

Merger of Compagnie Financière Martin Maurel with Rothschild & Co

Creating a leading powerful independent private banking group in France

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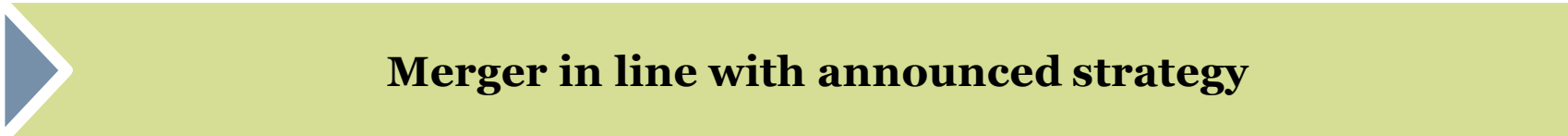
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Introduction

- Good momentum in first nine months of the year 2015/2016 following a strong 2014/2015
- Group strategy to play to existing strengths and generate growth from existing businesses by growing scale
- Increase revenues from more stable Wealth and Asset Management business



Merger in line with announced strategy

Transaction rationale



Opportunity to create a leading independent private banking group in France

1

Accelerating Rothschild & Co's long-term strategy in the European private banking market

Attractive market for some segments

- **France #3 in Europe**, behind the UK and Germany in terms of household financial wealth
- Steady increase in number of millionaire households
- Independent players with corporate divisions capturing market share + positive momentum for most agile franchises
- **AuM growth levers** in the French regions:
 - 75% of family-owned SME disposals take place in the regions
 - c.80% of French households liable to wealth tax located in Ile de France (Paris), Rhône Alpes (Lyon) and PACA (Marseille)

Resilient growth fundamentals

- AuM growth expected to remain stable at c.4% p.a. in the coming years, in-line with annual growth patterns since 2009
- Ongoing consolidation wave in the sector
- Resilient growth stemming notably from SME divestitures and the economic dynamism of French regions

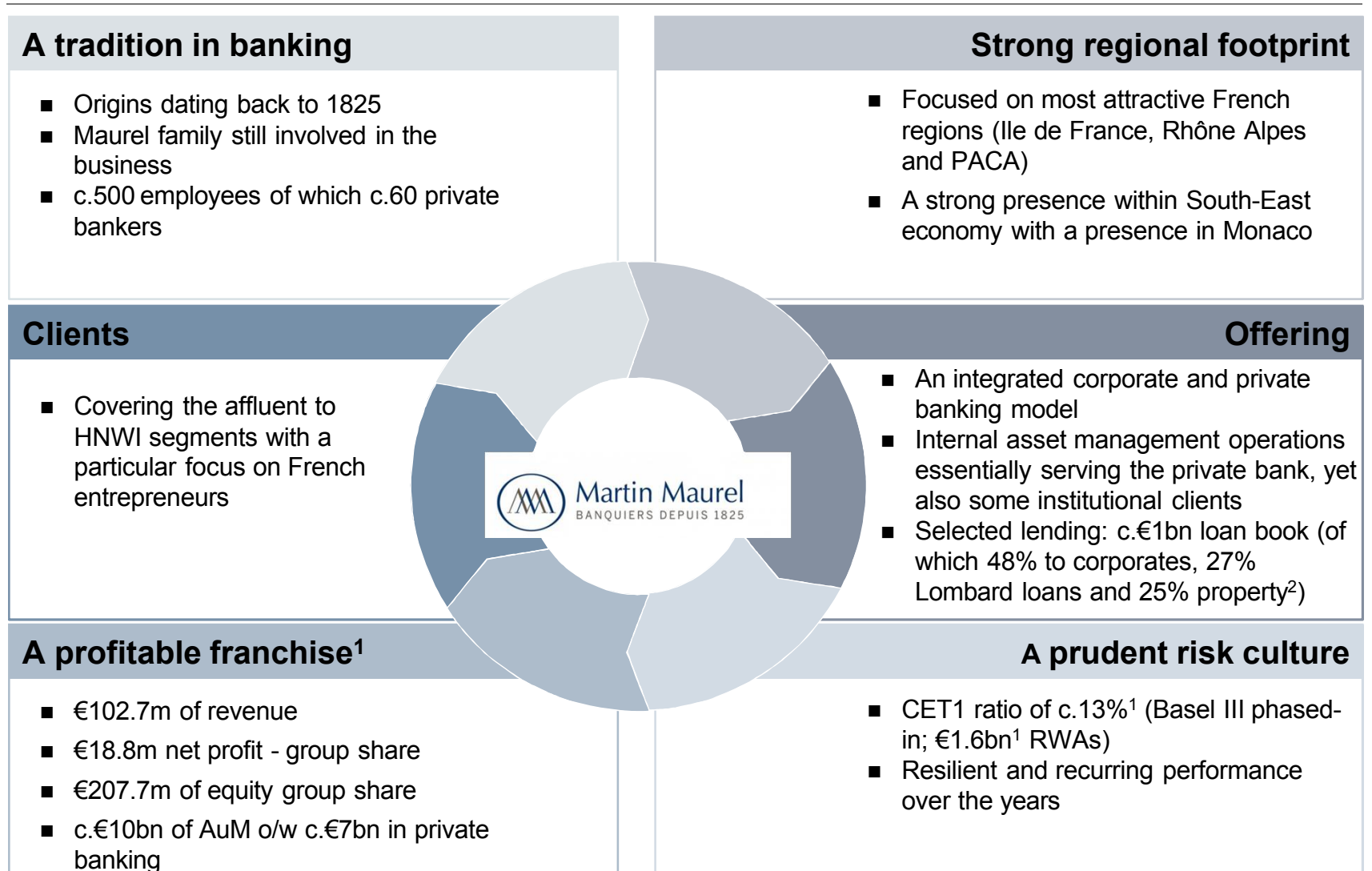
Synergistic with our other core activities

