed each year. If this assessment reveals a change in an asset's projected useful life or a decrease in its actual worth, the residual book value is either amortised as per the new schedule or written down accordingly at the end of the reporting period. Planned and additional unplanned write-downs are stated as expenses under "Depreciation of fixed assets" in the profit and loss account under "Value adjustments on holdings and write-downs on fixed and intangible assets". If the reason for a write-down ceases to exist, the relevant asset is re-evaluated.

Land and buildings are amortised on a straight-line basis over their useful life, set at 66 years.

Other fixed assets comprising furniture, software, equipment and fixtures (including renovations) are amortised depending on their nature, over a useful life set at three to seven years.

Realised profits on sales of fixed assets are included in "Extraordinary income" and realised losses in "Extraordinary expenses".

Intangible assets

Goodwill

If the cost of an acquisition exceeds the net value of its assets as assessed according to the Group principles, the difference is considered goodwill and stated in the balance sheet. The differences arising from a company's first-time full consolidation or consolidation at equity are amortised in the profit and loss account on a straight-line basis over a maximum ten-year period.

Other intangible assets

Other intangible assets when acquired are reported in the balance sheet if it is believed that they will provide the Group with financial benefits over a number of years. Other intangible assets created by the Group itself do not appear at their fair value; following their valuation, they are reported in the balance sheet at their purchase price and amortised in the profit and loss account at their residual value over a five-year useful life, and the correctness of their value is reviewed each year. If this assessment reveals a change in an asset's projected useful life or a decrease in its actual worth, the residual book value is either amortised as per the new schedule or written down accordingly at the end of the reporting period.

Provisions

Reflecting the Group's cautious stance, provisions are allocated to all discernible risks of loss. Provisions that become economically unnecessary during the course of a financial year are released and reported under the relevant heading in the profit and loss account.

Deferred taxes mainly relate to temporary changes in reserves for general banking risks. They are calculated based on the average tax rate foreseen at the time the balance sheet is drawn up. Reserves for general banking risks form part of consolidated shareholders' equity.

Reserves for general banking risks

As a precautionary measure the Group allocates reserves for general banking risks to cover the risks associated with banking business that are not neutralised by specific provisions.

These reserves are included in consolidated shareholders' equity.

Taxes

Current taxes on profits and capital are determined on the basis of the financial statements of each individual Group company and charged to the accounting period in which they were incurred.

Latent taxes arising from temporary differences between the taxable and reported values of assets and liabilities are booked as latent taxes in "Provisions" on the liabilities side of the balance sheet.

Own debt and equity securities

Purchases of own shares in Group capital are stated at the purchase price at the time of the trade in “Own shares in capital” and are deducted from shareholders’ equity. The Group makes no subsequent valuations.

If own shares in capital are sold, the resulting profit/loss is included in “Additional capital paid into the reserve” and the Group reduces “Own shares in capital” by the purchase value of the shares that have been sold.

Personnel welfare liabilities

The staff of the parent company and some of its subsidiaries is insured by the Edmond de Rothschild Personnel Welfare Foundation. Its purpose is to protect the staff of its member companies from the economic consequences of old age, disability and death. The Foundation is semi-autonomous and operates as a defined-contributions scheme. Contribution rates increase with age. Employers pay in two thirds of contributions and employees one third.

Each year the Group determines whether it has derived any economic benefits or commitments from personnel welfare plans for Group staff. The difference in relation to the corresponding amount reported the previous year is included in “Personnel expenses” in the profit and loss account.

This annual study is based on contracts, on financial statements bearing a closing date no older than 12 months and drawn up in accordance with GAAP RPC 26 (in the case of Swiss pension funds) and on any other relevant calculations.

The employees of other Group entities belong to personnel welfare funds that also operate on the defined-contributions principle.

Employee participation plans

A series of participation plans has been set up for members of Senior Management and some other employees. The beneficiaries of these plans will be allotted stakes in Edmond de Rothschild Holding in accordance with their seniority, rank and individual performance. The sale of these shares is blocked for a three-year period.

Since remuneration in this case is based on virtual equity instruments, Group debt is revalued at the close of each financial year and adapted through the profit and loss account in “Personnel expenses”.

Other information on the employee participation plans can be found in the Pay Report.

Off-balance sheet transactions

Off-balance sheet transactions are shown at their face value. For foreseeable risks, provisions are allocated in the balance-sheet liabilities.

Risk management

Risk policy

Edmond de Rothschild (Suisse) S.A., Geneva (“the Bank”) and its subsidiaries in Switzerland and abroad (“the Group”) are mainly active in Private Banking and Asset Management. The Group’s operations also include administering investment funds and providing investment advisory services.

As the Group’s parent company, the Bank is responsible for supervising risk control and management throughout the Group.

A joint risk policy drawn up by the Bank and approved by the Board of Directors sets the general guidelines that apply to all the Group entities. Within this framework and in compliance with local regulations, each subsidiary sets up its own risk management system with a view to identifying, mitigating and controlling the risks it is exposed to. Large human and technical resources have been made available for the supervision and organisational structure of the Group’s risk control units. These resources are constantly adapted to take account of regulatory changes and the requirements of the Group’s business.

The Bank’s risk management system is set up as follows:

- › The Board of Directors determines the Group’s risk appetite and the components of risk management, in line with the recommendations made by Edmond de Rothschild Holding SA (referred to below as the “Holding Company”), for the Edmond de Rothschild Group as a whole. Each year, the Board of Directors reviews the risk management framework concept, which incorporates the Risk Policy (in particular, the Risk Appetite and the potential losses that may result from significant risks) and approves the limits of the Bank and of the Group.
- › The Audit & Risk Committee supervises and assesses the operational aspects of risk management. It controls risks periodically by studying reports drawn up regularly or at its request by the Risks and Legal & Compliance functions.
- › The Executive Committee is responsible for implementing procedures designed to identify, analyse, evaluate and monitor all risks incurred by the Bank and the Group. Together with the Risk Committee it oversees implementation of the risk policy laid down by the Board of Directors and ensures that all important information on the status of the aforementioned risks is collected, processed and notified to the designated management and supervisory bodies.

- › The heads of the business lines, functions and departments of the Group entities are responsible for anticipating, preventing and managing the main developments that could affect the attainment of the objectives inherent to their business segments and the underlying operational processes. In particular, they are responsible for establishing an appropriate risk culture and putting in place the appropriate first-level controls in their activities.
- › The Chief Risk Officer ensures that risk management guidelines and methods are transposed into decision-making and operational processes. He monitors risk exposure and compliance with the relevant limits and reports on the risk situation of the Bank and the Group. All the Group entities play a role in the Risks function, which reports regularly on its operations to the Chief Risk Officer of the Group's parent company, Edmond de Rothschild (Suisse) SA.
- › The Bank and its subsidiaries are a subgroup of Edmond de Rothschild Holding SA, which controls the Edmond de Rothschild Group. As parent company of the EdR Group, the Holding is regulated by FINMA on a consolidated basis. To satisfy FINMA's requirements regarding management and control of the risks faced by the Edmond de Rothschild Group, a Risk function has been set up combining the heads of the risk units of all the Edmond de Rothschild Group's entities, who together report to the Group's Chief Risk Officer, and a Legal & Compliance function combining all the heads of legal and compliance of the entities of the Edmond de Rothschild Group, who together report to the Group Chief Legal & Compliance Officer. An operating charter for each of the functions has been established, fixing certain guidelines, including its mission, tasks, responsibilities, organisational structure and reporting process (regular and ad hoc). This plan promotes exchanges and close collaboration between all those involved in these functions.

Appropriate human and technical resources have been made available throughout the Group for the supervision and organisational structure of the Group's risk control units. These resources are constantly adapted to take account of regulatory changes and the requirements of the Group's business.

Interest rate and liquidity risks

Liquidity risk is the risk that the Group might not be able to meet present or future cash-flow or collateral requirements, whether expected or unexpected, without jeopardising its daily operations or financial condition. The interest rate risk resides in the vulnerability of the Group's net worth or net interest margin to an adverse movement in market interest rates.

The Bank and its subsidiaries take a prudent approach to cash management, not only by choosing first-class

counterparties but also by giving preference to overnight and/or short-term deposits. Our emphasis is on safeguarding our commitments to clients, in normal and stress situations alike. We moreover seek to match resources to their use, in terms of both duration and maturities. The tolerated maturity transformation is driven mainly by its credit and short-term cash investment activities in medium/ long-term investment portfolios. Finally, the Bank and the Group scrupulously comply with the liquidity ratios required by the current legal provisions.

The risks attaching to liquidity and interest rate positions/ maturities are gauged by using the most up-to-date balance sheet management techniques and by tracking these items with dedicated software. An Asset and Liability Management (ALM) Committee drafts and oversees the implementation of rules on managing liquidity, interest rate, forex risks and the investment portfolio. It is also responsible for optimising cash management and ensuring structural control of the balance sheet.

Credit risk

This is the risk that a financial counterparty or client with contractual ties to an entity of the Group might default on a loan or on a payment obligation arising from financial instruments.

Banking counterparties

The counterparty banks that the Group deals with are selected rigorously and kept under close scrutiny. Our exposure to them is monitored continuously by a team of controllers, and the limits that we have granted to each are updated periodically or in real time if so required by a deteriorating situation. To minimise the counterparty risk attaching to correspondent banks, we give preference to reverse repo agreements and to depositing cash directly with central banks. All the Group entities use the limits system and monitor the risk of counterparty concentration.

Clients

Credit transactions with clients mainly concern short-term loans backed by securities. Clients who have assets deposited with a Group entity may also be granted a mortgage for the purchase of a primary or secondary residence. Applications for credit facilities are subject to stringent analysis, and the pledged securities are assigned a collateral ratio according to their liquidity, valuation, credit rating and diversification in terms of asset class and geographical spread. Credit-granting powers are set by the Boards of Directors.

