



Edmond de Rothschild Group^(*)

2013 annual results

- **Assets under management rose 9% to CHF 164 billion, driven by positive momentum in inflows of fresh money and by good returns on clients' portfolios and investment funds.**
 - **Operating efficiency improved, boosting gross profit 9% to CHF 232 million.**
 - **2013 brought the first concrete benefits of our Group strategy.**
- The Edmond de Rothschild Group posted 9% growth in assets under management, which totalled CHF 164 billion at the end of the reporting year.
 - Net inflows of client funds came to CHF 2.1 billion thanks to hefty fund subscriptions in Asset Management and new account openings in Private Banking, chiefly at the international level.
 - Operating income rose 4.7% to CHF 1.166 billion, fuelled by our larger asset base, relatively buoyant margins and gains in market share, particularly in Asset Management.
 - Operating expenses, up 3.6%, amounted to CHF 934 million, reflecting effective cost controls despite capital investment designed to grow our businesses further.
 - Net profit came to CHF 107 million.
 - The Group continues to boast a healthy, liquid balance-sheet, which alongside conservative risk management enabled our capital ratio to reach 28% at end-2013.

In the words of **Christophe de Backer, Group CEO**, *"The Edmond de Rothschild Group succeeded in exploiting market opportunities last year and also reaped the first concrete benefits of our Group strategy. We achieved solid performances that testify to the wise orientation of our growth, the remarkable work of our teams on behalf of their clients and our strong management convictions. Now more than ever, our objective set by Ariane and Benjamin de Rothschild is to become the world's foremost independent wealth management group. This aim draws on the strengths of the Edmond de Rothschild model: a unique approach to Asset Management and Private Banking combined with a powerful brand that is emblematic of performance, long-term relationships and family values handed down from generation to generation."*

() Mainly includes the subgroup controlled by Banque Privée Edmond de Rothschild SA, a publicly traded Swiss company.*

Assets under management stood at CHF 164 billion at 31 December 2013, up 8.8% on the year-earlier level. Assets in the Private Banking division came to CHF 77.6 billion (47% of the total) while those in the Asset Management division reached CHF 86.5 billion (53% of the total).

Growth in the Group's total assets resulted from a positive net inflow of client funds (CHF 2.1 billion, up 1.4%) and the fine returns delivered by our managers (with 6.9% from gains in market values and exchange rates). The inflow of fresh money was mainly attributable to fund subscriptions by international institutional clients in Asset Management and to new account openings at both the local and international levels in Private Banking. These substantial inflows attest not only to our clients' confidence but also to the astuteness of our core business models and the quality of our Group's management.

Our managers regularly win honours and this year is no exception. The Private Banking division in France shares first place among the specialist private banks for the third year in a row in the 2014 edition of "Gestion de patrimoine et Gestion fiscale de l'entreprise", a guide published by the magazine *Décideurs*. In Asset Management, European Capital Holdings was named "Best Fund of Hedge Funds" at the Hedge Funds Review - European Fund of Hedge Funds Awards.

Operating income rose 4.7% to CHF 1.166 billion, driven by our larger asset base and by gains in market share, particularly in Asset Management in France. The gross margin remained unchanged from the year-earlier level at 73 basis points.

Net interest income was up 16% compared with the 2012 level despite persistently low interest rates in historical terms. This item stood at CHF 49.3 million as against CHF 42.4 million the previous year. Net fee and commission income rose 6% to CHF 909.1 million, versus CHF 854.3 million in 2012. The increase was fuelled by higher assets under management and brokerage income. Results of trading operations amounted to CHF 113.1 million, down 7% on the year-earlier figure (CHF 121.6 million). Other ordinary results fell 6% to CHF 94.3 million as against CHF 100.1 million in 2012.

Despite our strong business development and international expansion we managed to keep a tight lid on operating expenses, which rose 3.6% to CHF 934 million. The Group continues to beef up its presence in Asia and the UK. Hong Kong, a leading financial centre that provides access to all the Asian markets, is now a major platform for the Edmond de Rothschild Group. In London we have expanded our Asset Management business and now offer Private Merchant Banking services, in order to provide international entrepreneurs with customised solutions to the challenges posed by their professional and family needs.

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Net profit amounted to CHF 107 million.

These results once again testify to the financial health of the Edmond de Rothschild Group, whose BIS capital ratio stood at 28% at end-2013.

Outlook for 2014

The coming year will enable our Group to reap more benefits from our business strategy and go on developing our distinctive positioning with renewed ambition.

We continue to expand internationally in Asset Management by positioning ourselves as a multi-specialist on behalf of our clients. We also intend to grow our share of the large institutional market on behalf of international players.

Backed by a business model that has made us a renowned front-runner in Private Banking, our Group will reinforce its ties with prominent wealthy families and entrepreneurs in European countries as well as in the world's faster-growing regions. To do so, the Private Banking division will be able to count on the support of our Group Corporate Finance unit.

About the Edmond de Rothschild Group

The Edmond de Rothschild Group is an independent, family-controlled financial group focused on Asset Management and Private Banking. It was established in 1953 and since 1997 has been presided over by Baron Benjamin de Rothschild. At 31 December 2013 the Group had CHF 164 billion of assets under management and 2,800 employees spread across 30 offices, branches and subsidiaries throughout the world. In addition to its core businesses of Asset Management and Private Banking, the Group is also active in Corporate Finance, Private Equity and Investment Fund Administration.



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