- Specific tailor-made approach targeting especially entrepreneurs and families
- Family-owned SME divestiture theme common to Rothschild & Co Global Financial Advisory, Private Banking and Merchant Banking franchises

Source The Boston Consulting Group

A full service offering for entrepreneurs would boost growth significantly in the French market

Combining with the right high-profile franchise



**Martin Maurel is a unique private bank
with proven track record**

Notes

¹ CFMM figures as at December 2015

² Both residential and development

3 Creating a leading powerful independent private banking group in France

In addition to their existing strengths in portfolio management, the two groups are highly complementary

Attractions of Rothschild & Co

- Wealth structuring skills
- UHNWI expertise
- M&A services geared to families and entrepreneurs
- Investment management capabilities and distribution
- Proven track-record of investing in non listed assets (private equity and private debt)

Attractions of CFMM

- Critical size with c.€10bn of AuM
- Wide range of products for private banking clients
- Integrated corporate model including lending offerings
- Complementary range of funds distributed to private banking
- Regional footprint in the most dynamic and wealthy regions of France



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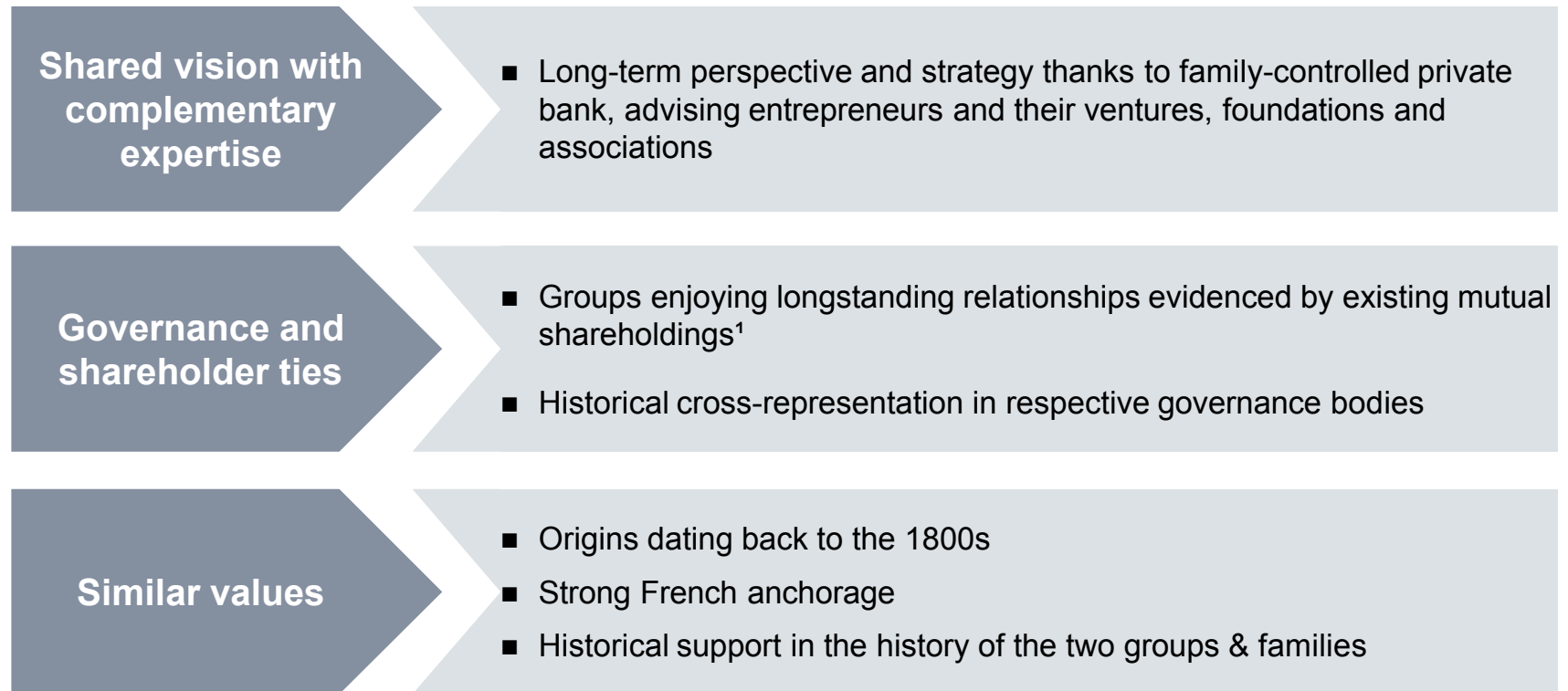