Daily monitoring of the client credit risk is handled by a special team that also administers outstanding loans.

Endurance tests or checks on the status of pledges are regularly performed concerning loans to private and institutional clients. The purpose of these tests is to determine the impact that significant downward fluctuations in the stock markets and/or currencies could have on financial collateral pledged by clients to the entity as coverage for their commitments. These tests are performed for all clients concerned and in more detail for the most sensitive cases. The most exposed clients' positions are regularly monitored.

Credit-granting powers are set by the Boards of Directors.

Generally speaking, credit risk is managed and monitored on a daily basis in accordance with the legal provisions, as well as strict internal directives and procedures. Under the guidance of ad hoc committees within the Group's banking entities, specialised teams are assigned to the administrative handling, control and monitoring of transactions.

Financial investments

The Group's financial entities may invest part of their capital and liquid assets in: 1) units of listed Edmond de Rothschild Group investment funds, 2) positions in bonds or similar receivables meeting defined rating or strict eligibility criteria applicable by certain recognised central banks or exchanges, 3) units of Private Equity funds, 4) units of the Group's real estate funds or of the Group or joint property investments in the context of aligning interests with the Group's clients, 5) equity instruments. These investments must be such that they diversify the Group's liquidity across medium/long-term instruments while also garnering regular returns. These investments are subject to specific limits and are chosen by specialist employees of the Bank or sister entities of the Edmond de Rothschild group. The Risks function is responsible for monitoring limits and portfolios. It reports to the ALM and Risk Committees.

Market risk

Market risk is the risk of losses resulting from an unfavourable change in market parameters that negatively impact the positions of the Bank and/or Group.

The Group distinguishes between three categories of market risk:

- › **foreign exchange and precious metals risk**, resulting from an unfavourable change in the price of a currency/precious metals and affecting the Group due to the non-alignment between its assets, liabilities and off-balance sheet commitments denominated in currencies other than the currency of the capital;
- › **trading portfolio risk**, linked to an unfavourable change in the value of securities in the Group's trading portfolio (including derivatives);
- › **interest rate risk** is the risk of losses resulting from an unfavourable movement in interest rates affecting the Group due to the non-alignment between its assets, liabilities and off-balance sheet commitments concerning rates and non-congruent interest rate references.

Securities dealing on a proprietary basis forms a very small part of the Group's business. In currencies and precious metals we chiefly operate on behalf of clients and build only small nostro positions. The limits granted to traders are low, and their use of these is monitored daily with software by separate risk management teams.

Lastly, concerning the interest rate risk, the Group always prioritises meeting its commitments towards its clients over maximising its interest spreads. The Group nevertheless accepts the maturity transformation primarily stemming from its credit and short-term cash activities in medium/long-term investment portfolios (without corresponding refinancing). The interest rate risk is analysed and limits are established and divided between positions that impact the result and those that only impact the economic value of shareholders' equity.

The Group's banking entities have implemented adequate mechanisms to manage and control risks, in compliance with the Group's rules and local regulations.

Operational risk is the risk of loss that the Group would suffer owing to the inadequacy or failure of internal procedures, staff, IT systems or external occurrences.

The Group's two core businesses, private banking and asset management, by nature entail high operational risks. The Group set its operational risk management policy with a view to better controlling and mitigating these risks. This policy governs: 1) operational risk management bodies and resources, including their powers, reporting obligations and reporting lines; 2) the implementation and use of resources designed to identify, assess and manage operational risks; 3) determination of risk appetite in accordance with the relevant types of the main operational risks, the setting of related threshold values and/or limits and the development of strategies and instruments for mitigating risks; 4) the Bank's approach to identifying inherent risks (before taking account of controls) and setting and monitoring threshold values and/or limits for residual risks (after taking account of controls; 5) the design and introduction of systems for producing risk reports and informing management (MIS) regarding operational risks; 6) the setting of a uniform classification of the main operational risks, with a view to ensuring consistency when it comes to identifying and assessing risks and setting operational risk management objectives.

The operational risk management mechanism draws on three main tools that are harmonised across the Group for consolidated monitoring purposes:

- › the execution of Risk Control Self Assessments (RCSA), enabling the risks identified to be reviewed and checks to be performed in order to reduce the level of risk inherent in a tolerable residual level of risk, while also making first-line participants aware of their responsibilities in this respect (risk ownership);
- › the management of operational incidents (identification, analysis, categorisation, mitigation, reporting and monitoring of the effective implementation of action plans defined together with the Business Lines, given that all operational incidents, both with and without a financial impact, are reported);
- › the management of key risk indicators (definition, escalation by the Business Lines and control functions responsible, analysis, reporting and monitoring of any action plans necessary to remain within defined tolerance thresholds).

The Risk function has a team focused on operational risks. It suggests ways to improve our risk management facilities and is in particular responsible for devising the methodology for managing operational risks (based primarily on the Basel III rules), submitting this methodology to the Risk Committee/Executive Committee for approval and overseeing its implementation/update.

This unit is tied in with the Bank's supervision and internal control system. It collaborates closely with the Internal Control Department in gauging the relevance and effectiveness of the Group's controls and action plans, with a view to mitigating those risks that have been identified as high and/or critical. It uses specially designed software deployed throughout the Group. It reports to the Risk Committee periodically and, if required by the circumstances, to the Executive Committee.

A business continuity and organisational plan has been drawn up to deal with possible crisis situations that the Bank has identified and that could totally or partially disrupt our operational processes. Human and technical resources including an entire infrastructure have been deployed that would enable us to provide essential services at reduced capacity and return to normal. Given our Bank's objectives in terms of business continuity following a disaster or major incident, this plan will be further developed in the next reporting year.

Methods applied for identifying default risks and determining the need for valuation adjustments

Claims covered by mortgage

For financing the purchase of property for the borrower's own use, each year the Group updates the value of the collateral provided by using hedonic models based on regional real estate indices compiled by external providers. Following approval of the new valuations, the collateral ratio is updated. Overdue interest and compliance with the depreciation plan are also considered. On this basis the Group identifies mortgage loans which entail heightened risk.

Following a detailed examination by specialists, additional security or a valuation adjustment may be demanded for these loans to top up coverage.

Loans covered by securities

Client liabilities and the value of pledged securities are checked daily. If the collateral value of the security is less than the outstanding value of the loan, the Group demands either a partial repayment or additional security. If the coverage shortfall increases or if market conditions are unusual, the Group may sell the collateral.

Unsecured loans

Unsecured loans are overdrafts of retail clients' accounts.

Valuation of collateral

Claims covered by mortgage

Loans secured by real property are never granted without a valuation of the collateral based on its use. The Group appraisers use hedonic valuation models for residential objects. These valuations are compared with actual purchase prices in the same locality.

The Group bases its decision whether or not to grant credit on whichever is lowest—the Group's appraisal, the purchase price or the external appraisal, if any.

Claims covered by securities

For Lombard loans and other credit facilities covered by securities, only readily negotiable stocks and bonds are accepted. The Group accepts structured products if the investments are regularly quoted.

Business policy on using derivative instruments and hedge accounting

As part of its asset/liability management the Bank also uses derivatives to hedge interest rate, forex and default risks. Hedges are valued the same way as the transactions they cover. The result of hedging is recorded in the same item of the profit and loss account as the transaction being covered. Since no change in the value of the basic transaction has been booked, the valuation of the hedging instruments is entered in the set-off account. The net balance of the set-off account is presented either in "Other assets" or in "Other liabilities".

The Cash Management department does not conduct hedging transactions itself in the market. These are executed by the Trading department. Assets, liabilities, income and expenses deriving from internal transactions are eliminated.

The Group documents hedging relationships as well as the purpose and strategy of the transactions involved when entering into them. The Group periodically checks the effectiveness of hedging relationships. When a hedging relationship is partially or totally ineffective, the ineffective fraction of the transaction is incorporated in the trade.

Significant events since the date of the balance sheet

Events after the balance sheet date

The Board of Directors of Edmond de Rothschild (Suisse) S.A. approved on 15 October 2019 the merger by absorption of its subsidiary Edmond de Rothschild Asset Management (Suisse) S.A.. This merger is intended to be completed by 30 June 2020 at the latest, effective retroactively from 1 January 2020. The conditions for a simplified merger of capital companies as defined by article 23 paragraph 1 letter a of the Merger Act (FusG) have been met, meaning that the reliefs stated in article 24 paragraph 1 FusG apply.

The Board of Directors of Edmond de Rothschild (Suisse) S.A. approved on 13 March 2020 the merger by absorption of its subsidiary Compagnie Benjamin de Rothschild Conseil S.A. (Meyrin). This merger is intended to be completed by 30 June 2020 at the latest, effective retroactively from 1 January 2020. The conditions for a simplified merger of capital companies as defined by article 23 paragraph 1 letter a of the Merger Act (FusG) have been met, meaning that the reliefs stated in article 24 paragraph 1 FusG apply.

There were no other events after the balance sheet date that may have an impact on the financial statements to 31 December 2019.

Resignation of the Auditor before the end of its term

The General Meeting elected PricewaterhouseCoopers SA, Geneva as the Bank's Auditor. PwC's first term as Auditor was in 1982. It has not resigned before its term of office expired.

