

Press Release

Paris and Marseille, 6 June 2016

Rothschild & Co and Compagnie Financière Martin Maurel plan merger to create one of France's leading independent private banks

Rothschild & Co and Compagnie Financière Martin Maurel today announced their plan to merge, with a view to combining their French activities in private banking and asset management to create one of France's leading independent private banks. The merger would build upon the relationship that already exists between the Rothschild and the Maurel families for three generations, as well as between the two companies who currently enjoy close links and a similar culture.

The proposed merger would:

- Create a leading independent private bank in France, with combined AUM of c.€34 billion¹;
- Offer a complete wealth management, asset management, financing and corporate finance advisory service;
- Offer a greater geographic footprint in France, notably in the three key regions for its businesses which are Ile de France, Rhône-Alpes and Provence Alpes Côte d'Azur.

1. Bring together the expertise of two renowned private banks sharing common values

The Martin Maurel group has been providing private banking, wealth management, asset management and financial advisory services to individuals, companies, foundations and associations since 1825. The Martin Maurel group remains true to its ethical vision and believes that the banker's role is to build a close relationship with clients, based on its employees' experience and expertise. This vision is reflected by its determination to serve its clients, which has enabled the bank to achieve continuous and steady growth, resulting in almost €10 billion of assets under management, of which €7 billion for private banking at the end of 2015.

The private banking and asset management activities are one of three arms of Rothschild & Co, which represents €50 billion of assets under management on a worldwide basis, approximately €24 billion of assets under management in France of which €10 billion in private banking. This activity has adopted the Trusted Advisor model and offers its clients long-term global advice based on two pillars: wealth structuring and discretionary portfolio management.

¹ including Asset Management

Integrating the two businesses would rely on the quality of the teams already in place and the unique complementarity that exists between the two groups. The new combined group would operate under the name Rothschild Martin Maurel in France reflecting the desire to preserve the well-established partnership of the founding families and the values that they wish to perpetuate.

The private banking sector in France, the third largest in Europe has seen significant annual growth of 4%² since 2009 and offers real growth opportunities. Rothschild Martin Maurel would become a major player in this market and would be well placed to offer its clients an enhanced service thanks to its bankers' expertise, the quality of its offer and its geographical coverage across France. The combined entity would be able to advise entrepreneurs and families on both a personal and professional level, while being closer to them.

2. Contemplated transaction and potential impacts

The transaction would take the form of a merger between Rothschild & Co and Compagnie Financière Martin Maurel. Shareholders in Compagnie Financière Martin Maurel would be offered either 126 Rothschild & Co shares per existing share or prior to the completion of the merger, be able to sell their Compagnie Financière Martin Maurel shares in cash. The Maurel family would receive Rothschild & Co shares and as a result of the merger, would replace Compagnie Financière Martin Maurel in the extended family concert.

The vote on the transaction by the shareholders of Compagnie Financière Martin Maurel is secured; Compagnie Financière Martin Maurel has already received irrevocable support for the merger from shareholders representing more than the qualified majority required to vote the merger.

Compagnie Financière Martin Maurel is valued at €240 million, with the 2015 dividend attached. The transaction would be financed by a mixture of newly issued Rothschild & Co shares, Rothschild & Co's own cash resources and external credit facilities.

The transaction is expected to have a modestly positive impact on EPS from the first full fiscal year post-merger, before synergies.

The merger would leave the Rothschild & Co Group well capitalised with a robust balance sheet. Pro forma Basel III (fully loaded) CET1 ratio for Rothschild & Co is expected to be c.18%, comfortably in excess of regulatory requirements.

3. Timetable

Rothschild & Co's supervisory board and Compagnie Financière Martin Maurel's board of directors have both favourably welcomed the principle of the merger. The merger is conditional on the approval of the shareholders of Compagnie Financière Martin Maurel and Rothschild & Co, as well as the usual conditions, in particular competition and regulatory authorities' approvals.

² Source : The Boston Consulting Group

Following consultation processes with work councils from both groups, the merger proposals should be put before general meetings of Compagnie Financière Martin Maurel and Rothschild & Co in September 2016 so as to complete the transaction by the end of the calendar year.

Bernard Maurel, Président and CEO of Compagnie Financière Martin Maurel said, *"More than ever, we are committed to serving our customers in keeping with the values that have ensured the longevity of our company. We share these values with the Rothschild & Co family to whom we have been close for three generations. We believe that the combination of our two groups would strengthen the model of the independent family bank. This alliance would enhance our expertise to benefit our clients and our teams, and to face future challenges with confidence."*

David de Rothschild, Chairman of Rothschild & Co, said: *"Our two companies share an independent family model that is a real strength when compared to our competitors. This transaction would strengthen and ensure the continuity of this model. I am convinced that Rothschild & Co's private banking and asset management would be enriched by the expertise that the Martin Maurel group brings, and that together through our shared history, our common values and our long-term vision, we would continue to bring the best service to our customers and strengthen our leading position in private banking."*

About Compagnie Financière Martin Maurel

Compagnie Financière Martin Maurel is the holding company of the group Martin Maurel, whose main interest is Banque Martin Maurel owned 88%.

Banque Martin Maurel is a family owned, independent private bank. It operates out of seven locations across France and employs around 400 people. The group is headquartered in Marseille and has major operations in the important Provence-Cote d'Azur, Paris and Rhone-Alpes regions of France. For the year ended 31 December 2015, net banking income for Compagnie Financière Martin Maurel was €102.7 million, a loan portfolio of about €1 billion, funded and managed conservatively, with a loan / deposit ratio below 60%. As at 31 December 2015, its net equity was €207.7 million and its CET1 ratio was 13.1%.

About Rothschild & Co

Rothschild & Co is a family-controlled and independent business and has been at the centre of the world's financial markets for over 200 years. Listed on Euronext Paris, Rothschild & Co is one of the world's largest independent financial advisory groups, employing approximately 2,800 people in 40 countries around the world. There are three main arms to the Group - Global Financial Advisory, Private Wealth & Asset Management and Merchant Banking. Assets under management for the global Wealth and Asset Management amount to €50 billion, including approximately €10 billion for private banking in France.

Rothschild & Co

Tél. : +33 (0)1 53 77 65 10

Communication

Caroline Nico - Caroline.nico@rothschild.com

Investor Relations

Marie-Laure Becquart - marie-laure.becquart@rothschild.com

Banque Martin Maurel

Communication

Christine Mariani - cmariani@martinmaurel.com

Tél : +33 (0)6 89 27 45 63

Media relations

DGM Conseil +33 1 40 70 11 89

Olivier Labesse - labesse@dgm-conseil.fr