A new brand for private banking in France:

Rothschild Martin Maurel

The new group would have a real competitive advantage

4 Leveraging on shared values and family ownership for many years



Note

¹ Rothschild & Co holding 2.3% of Compagnie Financière Martin Maurel capital and Compagnie Financière Martin Maurel holding c.1% of Rothschild & Co capital (May 2016)

Strong cultural complementarity and historic business ties

5 Creating value for Rothschild & Co shareholders

Financial & legal terms

| | |
|-------------------------------|--|
| Proposed consideration | <ul style="list-style-type: none">■ CFMM valued at €240m (on a 100% basis – cum 2015 dividend)<ul style="list-style-type: none">– Implied 1.16x P/BV 2015 and 12.8x FY15 PER– Limited goodwill based on <u>current</u> Rothschild & Co share price■ Merger between CFMM and Rothschild & Co with 1 CFMM share for 126 Rothschild & Co shares exchange ratio |
| Conditions | <ul style="list-style-type: none">■ Secured support from shareholders (including Rothschild & Co) representing 83.6% of CFMM voting rights to approve the merger at CFMM General Meeting■ The merger requires a 2/3-majority vote at Rothschild & Co General Meeting■ Transaction remains subject to (i) work councils consultation from both groups and (ii) usual conditions, notably appropriate regulatory and anti-trust approvals |
| Financing | <ul style="list-style-type: none">■ Of those CFMM shareholders who have so far committed to vote in favour of the merger, shareholders representing 35% of CFMM's share capital (€84m) have elected for cash and 48% in shares (€113m)<ul style="list-style-type: none">– final mix of consideration between cash/ shares estimated around 40/60■ The cash element of the transaction would be financed through external credit facilities and Rothschild own resources |
| Indicative timetable | <ul style="list-style-type: none">■ Rothschild & Co annual results announcement: 22 June 2016■ CFMM and Rothschild & Co General Meetings: end of September 2016■ Regulatory approvals: June - December 2016■ Merger: December 2016 - March 2017 |

5 Creating value for Rothschild & Co shareholders

Expected impacts

| | |
|--|--|
| EPS accretive | <ul style="list-style-type: none">■ The proposed combination is expected to be EPS accretive for the first full financial year post merger, pre synergies |
| Synergies | <ul style="list-style-type: none">■ Significant development synergies expected from the transaction notably given complementary profiles (client, footprint, offerings) and respective strengths and expertise■ Up to €10-15m PBT potential impact over time |
| Strong solvency position | <ul style="list-style-type: none">■ Pro-forma CET1 ratio expected post transaction of c.18%, well above regulatory requirements |
| Reinforced Rothschild & Co business mix | <ul style="list-style-type: none">■ Around €100m of recurring revenues to be added to existing Wealth & Asset Management revenues of Rothschild & Co (c.€336m as of FY 2014/2015)■ Building further earnings resilience for the Group and diversification away from Global Financial Advisory |

Exceptional opportunity to enhance value

Conclusion

A unique opportunity to create a leading independent private bank in France with the necessary scale, market position and client coverage