Balance sheet information

(in CHF '000) 2019 2018

1 Breakdown of securities financing transactions (assets and liabilities)	2019	2018
Carrying value of claims arising from liquidity pledged when borrowing securities or entering into reverse repo agreements	54'270	611'020
Carrying value of liabilities arising from liquidity received when lending securities or entering into repo agreements	-	-
Value of securities owned on the Bank's own behalf, lent or transferred as collateral in securities lending and repo agreements	-	-
The fair value of securities received as collateral under securities lending agreements and securities received under borrowing or reverse repo agreements which the Bank has been authorised without restriction to sell or pledge subsequently	55'019	627'447
- including securities which were pledged	793	155'509
- including securities which were sold	-	-

Schedule of collateral

(in CHF '000)

2 Coverage of off-balance sheet claims and transactions and non-performing loans	Mortgage collateral	Other collateral	Without collateral	Total
Coverage of off-balance sheet claims and transactions				
Loans (prior to set-off with valuation adjustments)				
Due from customers	5'839	3'813'731	180'535	4'000'105
Mortgage loans				
- residential property	1'044'724	15'938	1'190	1'061'852
- commercial property	53'965	-	-	53'965
- <i>immeubles artisanaux et industriels</i>	45'289	-	-	45'289
Total loans (prior to set-off with valuation adjustments)				
Total 2019	1'149'817	3'829'669	181'725	5'161'211
Total 2018	873'035	2'703'608	135'578	3'712'221
Total loans (after set-off with valuation adjustments)				
Total 2019	1'149'817	3'829'669	173'390	5'152'876
Total 2018	873'035	2'703'608	127'696	3'704'339
Off-balance sheet				
Contingent liabilities	-	175'475	31'302	206'777
Irrevocable liabilities	22'402	618'616	84'027	725'045
Liabilities to release/make additional payments	-	324'663	39'945	364'608
Total 2019	22'402	1'118'754	155'274	1'296'430
Total 2018	6'537	556'423	48'306	611'266

(in CHF '000)

	Gross value	Estimated proceeds from sale of collateral	Net value	Itemised valuation adjustments
Delinquent claims				
Total 2019	22'934	14'709	8'225	8'335
Total 2018	22'963	14'714	8'249	7'882

The gross amount of delinquent claims is due to several cases of unpaid interest and/or amortisations for more than 90 days. Total delinquent claims amounts to 0.44% of total amounts due from clients and mortgage claims as at 31.12.2019 (0.62% as at 31.12.2018).

(in CHF '000)

2019

2018

3 Breakdown of trading operations and other financial instruments stated at their fair value (assets and liabilities)

Assets		
Trading book		
Debt securities, money market paper/transactions	111	230
<i>listed</i>	<i>111</i>	<i>230</i>
Equity securities	17'222	15'338
Other financial instruments reported at their fair value	-	-
Debt securities	-	-
Total assets	17'333	15'568
<i>drawn up using a valuation model</i>	-	-
<i>securities eligible for repo agreements under liquidity regulations</i>	-	-

(in CHF '000)	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Volume of contracts	Positive replacement values	Negative replacement values	Volume of contracts
4 Derivative instruments (assets and liabilities)						
Interest rate instruments						
Forward contracts including FRAs	-	-	-	-	-	-
Swaps	1'097	1'717	1'310'943	1'078	7'881	421'882
Futures	-	-	-	-	-	-
OTC options	102	102	358'706	-	-	-
Traded options	-	-	-	-	-	-
Currencies / precious metals						
Forward contracts	70'034	95'185	14'537'025	-	-	-
Combined interest and currency swaps	-	-	-	-	-	-
Futures	-	-	-	-	-	-
OTC options	7'744	7'744	960'325	-	-	-
Traded options	-	-	-	-	-	-
Equity index products						
Forward contracts	-	-	-	-	-	-
Futures	-	-	-	-	-	-
OTC options	2'557	2'557	251'148	-	-	-
Traded options	-	-	526	-	-	-
Credit derivatives						
Credit default swaps	-	-	-	-	-	-
First-to-default swaps	-	-	-	-	-	-
Other credit derivatives	-	-	-	-	-	-
Other						
Forward contracts	-	-	-	-	-	-
Swaps	-	-	-	-	-	-
OTC options	-	-	-	-	-	-
Traded options	-	-	-	-	-	-
Total before taking account of netting agreements						
Total 2019	81'534	107'305	17'418'673	1'078	7'881	421'882
<i>drawn up using a valuation model</i>	81'534	107'305	17'418'147	1'078	7'881	421'882
Total 2018	78'921	70'693	16'331'187	834	3'375	383'757
<i>drawn up using a valuation model</i>	78'921	70'693	16'331'187	834	3'375	383'757

(in CHF '000)	Positive replacement values (accumulated)	Negative replacement values (accumulated)
Total after taking account of netting agreements		
Total 2019	81'628	114'202
Total 2018	77'678	71'991

Breakdown by counterparty

(in CHF '000)	Central clearing counterparties	Banks and brokers	Other clients
Positive replacement values (after taking account of netting agreements)	-	60'072	21'556

(in CHF '000)	2019		2018	
	Book value	Fair value	Book value	Fair value
5 Breakdown of financial investments				
Debt instruments	894'884	914'183	904'167	913'833
<i>intended to be held to maturity</i>	850'242	879'177	858'726	878'104
<i>not intended to be held to maturity (available for resale)</i>	44'642	35'006	45'441	35'729
Equity securities	331'590	141'311	384'323	157'515
<i>qualifying equity stakes (min. 10% of capital or votes)</i>	-	-	-	-
Precious metals	381'833	462'386	381'833	462'386
Total	1'608'307	1'517'880	1'670'323	1'533'734
<i>securities eligible for repo agreements under liquidity regulations</i>	76'635	89'954	-	-

(in CHF '000)	From AAA to AA-	From A+ to A-	From BBB+ to BBB-	From BB+ to B-	Below to B-	No rating
Breakdown of counterparties by credit rating						
Book value of debt instruments	331'318	208'771	219'752	58'418	15'204	61'421

In the event of a distribution between value changes linked to risks of default and those stemming from market conditions, the proportion of changes concerning the risk of default is recorded under "Changes in valuation adjustments for default risks and losses in interest-related business".

The bank uses the ratings of three agencies (Standard & Poor's, Moody's and Fitch) and the ratings are based on the Standard & Poor's rating scale. If three ratings are available, the bank chooses the lowest of the two best ratings. If only two separate ratings are available, the lowest is chosen (highest-risk weighting). If there is no specific rating of the instruments, the issuer's Standard and Poor's long-term ratings are used.

(in CHF '000)

	Purchase values	Cumulative depreciation and write-ups/write-downs (equity method)	Book value at 1 January 2019	Forex adjustments	Investments and newly consolidated assets	Divestitures and assets no longer consolidated	Valuation adjustments	Book value as of 31 December 2019	Market value
6 Holdings/positions									
Holdings consolidated using the equity method	778	-	778	(406)	12'937	(52)	-	13'257	-
- with market value	-	-	-	-	-	-	-	-	-
- with no market value	778	-	778	(406)	12'937	(52)	-	13'257	-
Other holdings	6'545	(1'197)	5'348	(555)	84	(3'627)	(15)	1'235	64'193
- with market value	305	-	305	-	-	-	-	305	63'263
- with no market value	6'240	(1'197)	5'043	(555)	84	(3'627)	(15)	930	930
Total holdings/positions	7'323	(1'197)	6'126	(961)	13'021	(3'679)	(15)	14'492	64'193

7 Consolidated Edmond de Rothschild (Suisse) SA Group companies

	Currency	Share capital (in CHF '000)		Equity stake (in %)		Voting rights (in %)		Ownership (in %)	
		2019	2018	2019	2018	2019	2018	direct	indirect
Swiss – fully consolidated									
Parent company									
Edmond de Rothschild (Suisse) S.A., Geneva	CHF	58'694	45'000	100	100	100	100	-	-
Services									
Privaco Family Office S.A., Genève	CHF	2'100	2'100	100	100	100	100	100	
Financial and asset management companies									
Edmond de Rothschild Asset Management (Suisse) S.A., Geneva	CHF	11'534	11'534	100	100	100	100	100	-
Orox Asset Management S.A., Geneva	CHF	2'000	2'000	60	60	60	60	60	-
EdR Real Estate S.A., Leudelange	EUR	975	975	100	100	100	100	100	-
Orox Europe S.A., Leudelange	EUR	1'500	1'300	75	75	75	75	-	75
Cording Real Estate Group Limited, London	GBP	102	102	53	53	70	70	-	70
Cording Management Company S.A., Luxembourg	EUR	125	-	100	-	100	-	-	100
Cording Capital LLP, London	GBP	100	100	53	53	100	100	-	100
Cording Residential Asset Management Ltd, London	GBP	-	-	28	53	100	100	-	100
Highgate GP Limited, Jersey	GBP	-	-	53	53	100	100	-	100
Highgate Founder Limited, Jersey	GBP	-	-	53	53	100	100	-	100
Cording Salford Nominee Limited, London	GBP	-	-	53	53	100	100	-	100
Cording Real Estate Group GmbH, Stuttgart	EUR	480	480	53	53	100	100	-	100
LQG JV Landmark Portfolio Verwaltungs GmbH, Frankfurt am Main	EUR	25	25	53	53	100	100	-	100
Cording Co-Invest UG Vermögensverwaltungs U.G. (haftungsbeschränkt), Frankfurt am Main	EUR	-	-	53	53	100	100	-	100
Cording Real Estate Group B.V., Amsterdam	EUR	18	18	53	53	100	100	-	100
Duits Vastgoed Beherend Vennoot B.V., Amsterdam	EUR	-	-	53	53	100	100	-	100
Cording Property Management LLP, London	GBP	120	120	53	53	100	100	-	100
Cording Member Limited, London	GBP	-	-	53	53	100	100	-	100

