



UNION BANCAIRE PRIVÉE

## Press release

### First half-year results 2019

## Union Bancaire Privée announces a net profit of CHF 117.2 million for the first half of 2019 and a 6% increase in assets under management

Geneva, 19 July 2019

- UBP's *net profit* in the six months to the end of June 2019 was CHF 117.2 million, up 1.7% from CHF 115.3 million a year earlier.
- *Assets under management* grew by CHF 7.6 billion to CHF 134.4 billion at the end of June 2019.

### Positive net inflows and increase in assets under management

*Assets under management* rose from CHF 126.8 billion at the end of December 2018 to CHF 134.4 billion at the end of June 2019. That growth was driven by net inflows from private clients, along with the CHF 2.127 billion contributed by Banque Carnegie in Luxembourg, acquired at the start of the year. Good market conditions and solid asset management performance comfortably offset the negative impact resulting from declines in the dollar and euro and from profit-taking by institutional clients in early 2019.

*Operating revenues* fell slightly (-1.3%), from CHF 540.0 million in the first half of 2018 to CHF 533.2 million in the first half of 2019. The decline reflects the ongoing slowdown in trading activity among private and institutional clients in market conditions that are difficult to assess.

*Operating expenses* rose from CHF 341.0 million at the end of June 2018 to CHF 363.9 million at the end of June 2019 due to costs relating to the integration of Banque Carnegie in Luxembourg and the acquisition of ACPI in London, which was finalised at the end of 2018. UBP also made significant investments in its Asian business, as well as in the digital arena over the same period.

*Net profit* amounted to CHF 117.2 million in the first half of 2019, including the sale of a property in London, up 1.7% compared with the year-earlier figure of CHF 115.3 million.

The Bank's *Tier 1 ratio* of 26.1% at the end of June 2019, and its *short-term liquidity coverage ratio* (LCR) of 301.3% demonstrate its solid financial position and the quality of its balance sheet.

"The successful integration of the two recently acquired entities, and of our new teams in Asia, is starting to pay off. The strong returns delivered by our investment solutions and the ongoing growth in assets under management mean that we can look ahead to the second half of 2019 with confidence. This represents a promising backdrop for our ongoing commitment to investing for the future", said UBP's CEO Guy de Picciotto.

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### About Union Bancaire Privée (UBP) – [www.ubp.com](http://www.ubp.com)

UBP is one of Switzerland's leading private banks, and is among the best-capitalised, with a Tier 1 capital ratio of 26.1% as at 30 June 2019. The Bank is specialised in the field of wealth management for both private and institutional clients. It is based in Geneva and employs 1,772 people in over twenty locations worldwide; it held CHF 134.4 billion in assets under management as at 30 June 2019.

# FINANCIAL RESULTS AS AT 30 JUNE 2019

(UNAUDITED ACCOUNTS)

## Financial highlights for the Group

In CHF million, unless otherwise stated

	As at 30.06.2019	As at 30.06.2018	Variation	Variation in %
Net profit	117.2	115.3	1.9	1.7%
Operating result	109.1	147.4	(38.3)	(26.0%)
Client assets (in CHF billions)	134.4	128.4	6.0	4.7%
<b>Total operating income</b>	<b>533.2</b>	<b>540.0</b>	<b>(6.8)</b>	<b>(1.3%)</b>
Net result from interest operations	153.5	150.6	3.0	2.0%
Net fees and commissions income	328.1	332.2	(4.1)	(1.2%)
Profit on trading operations and on fair value options	46.4	49.1	(2.7)	(5.6%)
<b>Total operating expenses</b>	<b>363.9</b>	<b>341.0</b>	<b>22.9</b>	<b>6.7%</b>
Personnel expenses	262.4	250.4	11.9	4.8%
General and administrative expenses	101.6	90.6	11.0	12.2%
Depreciation, value adjustments, provisions and losses	60.1	51.6	8.5	16.5%
Total assets	31,963.0	31,116.0	847.0	2.7%
Shareholders' equity	2,284.9	2,215.5	69.4	3.1%
Share capital	300.0	300.0	0.0	0.0%
Capital reserves	867.3	867.3	0.0	0.0%
Reserves and retained earnings	785.0	717.6	67.4	9.4%
Reserves for general banking risks	215.4	215.4	0.0	0.0%
Operating cost/income ratio	68.3%	63.1%	-	-
Cost/income ratio after depreciation	79.3%	72.3%	-	-
Return on equity (ROE)	10.5%	10.1%	-	-
Shareholders' equity/total assets	7.1%	7.1%	-	-
Tier 1 capital ratio	26.1%	28.2%	-	-
Liquidity coverage ratio (LCR)	301.3%	290.4%	-	-
Leverage ratio	5.6%	5.6%	-	-