Appendices

CFMM consolidated IFRS financial data

| Summary P&L (IFRS) | | |
|-------------------------------|-------------|-------------|
| €m - 31/12 | 2014a | 2015a |
| Net banking income | 97.0 | 102.7 |
| <i>C/I ratio</i> | 69.3% | 67.5% |
| Profit before tax | 28.9 | 31.9 |
| Minorities | (2.2) | (3.2) |
| Net income group share | 17.9 | 18.8 |

| Summary balance sheet (IFRS) | | |
|---------------------------------------|--------------|--------------|
| €m - 31/12 | 2014a | 2015a |
| Net liquid assets ¹ | 1,019 | 1,252 |
| Customer loans | 1,077 | 1,162 |
| Tangible assets | 31 | 30 |
| Intangibles & goodwill | 18 | 17 |
| Other assets | 60 | 49 |
| Total assets | 2,204 | 2,510 |
| Due to banks | 86 | 158 |
| Customer deposits | 1,763 | 2,027 |
| Other liabilities | 132 | 83 |
| Equity group share | 192 | 208 |
| Minorities | 30 | 34 |
| Total equity & liabilities | 2,204 | 2,510 |
| RWA | 1,429 | 1,568 |
| CET1 ratio (Phased-in/B3) | 13.2% | 13.1% |

Source CFMM – Annual report 2015

Note

1 Including cash & cash equivalents and financial assets (e.g. AFS, HTM portfolio)

Contemplated deal structuring

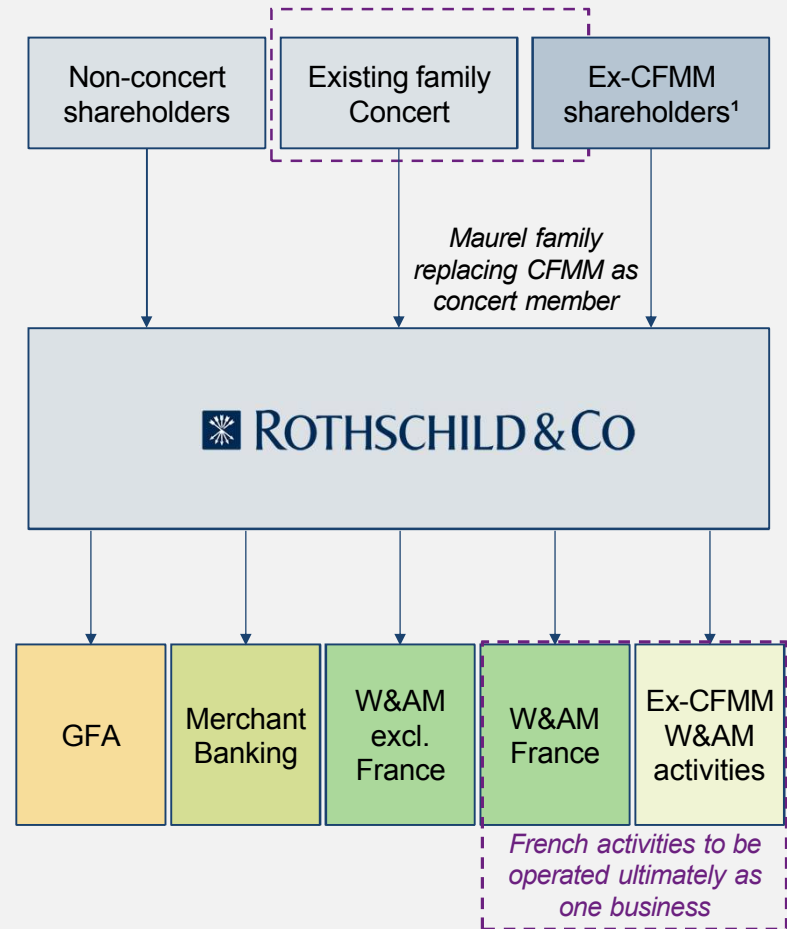
Key principles

- 1 CFMM to be merged into Rothschild & Co
 - All assets and liabilities of Compagnie Financière Martin Maurel (“CFMM”) would be transferred to Rothschild & Co
 - CFMM shareholders becoming shareholders of Rothschild & Co (except some shareholders who would exit through cash before such merger)

- 2 Within CFMM shareholders, the Maurel family, CFMM reference shareholders, would replace CFMM which was part of the concert, thus becoming concert members

- 3 The merger is expected to be broadly neutral on family concert, which will remain at current levels in terms of capital and voting rights

Contemplated structure



Note
 1 Excluding CFMM shareholders having elected for a cash exit pre-merger