7 Consolidated Edmond de Rothschild (Suisse) SA Group companies

	Currency	Share capital (in CHF '000)		Equity stake (in %)		Voting rights (in %)		Ownership (in %)	
		2019	2018	2019	2018	2019	2018	direct	indirect
CURI Bath Lane Leicester GP LLP, London	GBP	-	-	53	53	100	100	-	100
CURI John Street Warrington GP LLP, London	GBP	-	-	53	53	100	100	-	100
Saffron Court Apartments GP LLP, London	GBP	-	-	53	-	100	-	-	100
Cording UK PRS Carry GP LLP, Edinburgh	GBP	-	-	53	53	100	100	-	100
Cording UK PRS Club 1 GP LLP, London	GBP	-	-	53	53	100	100	-	100
Cording UK Residential Investment GP S.à r.l., Luxembourg	EUR	12	12	53	53	100	100	-	100
Cording UK Residential Investment Limited Partner S.à r.l., Luxembourg	EUR	12	12	53	53	100	100	-	100
CURI Short Hill Nottingham GP LLP, London	GBP	-	-	53	53	100	100	-	100
CURI Albion Street GP LLP, London	GBP	-	-	53	-	100	-	-	100
CURI Kent Street Birmingham GP LLP	GBP	-	-	53	-	100	-	-	100
CURI Master Nominee Limited, London	GBP	-	-	53	53	100	100	-	100
Provident Financial Markets Ltd, Tel Aviv	ILS	92	92	100	100	100	100	-	100
Provident Risk Management Ltd, Tel Aviv	ILS	-	-	100	100	100	100	-	100
Edmond de Rothschild Portfolio Management Ltd, Tel Aviv	ILS	1	1	100	100	100	100	-	100
Edmond de Rothschild Mutual Funds Management Ltd, Tel Aviv	ILS	839	839	100	100	100	100	-	100
Edmond de Rothschild Private Equity Partners (Israel) Ltd, Tel Aviv	ILS	1	1	100	100	100	100	-	100
Edmond de Rothschild Asset Management (Israel) Ltd, Tel Aviv	ILS	100	100	100	100	100	100	-	100
Real Estate Robin Sàrl, Leudelange	EUR	17'954	2'948	100	100	100	100	-	100
Compagnie Benjamin de Rothschild Conseil S.A., Meyrin	CHF	7'000	3'000	100	100	100	100	100	-
Foreign - fully consolidated									
Banks									
Edmond de Rothschild (Europe), Luxembourg	EUR	31'500	31'500	100	100	100	100	100	-
Edmond de Rothschild (France), Paris	EUR	83'076	-	100	-	100	-	100	-
Edmond de Rothschild (Monaco), Monaco	EUR	13'900	12'000	100	57	100	57	100	-
Service and real estate companies									
Copri III S.A., Luxembourg	EUR	747	747	100	100	100	100	100	-
Edmond de Rothschild Corporate Finance, Paris,	EUR	61	-	100	-	100	-	-	100
Edmond de Rothschild Boulevard Buildings Ltd., Tel Aviv	ILS	74'534	-	100	-	100	-	-	100
EdR Real Estate (Eastern Europe) Management S.à r.l., Luxembourg	EUR	13	-	100	-	100	-	-	100
Edmond de Rothschild Family Advisory (Hong Kong) Limited, Hong Kong	HKD	12'675	12'675	100	100	100	100	-	100
Asset management companies									
Edmond de Rothschild Asset Management (Luxembourg), Luxembourg	EUR	18'238	18'238	100	100	100	100	-	100
Edmond de Rothschild Asset Management (France), Paris	EUR	11'034	-	100	-	100	-	-	100
Edmond de Rothschild Asset Management (Hong Kong) Ltd., Hong Kong	HKD	15'000	-	100	-	100	-	-	100
Edmond de Rothschild Asset Management (UK) Limited, Londres	GBP	4'400	4'400	100	100	100	100	-	100
Edmond de Rothschild Client Nominees (UK) Ltd., Londres	GBP	1	1	100	100	100	100	-	100
Cleaveland, Paris	EUR	250	-	100	-	100	-	-	100
Ginkgo Management S.à r.l., Luxembourg	EUR	13	13	51	51	51	51	-	51

7 Consolidated Edmond de Rothschild (Suisse) SA Group companies

	Currency	Share capital (in CHF '000)		Equity stake (in %)		Voting rights (in %)		Ownership (in %)	
		2019	2018	2019	2018	2019	2018	2019	2018
Financial and brokerage firms									
Edmond de Rothschild (UK) Limited, Londres	GBP	15'700	15'700	100	100	100	100	100	-
Edmond de Rothschild Securities (UK) Limited, Londres	GBP	-	2'000	-	100	-	100	-	100
Edmond de Rothschild (Suisse) S.A., Representación Uruguay, Montevideo	USD	14	14	100	100	100	100	100	-
Edmond de Rothschild Assurances et Conseils (Monaco), Monaco	EUR	150	150	100	57	100	100	-	100
Iberian Renewable Energies GP S. à r.l., Luxembourg, en liquidation	EUR	13	13	100	100	100	100	-	100
Edmond de Rothschild Assurances et Conseils (Europe), Luxembourg	EUR	125	125	100	100	100	100	-	100
Edmond de Rothschild Gestion (Monaco), Monaco	EUR	150	150	100	57	100	100	-	100
Edmond de Rothschild Securities (Hong Kong) Limited, Hong Kong	HKD	5'000	-	100	-	100	-	-	100
SAS EdR Immo Magnum, Paris	EUR	1	-	100	-	100	-	-	100
Edmond de Rothschild Assurances et Conseils (France), Paris	EUR	7'035	-	100	-	100	-	-	100
Financière Boréale, Paris	EUR	6'040	-	100	-	100	-	-	100
EDRRIT Limited, Londres	GBP	278	278	100	100	100	100	-	100
Edmond de Rothschild Capital Holdings Limited, Londres	GBP	250	250	100	100	100	100	-	100
Edmond de Rothschild Private Merchant Banking LLP, Londres	GBP	29'387	29'188	100	100	100	100	-	100
Edmond de Rothschild (Israel) Ltd., Tel-Aviv	ILS	501	501	100	100	100	100	100	-
Edmond de Rothschild Private Equity (France), Paris	EUR	2'700	-	100	-	100	-	-	100
Edmond de Rothschild Investment Partners China S. à r.l., Luxembourg	EUR	13	-	100	-	100	-	-	100
LCFR UK PEP Limited, London	GBP	530	-	100	-	100	-	-	100
Edmond de Rothschild Euroopportunities Management S.à r.l., Luxembourg	EUR	12	-	100	-	100	-	-	100
EdR Real Estate (Eastern Europe) CIE S.à r.l., Luxembourg	EUR	175	-	63	-	63	-	-	100
Edmond de Rothschild Euroopportunities Invest S. à r.l., Luxembourg	EUR	188	-	82	-	82	-	-	100
CFSH Secondary Opportunities S.A., SICAR, Luxembourg	EUR	2'326	-	100	-	100	-	-	100
CFSH Luxembourg S. à r.l., Luxembourg	EUR	12	-	100	-	100	-	-	100
Bridge Management S.à.r.l., Luxembourg	EUR	13	-	100	-	100	-	-	100
Edmond de Rothschild Euroopportunities Management II S.à r.l., Luxembourg	EUR	13	-	72	-	69	-	-	100
Edmond de Rothschild Euroopportunities Invest II S.à r.l., Luxembourg	EUR	165	-	58	-	58	-	-	100
CTBR Luxembourg, Luxembourg	CHF	15'884	15'884	96	96	96	96	-	96
Compagnie Benjamin de Rothschild Management (Luxembourg) S.A., Leudelange	EUR	881	881	100	100	100	100	-	100
Amethis Finance Luxembourg, Luxembourg	EUR	13	13	50	50	50	50	-	50
Moringa General Partner S.à r.l., Luxembourg	EUR	13	13	100	100	100	100	-	100
Moringa Partnership SAS, Paris	EUR	10	10	100	100	100	100	-	100
Edmond de Rothschild Private Equity S.A., Leudelange	EUR	1'640	1'640	100	100	100	100	-	100
General Partner Participations Mauritius, Port Louis	EUR	110	110	71	71	73	73	-	73
Edmond de Rothschild Equity Strategies Management III S.à r.l., Leudelange	EUR	13	13	60	60	60	60	-	60