## Consolidated statement of income (unaudited accounts)

In CHF thousands

	As at 30.06.2019	As at 30.06.2018	Variation	Variation in %
<b>Consolidated statement of ordinary income and expenses on banking operations</b>				
<b>Result from interest operations</b>				
Interest and discount income	313,514	221,165	92,349	41.8%
Interest and dividends from financial investments	46,402	48,570	(2,168)	(4.5%)
Interest expense	(206,071)	(119,171)	(86,900)	72.9%
<b>Gross result from interest operations</b>	<b>153,845</b>	<b>150,564</b>	<b>3,281</b>	<b>2.2%</b>
Changes in value adjustments and provisions for default risks and losses from interest operations	(326)		(326)	
<b>Net result from interest operations</b>	<b>153,519</b>	<b>150,564</b>	<b>2,955</b>	<b>2.0%</b>
<b>Fees and commissions</b>				
Commission income on securities trading and investment transactions	335,072	337,416	(2,344)	(0.7%)
Credit-related fees and commissions	1,381	1,468	(87)	(5.9%)
Other fees and commissions income	1,061	2,028	(967)	(47.7%)
Commission expense	(9,450)	(8,749)	(701)	8.0%
<b>Fees and commissions</b>	<b>328,064</b>	<b>332,163</b>	<b>(4,099)</b>	<b>(1.2%)</b>
<b>Result from trading activities and the fair value option</b>	<b>46,354</b>	<b>49,102</b>	<b>(2,748)</b>	<b>(5.6%)</b>
<b>Other result from ordinary activities</b>				
Result from the disposal of financial investments	(579)	4,880	(5,459)	(111.9%)
Income from participations	4,972	1,802	3,170	175.9%
of which, from participations reported using the equity method	(345)	(684)	339	(49.6%)
of which, from other non-consolidated participations	5,317	2,486	2,831	113.9%
Result from real estate	343	728	(385)	(52.9%)
Other ordinary income	532	768	(236)	(30.7%)
Other ordinary expenses	-	-	-	-
<b>Other result from ordinary activities</b>	<b>5,268</b>	<b>8,178</b>	<b>(2,910)</b>	<b>(35.6%)</b>
<b>Total income</b>	<b>533,205</b>	<b>540,007</b>	<b>(6,802)</b>	<b>(1.3%)</b>

In CHF thousands

	As at 30.06.2019	As at 30.06.2018	Variation	Variation in %
<b>Operating expenses</b>				
Personnel expenses	(262,357)	(250,417)	(11,940)	4.8%
General and administrative expenses	(101,584)	(90,559)	(11,025)	12.2%
<b>Operating expenses</b>	<b>(363,941)</b>	<b>(340,976)</b>	<b>(22,965)</b>	<b>6.7%</b>
Value adjustments on participations and depreciation of tangible and intangible fixed assets	(58,626)	(49,466)	(9,160)	18.5%
Changes to provisions and other value adjustments and losses	(1,490)	(2,118)	628	(29.7%)
<b>Operating result</b>	<b>109,148</b>	<b>147,447</b>	<b>(38,299)</b>	<b>(26.0%)</b>
Extraordinary income	34,361	254	34,107	13,428.0%
Taxes	(26,329)	(32,440)	6,111	(18.8%)
<b>Group profit</b>	<b>117,180</b>	<b>115,261</b>	<b>1,919</b>	<b>1.7%</b>

## Consolidated balance sheet

In CHF thousands

	As at 30.06.2019	As at 31.12.2018 (audited)
<b>Assets</b>		
Cash and cash equivalents	9,061,853	8,435,045
Due from banks	1,034,455	1,083,437
Due from securities financing transactions	238,383	814,300
Due from clients	9,028,674	8,909,196
Mortgages	1,654,639	1,620,091
Trading portfolio assets	622,329	394,723
Positive replacement values of derivative financial instruments	317,941	501,912
Other financial instruments at fair value	831,668	793,102
Financial investments	8,248,225	9,205,249
Accrued income and prepaid expenses	143,783	143,085
Non-consolidated participations	2,623	2,615
Tangible fixed assets	296,078	295,718
Intangible assets	316,741	324,698
Other assets	165,621	47,603
<b>Total assets</b>	<b>31,963,013</b>	<b>32,570,774</b>
<b>Total subordinated claims</b>	<b>-</b>	<b>-</b>

In CHF thousands

As at 30.06.2019	As at 31.12.2018 (audited)
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### Liabilities

Due to banks	923,039	617,320
Liabilities from securities financing transactions	2,943,903	4,593,034
Due in respect of client deposits	23,569,122	23,137,793
Liabilities from trading portfolios	123	-
Negative replacement values of derivative financial instruments	589,143	389,183
Liabilities from other financial instruments at fair value	1,320,140	989,734
Accrued expenses and deferred income	247,958	379,462
Other liabilities	53,756	127,867
Provisions	30,940	33,672
<b>Total liabilities</b>	<b>29,678,124</b>	<b>30,268,065</b>

Reserves for general banking risks	215,375	215,375
Share capital	300,000	300,000
Capital reserves	867,336	867,336
Reserves and retained earnings	784,998	717,593
Group profit	117,180	202,405
<b>Total equity</b>	<b>2,284,889</b>	<b>2,302,709</b>

<b>Total liabilities and equity</b>	<b>31,963,013</b>	<b>32,570,774</b>
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<b>Total subordinated liabilities</b>	<b>-</b>	<b>-</b>
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### Off-balance-sheet transactions

In CHF thousands

As at 30.06.2019	As at 31.12.2018 (audited)
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Contingent liabilities	386,465	405,587
Irrevocable commitments	107,099	71,554
Liabilities to pay up shares and to make additional payments	354,986	210,860
Credit commitments (deferred payments)	-	599