7 Consolidated Edmond de Rothschild (Suisse) SA Group companies

	Currency	Share capital (in CHF '000)		Equity stake (in %)		Voting rights (in %)		Ownership (in %)	
		2019	2018	2019	2018	2019	2018	2019	2018
TIIC Management S.à r.l., Luxembourg	EUR	13	13	51	51	51	51	-	51
Ginkgo Management II S.à r.l., Luxembourg	EUR	13	13	51	51	51	51	-	51
Teka Investment SA, Luxembourg	USD	-	33	-	100	-	100	-	100
Holding LRLDEDR, S. à r.l. , Leudelange	EUR	12	12	51	51	51	51	-	51
Amethis Finance, S. à r.l. , Leudelange	EUR	17	17	48	48	95	95	-	95
Amethis Fund II Management, S.à r.l. , Leudelange	EUR	13	13	48	48	100	100	-	100
Amethis Maghreb, S.à r.l. , Leudelange	EUR	12	12	48	48	100	100	-	100
Privilege Access Management, S.à r.l. , Luxembourg	EUR	12	12	51	51	51	51	-	51
EdR Private Equity Partners S.A., SICAV-RAIF, Luxembourg	EUR	31'705	29'443	98	98	98	98	-	98
Pearl GP Sàrl, Luxembourg	EUR	12	12	51	100	51	100	-	51
Smart Estate Management 1, S.à r.l. , Luxembourg	EUR	12	12	51	100	51	100	-	51
EdR Private Equity Partners S.A., SICAV-RAIF Comp. 2018, Luxembourg	EUR	10'080	5'760	100	100	100	100	-	100
EdR Hospitality Partners S.à.r.l., Luxembourg	EUR	12	-	51	-	51	-	-	51
Boscalt Hospitality Fund GP S.à.r.l., Luxembourg	EUR	12	-	51	-	100	-	-	100
Moringa Management S.à.r.l., Luxembourg	EUR	12	-	100	-	100	-	-	100
Edritech Ltd, Cayman Islands	USD	-	-	51	-	51	-	-	51
Kennet V Management (Luxembourg) S.à.r.l., Luxembourg	EUR	12	-	51	-	51	-	-	51
Switzerland - equity method									
Financial companies									
Ginkgo Advisor S.à r.l., Meyrin	CHF	20	20	49	49	49	49	-	49
Foreign - equity method									
Financial companies									
Edmond de Rothschild Nikko Cordial Co. Ltd., Tokyo	JPY	100'000	100'000	50	50	50	50	-	50
L.C.H. Investments N.V., Antilles néerlandaises	USD	2	2	44	44	44	44	44	1
Sociedade De Investimentos E Consultoria Em Infra - Estruturas de Transportes S.A., Lisboa	EUR	50	-	44	-	44	-	-	-
Amethis Advisory, Paris	EUR	4	4	49	49	49	49	-	49
TIIC Advisor SAS, Paris	EUR	10	10	49	49	49	49	-	49
Amethis Investment Fund Manager, S.A. , Leudelange	EUR	275	275	49	49	49	49	-	49
FORE Advisors LLP, Luxembourg	GBP	1	1	17	17	32	32	-	32
FORE Cascade Scotland LP, London	GBP	-	-	17	17	32	32	-	32
FORE Cascade Scotland II LP, London	GBP	-	-	17	17	32	32	-	32
FORE Cascade Scotland III LP, London	GBP	-	-	21	21	40	40	-	40
Fore Sierra GP Limited, Reading	GBP	-	-	17	17	32	32	-	32
Fore Grampian Limited, Jersey	GBP	-	-	17	17	32	32	-	32
Amethis North Africa, S.à r.l. , Casablanca	MAD	300	300	49	49	49	49	-	49
PEARL Advisory SAS, Paris	EUR	10	10	49	25	49	25	-	49
Ginkgo Advisor Limited, London	GBP	-	-	49	-	49	-	-	49
Amethis Advisory East Africa Limited, Kenya	KES	100	-	49	-	49	-	-	49
Zhonghai Fund Management Company, Shanghai	CNY	146'667	-	25	-	25	-	-	25
ERAAM SAS, Paris	EUR	769	-	34	-	34	-	-	34
Trajan Investment Advisor SAS, Paris	EUR	-	-	49	-	49	-	-	49
Edritech Advisors Ltd, Tel Aviv	ILS	100	-	49	-	49	-	-	49

	Purchase values	Cumulative depreciation and write-ups/write-downs	Book value at 1 January 2019	Forex adjustments	Allocation changes	Investments and newly consolidated assets	Divestitures and assets no longer consolidated	Depreciation	Book value at 31 December 2019
(in CHF '000)									
8 Fixed assets									
Bank premises	117'048	(85'575)	31'473	(152)	-	122'005	-	(1'940)	151'386
Other buildings	5'594	(5'594)	-	-	-	-	-	-	-
Software bought separately or developed in-house	257'283	(156'451)	100'832	(2'305)	18	60'428	59	(31'322)	127'710
Other fixed assets	308'944	(275'353)	33'591	(793)	(18)	13'665	(59)	(9'062)	37'324
Total fixed assets	688'869	(522'973)	165'896	(3'250)	-	196'098	-	(42'324)	316'420

	Purchase value	Accumulated depreciation	Book value at 1 January 2019	Forex adjustments	In scope fluctuations of consolidation	Investments	Divestitures	Depreciation	Book value at 31 December 2019
(in CHF '000)									
9 Intangible assets									
Goodwill	149'954	(107'783)	42'171	(188)	-	155'674	-	(46'212)	151'445
Other intangible assets	87'903	(87'701)	202	(603)	16'914	6	-	(454)	16'065
Total intangible assets	237'857	(195'484)	42'373	(791)	16'914	155'680	-	(46'666)	167'510

In 2019, the acquisition by Edmond de Rothschild (Suisse) SA of the Edmond de Rothschild (France) SA holding resulted in goodwill being recognised in the amount of CHF 149 million. In addition, an impairment was recorded for certain goodwill items during the year, notably Edmond de Rothschild (France) SA in the amount of CHF 21.1 million, Edmond de Rothschild Israel in the amount of CHF 3.2 million and ERAAM SAS in the amount of CHF 6.1 million.

(in CHF '000)	Other assets		Other liabilities	
	2019	2018	2019	2018
10 Breakdown of "Other assets" and "Other liabilities"				
Set-off account	6'558	2'549	318	144
Direct taxes (withholding tax, stamp duty)	3'503	3'427	2'252	79
Indirect taxes	10'777	4'159	17'816	4'120
Deferred taxes	10'339	455	-	-
Guarantees, suretyships	8'667	7'219	-	-
Order accounts	12'570	33'746	81'680	42'028
Other	23'213	3'414	29'239	7'191
Total	69'069	52'421	130'987	53'418

Provisions for deferred taxes (liabilities) are presented in appendix 15.

(in CHF '000)	2019		2018	
	Carrying values	Actual liabilities	Carrying values	Actual liabilities
11 Assets pledged or assigned to cover own liabilities and assets subject to reservation of ownership				
Pledged / assigned assets				
Financial investments	815	-	5'525	-
Other assets	59'728	82	7'219	-

(in CHF '000)	2019	2018	Change %
12 Commitments to own pension plans			
Due on client deposits	47'470	46'199	2,8
Negative replacement value of derivative instruments	2'205	568	288,2
Total	49'675	46'767	6,2

In number of shares	2019	2018	Change %
Number and type of the parent company's proprietary capital instruments held by its employee benefits institutions			
Bearer shares of CHF 500.-	-	547	(100,0)

13 Financial status of the parent company's employee benefits institutions

a) Employer contributions reserve (ECR)

At 31 December 2019 there was no employer contributions reserve (none on 31.12.2018).

Personnel welfare plans

a) Pertaining to the parent company and its economically affiliated companies within the Edmond de Rothschild (Suisse) S.A. Group, Geneva – non-Group (EdR France)

	2018	2018			2019	2018
(in CHF '000)	Funding surplus / insufficient	Entity's share	Change v. previous year	Cotisations payées pour 2019	Personnel welfare costs included in personnel expenses	
Economic benefits / commitments and personnel welfare expenses						
Employer funds / Employer occupational benefits institutions	-	-	-	-	-	-
Employee benefits plans with no surplus or deficit funding	-	-	-	-	-	-
Employee benefits plans with surplus funding	288	-	-	(18'146)	(18'146)	(18'426)
Employee benefits plans with deficit funding	-	-	-	-	-	-
Personnel welfare institutions with no proprietary assets	165	-	-	(6'515)	(6'515)	(6'664)
Total	452	-	-	(24'661)	(24'661)	(25'090)

The staff of the parent company and some of its subsidiaries is insured by the Edmond de Rothschild Personnel Welfare Foundation. Its purpose is to protect the staff of its member companies from the economic consequences of old age, disability and death. The Foundation is semi-autonomous and operates as a defined-contributions scheme. Contribution rates increase with age. Employers pay in two thirds of contributions and employees one third.

The audited funding ratio of the Foundation as of 31 December 2018 was 100.1% (107.7% as of 1 January 2018). It is reinsured for death and disability risks with Mobilière assurance.

The Foundation believes that at end-2019 its funding ratio was 106%. The Foundation Council decided to pay 3% interest on active members' vested assets for 2019 and also decided not to index existing pensions.

The Board of Directors believes that any funding ratio surplus as defined in RPC 16 of the Swiss GAAP will be used for the benefit of employees and that, as a consequence, no profit will arise for the member companies. As at 31 December 2019, there is no economic advantage or commitment to be stated on the Bank's balance sheet or profit and loss statement. In compliance with cm 502 of FINMA Circular 2015/1.

The employees of other Group entities belong to personnel welfare funds that also operate on the defined-contributions principle except for Edmond de Rothschild Europe (Portugal) and Edmond de Rothschild Europe (Belgium).

b) At the level of the Edmond de Rothschild (France), Paris Group

(in CHF '000)	2019	2019	2018	Variation par rapport à l'exercice précédent	Cotisations payées pour 2019	2019	2018
	Excédent / (insuffisance de couverture)	Part économique de l'entité				Charges de prévoyance dans les charges de personnel	
Economic benefits / commitments and personnel welfare expenses							
Employer funds / Employer occupational benefits institutions	-	-	-	-	-	-	-
Employee benefits plans with no surplus or deficit funding	-	-	-	-	-	-	-
Employee benefits plans with surplus funding	-	-	-	-	-	-	-
Employee benefits plans with deficit funding	-	-	-	-	-	-	-
Personnel welfare institutions with no proprietary assets	(12'651)	(12'651)	-	(511)	(3'705)	(3'705)	-
Total	(12'651)	(12'651)	-	(511)	(3'705)	(3'705)	-

An "extra-supplementary" pension scheme came into effect on 1 January 2005. It applies to a category of executives to whom the existing mandatory and supplementary schemes provide a replacement rate substantially lower than that of other categories. This plan is a defined-benefit plan expressed in terms of the overall final pension (limited in time), or in terms of the top-up pension it provides in addition to the basic pensions.

Note that the "extra-supplementary" pension schemes closed on 31 December 2012, with the plan being maintained for its beneficiaries born before 31 December 1953.

In the category of defined-benefit plans, a retirement benefit scheme, constituting a post-employment benefit, is also in effect within this sub-group, with rights to benefits being defined by collective agreements. This scheme is not financed by an insurance policy.

The actuarial method used to assess commitments is the Projected Credit Units method.

The discount rate used for this scheme is based on the rates of long-term bonds in the private sector on the valuation date and was 0.79% on 31 December 2019, versus 1.89% on 31 December 2018.

The Edmond de Rothschild (France) Group entered the scope of business in 2019. As a result, there is no data for the 2018 reporting year.

2019

Statement of recognition of commitments for "extra-supplementary" pension schemes and retirement benefits

Net assets at market value at the start of the reporting year	25'376
Translation adjustment	(915)
Variation during the reporting year	779
Net assets at market value at the end of the reporting year	25'240
Discounted value of the future obligation at the start of the reporting year	37'517
Translation adjustment	(1'382)
Variation during the reporting year	1'756
Discounted value of the future obligation at the end of the reporting year	37'891
Coverage (deficits)/surpluses	(12'651)
Employer contributions reserves (entered under "Other assets")	-
Provision for coverage deficits included under liabilities in the adjustments to values and provisions section	(12'651)
Unrecognised actuarial losses	-

(in CHF '000)	Weighted average interest rate	Book value	Échéances					
			Within 1 year	>1 - < 2 years	>2 - < 3 years	>3 - < 4 years	>4 - < 5 years	>5 years
14 Presentation of bonds and compulsory-conversion bonds outstanding								
Negotiable European Commercial Papers (NEU-CP)		61'079	61'079	-	-	-	-	-
Negotiable Medium-Term Notes (NMTN)	0,11%	45'587	29'306	16'281	-	-	-	-
Euro Medium-Term Notes (EMTN) (1)		370'729	129'945	41'884	55'800	24'044	61'088	57'968
Super Subordinated Security (SSS)	2,30%	22'793	-	-	-	-	-	22'793
Total		500'188	220'330	58'165	55'800	24'044	61'088	80'761

(1) Of the Euro Medium-Term Notes (EMTN), only the floaters are remunerated at an interest rate set at the start of the period. As at 31 December 2019, all of the above instruments had been issued by EdR (France). Only the SSS is subordinated. It does not contain a PONV clause.

(in CHF '000)	Situation at end 2018	Uses as designated	Changes in scope of consolidation	Forex differences	Overdue interest, recoveries	New provisions charged to profit and loss account	Releases through the profit and loss account	Situation at 31 December 2019
15 Valuation adjustments, provisions, reserves for general banking risks and changes thereto								
Provisions for deferred taxes	25'427	-	16'831	(307)	-	1'239	(18'463)	24'727
Provisions for the Foundation's liabilities	-	(4)	12'645	(490)	-	1'195	(170)	13'176
Provisions for default risks	-	-	-	-	-	-	-	-
Provisions for other operating risks	75	(2'385)	12'806	(407)	-	1'556	(1'802)	9'843
Provisions for restructuring	3'858	(3'566)	-	-	-	2'842	(144)	2'990
Other provisions	24'151	(8'929)	425	(639)	-	4'067	(2'640)	16'435
Total provisions	53'511	(14'884)	42'707	(1'843)	-	10'899	(23'219)	67'171
Reserves for general banking risks	231'556	-	-	-	-	11'675	(38'702)	204'529
Valuation adjustments for default and country risks	7'882	(128)	379	(45)	970	190	(913)	8'335
valuation adjustments for default risks on non-performing loans	7'882	(128)	379	(45)	970	190	(913)	8'335
valuation adjustments for latent risks	-	-	-	-	-	-	-	-

The Group is facing claims from some of its clients and is involved in a number of proceedings of a judicial and tax-related nature (direct taxes and VAT) in relation to its business. The general business environment entails certain legal risks whose impact on our financial situation and profitability is difficult to gauge at the current stages of these proceedings. In line with our policy, the Group creates provisions for pending or contingent procedures when the Group believes that these could give rise to a loss or a financial liability, or when the dispute is likely to be settled in the form of a transaction and the amount of the obligation or loss can be reasonably estimated. For certain procedures, however, the Group is not able to reasonably estimate the size of the potential loss, in particular due to the fact that these are only at a preliminary stage, to the uncertainty they entail or to other objective reasons.

In 2016 the name Edmond de Rothschild (Europe) was cited in connection with a possible fraud involving 1MDB, an investment fund. In relation to this case, which is the subject of legal and administrative proceedings, the Bank continues to fully cooperate with the judicial authorities of the States concerned in accordance with existing Luxembourg laws.

The restructuring provision includes only the costs of reconfiguring the securities back office teams in Switzerland.

(in CHF '000)	2019	2018	Change %
16 Share capital			
180'000 fully paid registered shares with a par value of CHF 100.-	18'000	20'000	(10,0)
34'987 fully paid bearer shares with a par value of CHF 500.-	17'494	-	100,0
46,400 fully paid bearer shares with a par value of CHF 500.-	23'200	25'000	(7,2)
Total	58'694	45'000	30,4

	Prix moyen (in CHF '000)	nombre d'actions
Own shares deducted from shareholders' equity:		
registered shares with a par value of CHF 100.-		
- number of own shares at start of year		20'000
- number of shares purchased during the reporting year		-
- number of shares sold during the reporting year	3	(20'000)
- number of registered own shares at end of year		-
bearer shares with a par value of CHF 500.-		
- number of own shares at start of year		4'673
- number of shares purchased during the reporting year		-
- number of shares sold during the reporting year	17	(4'261)
- number of bearer own shares at the end of the year		412

Own shares in capital were traded at their fair value during the reporting period.
The CHF 2.4 million loss resulting from the sale of treasury stock was debited to additional paid-in capital and other reserves.

17 Participation rights and options on such rights granted to the members of the Bank's Board, Senior Management and employees

The members of Senior Management and some other employees are part of a profit-sharing plan. The beneficiaries of these plans are allotted stakes in Edmond de Rothschild Holding in accordance with their seniority, rank and individual performance. The sale of these shares is blocked for a three-year period.
This remuneration is based on virtual proprietary capital instruments. Debt is revalued at the close of each financial year and adapted through the profit and loss account in "Personnel expenses".

(in CHF '000)	Claims		Commitments	
	2019	2018	2019	2018
18 Due to and from allied parties				
Qualifying shareholders	3'169	2'332	184'134	129'027
Affiliated companies	613	512'411	215	81'381
Affairs of governing bodies	127	229	3'740	5'515
Other affiliated companies	29'458	30'589	2'884	4'635
Total	33'367	545'561	190'973	220'558

Affiliated companies are companies in which Edmond de Rothschild Holding SA has a majority stake and that are not part of the Edmond de Rothschild (Suisse) S.A. Group. All transactions with affiliated parties are carried out on the usual terms.

(in CHF '000)	On demand	Redeemable	Due:				Total
			< 3 months	3 à 12 months	12 months to 5 years	> 5 years	
19 Maturities of financial instruments							
Assets / financial instruments							
Cash and other liquid assets	8'366'102	-	-	-	-	-	8'366'102
Due from banks	1'256'848	26	5'688	5'574	217	5'969	1'274'322
Claims arising from securities financing	-	-	54'270	-	-	-	54'270
Due from customers	-	2'196'295	742'651	746'852	256'508	49'464	3'991'770
Mortgage claims	11'540	117'913	68'427	116'895	416'373	429'958	1'161'106
Trading book	17'333	-	-	-	-	-	17'333
Positive replacement value of derivative instruments	81'628	-	-	-	-	-	81'628
Financial investments	585'471	-	78'043	100'900	769'083	74'810	1'608'307
Total 2019	10'318'922	2'314'234	949'079	970'221	1'442'181	560'201	16'554'838
Total 2018	8'894'789	1'334'507	1'982'352	1'579'880	762'664	168'126	14'722'318
Foreign assets / financial instruments							
Due to banks	970'639	-	15'535	11	-	-	986'185
Due on client deposits	11'044'179	176'522	2'109'616	266'106	45'199	-	13'641'622
Negative replacement value of derivative instruments	114'202	-	-	-	-	-	114'202
Mortgage bond loans	-	-	63'020	157'309	199'098	80'761	500'188
Total 2019	12'129'020	176'522	2'188'171	423'426	244'297	80'761	15'242'197
Total 2018	11'890'596	323'279	1'146'421	98'771	927	-	13'459'994

(in CHF '000)	2019			2018		
	Switzerland	Foreign	Total	Switzerland	Foreign	Total
20 Breakdown of assets and liabilities between Switzerland and other countries by domicile						
Assets						
Cash and other liquid assets	1'875'932	6'490'170	8'366'102	2'281'840	4'829'220	7'111'060
Due from banks	799'244	475'078	1'274'322	587'355	1'097'418	1'684'773
Claims arising from securities financing	54'270	-	54'270	325'016	286'004	611'020
Due from customers	161'794	3'829'976	3'991'770	135'495	2'684'573	2'820'068
Mortgage claims	189'955	971'151	1'161'106	172'474	711'797	884'271
Trading book	-	17'333	17'333	704	14'864	15'568
Positive replacement value of derivative instruments	29'797	51'831	81'628	13'525	64'153	77'678
Financial investments	466'830	1'141'477	1'608'307	519'220	998'660	1'517'880
Accrued income and prepaid expenses	38'114	223'120	261'234	39'948	134'104	174'052
Non-consolidated holdings	452	14'040	14'492	1'623	4'503	6'126
Tangible assets	118'724	197'696	316'420	116'402	49'494	165'896
Intangible assets	148'612	18'898	167'510	35'863	6'510	42'373
Other assets	22'705	46'364	69'069	14'232	38'189	52'421
Total assets	3'906'429	13'477'134	17'383'563	4'243'697	10'919'489	15'163'186
Liabilities						
Due to banks	762'695	223'490	986'185	476'449	390'992	867'441
Due on client deposits	1'113'784	12'527'838	13'641'622	1'065'339	11'453'868	12'519'207
Negative replacement value of derivative instruments	33'124	81'078	114'202	17'931	54'060	71'991
Loans from central mortgage bond issuers	-	500'188	500'188	-	1'355	1'355
Accrued income and prepaid expenses	93'240	246'870	340'110	116'477	188'551	305'028
Other liabilities	8'520	122'467	130'987	9'095	44'323	53'418
Provisions	9'626	57'545	67'171	27'451	26'060	53'511
Reserves for general banking risks	176'391	28'138	204'529	201'318	30'238	231'556
Share capital	58'694	-	58'694	45'000	-	45'000
Additional paid-in capital	504'816	-	504'816	87'682	348	88'030
Retained earnings	630'277	305'558	935'835	658'807	287'022	945'829
Currency reserve	(21'628)	(133'269)	(154'897)	(21'309)	(114'923)	(136'232)
Own capital stakes	(8'760)	-	(8'760)	(151'813)	-	(151'813)
Minority interests in shareholders' equity	2'181	16'779	18'960	1'200	45'926	47'126
Consolidated profit	38'288	5'633	43'921	154'793	66'946	221'739
Total liabilities	3'401'248	13'982'315	17'383'563	2'688'420	12'474'766	15'163'186

The breakdown of Swiss and foreign origin is based on the location of the registered office of the debtor, creditor or the body issuing the shares or debt instruments. In the case of mortgage-backed securities and property, the place of the security interest applies.

(in CHF '000)	2019		2018	
	Absolute value	% share	Absolute value	% share
21 Breakdown of total assets by country / group of countries (based on domicile)				
Assets				
Switzerland	3'906'429	22,5	4'243'697	28,0
Europe excluding Switzerland	11'824'888	68,0	9'250'650	61,0
North America	325'613	1,9	338'766	2,2
South America	95'267	0,5	124'307	0,8
Asia, Pacific, Oceania	449'780	2,6	295'806	2,0
Caribbean	517'058	3,0	453'835	3,0
Africa Middle East	264'528	1,5	456'125	3,0
Total assets	17'383'563	100,0	15'163'186	100,0

(in CHF '000)	2019		2018	
	Net exposure abroad Value	% share	Net exposure abroad Value	% share
22 Breakdown of assets by group of countries' credit rating (based on risk domicile)				
Assets				
1 & 2	12'134'612	97,2	9'425'695	96,3
3	38'776	0,3	8'479	0,1
4	123'758	1,0	138'716	1,4
5	79'330	0,6	61'742	0,6
6	37'630	0,3	44'590	0,5
7	5'832	0,1	41'062	0,4
unrated	66'473	0,5	67'715	0,7
Total	12'486'411	100,0	9'787'999	100,0

The Group uses the ratings assigned by the Swiss Export Risk Insurance (SERV).

(in CHF '000)

CHF

EUR

USD

Other

Total

23 Assets and liabilities by major currency**Assets**

Cash and other liquid assets	1'874'761	6'490'859	282	200	8'366'102
Due from banks	67'984	255'187	785'026	166'125	1'274'322
Claims arising from securities financing	-	54'270	-	-	54'270
Due from customers	210'708	2'912'171	663'033	205'858	3'991'770
Mortgage claims	198'041	817'239	-	145'826	1'161'106
Trading book	10'839	4'538	1'956	-	17'333
Positive replacement value of derivative instruments	57'257	16'134	6'580	1'657	81'628
Financial investments	124'773	718'360	383'288	381'886	1'608'307
Accrued income and prepaid expenses	47'085	181'329	8'766	24'054	261'234
Non-consolidated holdings	456	3'074	-	10'962	14'492
Tangible assets	93'018	169'493	-	53'909	316'420
Intangible assets	146'941	20'140	-	429	167'510
Other assets	20'021	45'030	710	3'308	69'069
Total balance sheet assets 2019	2'851'884	11'687'824	1'849'641	994'214	17'383'563
Delivery claims arising from spot, forward and options transactions on currencies	1'616'411	4'071'216	7'439'577	2'370'146	15'497'350
Total assets 2019	4'468'295	15'759'040	9'289'218	3'364'360	32'880'913
Total assets 2018	5'766'428	13'330'715	8'905'810	2'800'473	30'803'426

Liabilities

Due to banks	377'827	507'977	61'593	38'788	986'185
Due on client deposits	866'868	7'037'750	4'134'772	1'602'232	13'641'622
Negative replacement value of derivative instruments	47'109	22'492	37'796	6'805	114'202
Loans from central mortgage bond issuers	700	292'910	191'270	15'308	500'188
Accrued income and prepaid expenses	92'657	224'191	8'182	15'080	340'110
Other liabilities	4'037	83'588	23'848	19'514	130'987
Provisions	9'626	52'353	-	5'192	67'171
Reserves for general banking risks	176'391	28'138	-	-	204'529
Share capital	58'694	-	-	-	58'694
Additional paid-in capital	504'816	-	-	-	504'816
Retained earnings	63'893	748'395	615	122'932	935'835
Currency reserve	(20'408)	(130'535)	(329)	(3'625)	(154'897)
Own capital stakes	(8'760)	-	-	-	(8'760)
Minority interests in shareholders' equity	2'911	14'759	-	1'290	18'960
Consolidated profit	48'800	20'167	(136)	(24'910)	43'921
Total balance sheet liabilities 2019	2'225'161	8'902'185	4'457'611	1'798'606	17'383'563
Delivery commitments arising from spot, forward and options transactions on currencies	2'246'110	6'853'586	4'755'032	1'642'622	15'497'350
Total liabilities 2019	4'471'271	15'755'771	9'212'643	3'441'228	32'880'913
Net position per currency	(2'976)	3'269	76'576	(76'868)	-
Total liabilities 2018	5'925'451	13'041'066	9'049'936	2'786'973	30'803'426

(in CHF '000)	2019	2018	Change %
24 Claims and contingent liabilities			
Commitments to cover credit facilities and similar liabilities	205'055	178'047	15,2
Benefit guarantees and similar liabilities	1'721	2'898	(40,6)
Total contingent liabilities	206'776	180'945	14,3
Total contingent claims	-	-	

These commitments are reported in “Off-balance sheet transactions” at their face value. For foreseeable risks, the Group allocates provisions in its balance-sheet liabilities if need be.

(in CHF '000)	2019	2018	Change %
25 Guarantees			
Total	-	-	

(in CHF '000)	2019	2018	Change %
26 Breakdown of fiduciary transactions			
Fiduciary deposits with other companies	2'953'167	3'847'819	(23,3)
Fiduciary deposits held with Group companies and allied companies	1'307'988	570'481	129,3
Fiduciary transactions relating to securities lending / borrowing in which the Bank acts in its own name on behalf of clients	30'823	30'818	0,0
Total	4'291'978	4'449'118	(3,5)

(in CHF '000)	2019	2018	Change %
27 Breakdown of administered assets and change in their total value			
a) Breakdown of administered assets			
Breakdown of assets by collective investment scheme under the Bank's management	64'911'030	27'992'240	131,9
Assets under discretionary management	38'517'606	31'586'455	21,9
Other assets under management	69'935'306	68'041'402	2,8
Total assets under management (includes double reporting)	173'363'942	127'620'097	35,8
<i>double reporting</i>	<i>12'979'540</i>	<i>6'910'019</i>	<i>87,8</i>
b) Change in total administered assets			
Total initial assets under management (includes double reporting)	127'620'097	137'448'457	(7,2)
<i>+/- net inflow/outflow of fresh funds</i>	<i>(2'405'228)</i>	<i>(4'040'220)</i>	<i>-</i>
<i>+/- price changes, interest, dividends and currency effects</i>	<i>5'753'530</i>	<i>(7'273'964)</i>	<i>-</i>
<i>+/- other effects</i>	<i>42'395'543</i>	<i>1'485'824</i>	<i>-</i>
Total final assets under management (includes double reporting)	173'363'942	127'620'097	35,8

Assets under management include investments in funds managed by the Group, assets held under discretionary management mandates (including under custody with depositaries) and by the Group and other assets held for investment purposes ("Other assets").

Assets under discretionary management are clients' assets for which investment decisions are taken by the Group. Other administered assets are assets for which investment decisions are taken by the client (clients that have a consulting mandate and clients without a mandate). Where several types of services are provided by the same assets, the latter are treated using double reporting. In practice, this primarily involves administered assets or assets under discretionary management that are placed in collective investment schemes under the Bank's management.

This does not include assets under custody representing the assets of a client that are solely intended to be deposited.

Net deposits/withdrawals of fresh money includes account openings and closures as well as deposits and withdrawals by existing clients. This item is calculated directly, based on clients' individual cash and securities transactions. Changes in assets arising from their performance (e.g. due to price variations, changes in securities prices and exchange rates, interest and dividend payments and bank charges), as well as interest, commissions and costs charged to clients, are not considered deposits/withdrawals. A portion of the deposits/withdrawals also results from double reporting of assets under management invested in Group funds of funds.

Other effects only include changes in the scope of consolidation, which in 2019 include the acquisition of Edmond de Rothschild (France) and its subsidiaries, and in 2018 Edmond's acquisition of the Cording Real Estate S.A. Group.

(in CHF '000)	2019	2018	Change %
28 Results of trading operations and statements of fair value			
a) Breakdown by sector			
Trading operations with private clients	50'661	40'896	23,9
Trading operations for own account	87'478	18'371	376,2
Total results of trading operations	138'139	59'267	133,1
b) Breakdown by type of underlying and results of use of the fair-value option			
Results of trading operations involving:			
Rate instruments (including funds)	(115)	473	(124,3)
Equity instruments (including funds)	2'677	5'773	(53,6)
Foreign currencies	117'369	52'509	123,5
Commodities / precious metals	108	173	(37,6)
Other trading operations	18'100	339	5'239,2
Total results of trading operations	138'139	59'267	133,1
<i>arising from the fair-value option</i>	-	-	-

(in CHF '000)

2019

2018

Change %

29 Results of trading positions refinancing and negative interest

Refinancing income included in "Interest and discount income"

The Group does not debit portfolio refinancing costs to these results. Results of securities lending and borrowing appear in "Interest income, net".

Negative interest rates

Negative interest on asset-side transactions (reducing interest and discount income)	(25'571)	(37'347)	(31,5)
Negative interest on liability-side transactions (reducing interest charges)	10'565	8'778	20,4

Negative interest on asset-side transactions (reducing interest and discount income), and negative interest on liability-side transactions (reducing interest charges).

(in CHF '000)

2019

2018

Change %

30 Personnel expenses

Salaries	(345'023)	(308'455)	11,9
<i>expenses relating to variable remuneration</i>	<i>(77'844)</i>	<i>(73'138)</i>	<i>6,4</i>
Employee benefits:	(81'204)	(57'021)	42,4
<i>statutory social security contributions</i>	<i>(52'838)</i>	<i>(31'931)</i>	<i>65,5</i>
<i>contributions to pension funds</i>	<i>(28'366)</i>	<i>(25'090)</i>	<i>13,1</i>
Other personnel expenses	(12'661)	(18'194)	(30,4)
Total	(438'888)	(383'670)	14,4

"Salaries" covers the payroll of permanent and temporary staff, plus bonuses, fees paid to directors and supplementary allowances.

(in CHF '000)	2019	2018	Change %
31 Other operating expenses			
Cost of premises	(36'735)	(28'112)	30,7
IT and communications expenses	(66'137)	(59'139)	11,8
Expenses relating to vehicles, machines, furniture, other facilities and operational leasing	(1'192)	(1'397)	(14,7)
Auditors' fees	(5'027)	(5'844)	(14,0)
- including for financial and prudential auditing services	(3'988)	(4'306)	(7,4)
- including for other services	(1'039)	(1'538)	(32,4)
Fees	(62'859)	(58'957)	6,6
Other operating expenses	(42'343)	(37'422)	13,2
Total	(214'293)	(190'871)	12,3

(in CHF '000)	2019	2018	Change %
32 Changes to provisions, other value adjustments and losses			
Total	(6'591)	(15'887)	(58,5)

Changes in provisions and other value adjustments and losses result from provisions for legal risks, operating losses and trade discounts.

(in CHF '000)	2019	2018	Change %
33 Extraordinary income and expenses, releases from reserves for general banking risks			
Extraordinary income	4'912	209'716	(97,7)
Extraordinary expenses	(13'848)	(517)	2'578,5
Changes to reserves for general banking risks	27'027	9'783	176,3

In 2019, extraordinary income was primarily generated by a tax expense return in the amount of CHF 2.2 million, a tax refund linked to the sales and lease-back transaction in the real estate network in 2018 in the amount of CHF 1.4 million and a litigation insurance refund in the amount of CHF 0.6 million. Extraordinary expenses include a tax expense (VAT) in the amount of CHF 13.5 million.

In 2018, extraordinary income resulted from a sales and lease-back transaction in the real estate network of Edmond de Rothschild Suisse in the amount of CHF 80.6 million, capital gains from the disposal of Rothschild & CO, Rothschild Holding AG and RIT Capital Partners holdings in the amount of CHF 126.3 million and a tax expense reversal no longer applicable in the amount of CHF 2.4 million. Extraordinary expenses include capital losses from the disposal of holdings and fixed assets in the amount of CHF 0.5 million.

(in CHF '000)	2019	2018	Change %
34 Value adjustments on holdings and write-downs on fixed and intangible assets			
Non-consolidated holdings	(15)	(2)	650,0
Tangible assets			
- land and buildings	(1'940)	(1'092)	77,7
- software bought separately or developed in-house	(31'322)	(22'777)	37,5
- office furniture, machines and equipment	(9'062)	(8'338)	8,7
Intangible assets	(46'666)	(9'659)	383,1
Total	(89'005)	(41'868)	112,6

Concerning non-consolidated holdings shown at cost, only provisions for permanent capital depreciation are shown under this heading.

(in CHF '000)	2019			2018		
	Switzerland	Foreign	Total	Switzerland	Foreign	Total
35 Breakdown of operating profit between Switzerland and other countries based on the domicile of business operations						
Interest and discount income	21'221	30'035	51'256	25'226	31'025	56'251
Interest and dividend income on trading operations	18	(2)	16	191	16	207
Interest and dividend income on financial investments	14'504	9'638	24'142	14'361	2'954	17'315
Interest payable	4'967	(57'117)	(52'150)	4'903	(29'632)	(24'729)
Interest income, net	40'710	(17'446)	23'264	44'681	4'363	49'044
Changes in valuation adjustments for default risks and losses in interest-related business	(108)	7	(101)	(3)	115	112
Interest income, net	40'602	(17'439)	23'163	44'678	4'478	49'156
Commission income on securities and investment activities	236'426	470'977	707'403	238'284	427'303	665'587
Commission income on lending activities	2'739	1'002	3'741	1'417	317	1'734
Commission income on other services	2'358	40'499	42'857	4'155	14'981	19'136
Commissions payable	(30'765)	(133'568)	(164'333)	(34'316)	(161'848)	(196'164)
Fee and commission income, net	210'758	378'910	589'668	209'540	280'753	490'293
Results of trading operations and statements of fair value	43'606	94'533	138'139	44'888	64'647	109'535
Proceeds from the sale of financial investments	20'142	2'404	22'546	22'059	974	23'033
Income from holdings	8'406	4'752	13'158	7'426	5'048	12'474
<i>holdings reported using the equity method</i>	<i>3'416</i>	<i>2'551</i>	<i>5'967</i>	<i>2'598</i>	<i>3'518</i>	<i>6'116</i>
<i>other non-consolidated holdings</i>	<i>4'990</i>	<i>2'201</i>	<i>7'191</i>	<i>4'828</i>	<i>1'530</i>	<i>6'358</i>
Proceeds from real estate	132	95	227	83	38	121
Other ordinary income	7'330	8'918	16'248	9'187	3'608	12'795
Other ordinary expenses	(381)	(18'555)	(18'936)	(1'122)	(1'847)	(2'969)
Other ordinary results	35'629	(2'386)	33'243	37'633	7'821	45'454
Personnel expenses	(208'449)	(230'439)	(438'888)	(220'968)	(162'702)	(383'670)
Other operating expenses	(89'725)	(124'568)	(214'293)	(95'537)	(95'334)	(190'871)
Operating expenses	(298'174)	(355'007)	(653'181)	(316'505)	(258'036)	(574'541)
Value adjustments on holdings and write-downs on fixed and intangible assets	(21'808)	(67'197)	(89'005)	(21'787)	(20'081)	(41'868)
Changes to provisions, other value adjustments and losses	(2'467)	(4'124)	(6'591)	(3'082)	(12'805)	(15'887)
Operating income	8'146	27'290	35'436	(4'635)	66'777	62'142
Extraordinary income	1'597	3'315	4'912	205'927	3'789	209'716
Extraordinary expenses	(216)	(13'632)	(13'848)	(439)	(78)	(517)
Changes to reserves for general banking risks	24'927	2'100	27'027	723	9'060	9'783
Taxes	3'834	(13'440)	(9'606)	(46'783)	(12'602)	(59'385)
Consolidated profit	38'288	5'633	43'921	154'793	66'946	221'739

This breakdown of results by Swiss and foreign origin is based on the location of business operations.

(in CHF '000)	2019	2018	Change %
36 Current and deferred taxes			
Current taxes	(33'086)	(48'334)	(31,5)
Deferred taxes	23'480	(11'051)	(312,5)
Total	(9'606)	(59'385)	(83,8)
Average tax rate	(27,1)%	(95,6)%	68,5

Corporate taxes are calculated on the basis of the financial statements of each individual Group company and charged to the accounting period in which they were incurred. Deferred taxes concern reportable tax losses. Deferred tax provisions are set out in **note 15**.

In 2019, the deferred tax bases in Switzerland were adjusted due to the introduction of the company tax reform (RFFA). In 2018, the average rate of taxation was calculated before taking into account disposals from the real estate portfolio in Switzerland and of Rothschild and Co. holdings that significantly impacted the amount of the Group's current taxes.

	2019	2018
37 Earnings per share		
Group earnings after deduction of portion due to minority interests (in thousands of CHF)	36'223	204'690
Weighted average of number of shares outstanding		
Bearer shares (par value CHF 500.-)	81'387	50'000
Registered shares (par value CHF 100.-)	180'000	200'000
Weighted average of number of shares used to calculate earnings per share (with a par value of CHF 500.-) after deducting own shares held by the Bank (Treasury stock)	116'975	81'327
Earnings per registered share, at 500.- par value, after deducting portion due to minority interests	309,66	-
Earnings per bearer share, at 500.- par value, after deducting portion due to minority interests	309,66	2'516,88
Earnings per registered share, at 100.- par value, after deducting portion due to minority interests	61,93	503,38

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