



UNION BANCAIRE PRIVÉE

Press release

First half-year results 2023

Union Bancaire Privée posts net profit of CHF 110.8 million for the first half of 2023

Geneva, 21 July 2023

- *Assets under management* remained stable at CHF 140.6 billion
- *Revenues* of CHF 616.4 million were down 0.7%
- *Operating profit before taxes* amounted to CHF 138.0 million for the first half year compared with the previous year's figure of CHF 136.9 million (+0.8%)

UBP's *assets under management* remained stable at CHF 140.6 billion at the end of June 2023 compared with CHF 140.4 billion at the end of 2022. This result was achieved in a context where rising asset prices in the major currencies (CHF +4.2 billion) were largely offset by the appreciation of the Swiss franc against the US dollar (CHF -3.5 billion).

Revenues amounted to CHF 616.4 million in the first half of the year, representing a slight decrease (-0.7%) compared to CHF 620.9 million in the first half of 2022. A slowdown in fees and commissions (-12.5%), primarily due to lower brokerage activities was compensated by a strong net interest margin, up CHF 62.6 million (+43.3%), supported by recent rate hikes.

Operating expenses totalled CHF 414.8 million, and were in line with the previous year's figure of CHF 411.7 million. The small rise of 0.7% was the direct result of a pick-up in business travel. *Operating profit before taxes* amounted to CHF 138.0 million compared with CHF 136.9 million in the first half of 2022 (+0.8%). *Net profit* was CHF 110.8 million compared with CHF 112.6 million a year before (-1.6%).

The *Tier 1 ratio* of 27.3% and the *short-term liquidity coverage ratio* (LCR) of 262% reflect the quality of the Bank's balance sheet and its financial strength, as also reconfirmed by the Aa2 long-term deposit rating issued by Moody's.

"The first half of the year was marked by the strength of the Swiss franc, high inflation, and rapidly rising interest rates. Although global markets have recovered, clients tend to have a "wait-and-see" attitude. It is our role to be alert to opportunities across all markets, and to present suitable solutions to our clients wherever they are," said **UBP's CEO Guy de Picciotto**.

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About Union Bancaire Privée (UBP) – www.ubp.com

UBP is one of Switzerland's leading private banks, and is amongst the best-capitalised, with a Tier 1 ratio of 27.3%. The Bank is specialised in the field of wealth management for both private and institutional clients. It is based in Geneva and employs 2,008 people in over twenty locations worldwide, and holds CHF 140.6 billion in assets under management (all figures as at 30 June 2023).

FINANCIAL RESULTS AS AT 30 JUNE 2023

(UNAUDITED ACCOUNTS)

Financial highlights for the Group

In CHF million, unless otherwise stated

	As at 30.06.2023	As at 30.06.2022	Variation	Variation in %
Half-year net profit	110.8	112.6	(1.8)	(1.6%)
Operating result	138.0	136.9	1.1	0.8%
Client assets (in CHF billion)	140.6	148.2	(7.6)	(5.1%)
Total operating income	616.4	620.9	(4.5)	(0.7%)
Net result from interest operations	207.0	144.5	62.6	43.3%
Net fees and commissions income	350.9	401.0	(50.1)	(12.5%)
Profit on trading operations and on fair value options	53.4	72.5	(19.1)	(26.4%)
Total operating expenses	414.8	411.7	3.0	0.7%
Personnel expenses	299.5	299.2	0.3	0.1%
General and administrative expenses	115.3	112.5	2.7	2.4%
Depreciation, value adjustments, provisions and losses	63.6	72.3	(8.6)	(12.0%)
	As at 30.06.2023	As at 31.12.2022	Variation	Variation in %
Total assets	37,931.4	38,761.3	(829.9)	(2.1%)
Shareholders' equity	2,550.5	2,571.5	(21.0)	(0.8%)
Share capital	300.0	300.0	-	-
Capital reserves	867.3	867.3	-	-
Reserves and retained earnings	1,041.5	963.2	78.3	8.1%
Reserves for general banking risks	230.4	230.4	-	-
Operating cost / income ratio	67.3%	68.1%	-	-
Cost / income ratio after depreciation	77.6%	79.3%	-	-
Return on equity (ROE)	8.7%	8.5%	-	-
Shareholders' equity / total assets	6.7%	6.6%	-	-
Tier 1 capital ratio	27.3%	26.7%	-	-
Liquidity coverage ratio (LCR)	262.0%	304.6%	-	-
Leverage ratio (LERA)	5.8%	5.6%	-	-
Net stable funding ratio (NSFR)	186.0%	194.2%	-	-

Consolidated statement of income

In CHF thousands

	As at 30.06.2023	As at 30.06.2022	Variation	Variation in %
Consolidated statement of ordinary income and expenses on banking operations				
Result from interest operations				
Interest and discount income	588,337	137,925	450,412	326.6%
Interest and dividends from financial investments	146,864	57,540	89,324	155.2%
Interest expense	(527,929)	(50,982)	476,947	935.5%
Gross result from interest operations	207,272	144,483	62,789	43.5%
Changes in value adjustments and provisions for default risks and losses from interest operations	(225)	-	225	-
Net result from interest operations	207,047	144,483	62,564	43.3%
Fees and commissions				
Commission income on securities trading and investment transactions	357,888	409,350	(51,462)	(12.6%)
Credit-related fees and commissions	1,560	1,568	(8)	(0.5%)
Other fees and commissions income	661	1,270	(609)	(48.0%)
Commission expense	(9,240)	(11,215)	(1,975)	(17.6%)
Fees and commissions	350,869	400,973	(50,104)	(12.5%)
Result from trading activities and the fair value option	53,405	72,512	(19,107)	(26.4%)
Other result from ordinary activities				
Result from the disposal of financial investments	(10)	879	(889)	(101.1%)
Income from participations	1,440	1,276	164	12.9%
of which, from other non-consolidated participations	1,440	1,276	164	12.9%
Result from real estate	377	348	29	8.3%
Other ordinary income	3,253	453	2,800	618.1%
Other ordinary expenses	(6)	-	6	(100.0%)
Other result from ordinary activities	5,054	2,956	2,098	71.0%
Total income	616,375	620,924	(4,549)	(0.7%)

In CHF thousands

	As at 30.06.2023	As at 30.06.2022	Variation	Variation in %
Operating expenses				
Personnel expenses	(299,504)	(299,197)	307	0.1%
General and administrative expenses	(115,268)	(112,537)	2,731	2.4%
Operating expenses	(414,772)	(411,734)	3,038	0.7%
Value adjustments on participations and depreciation of tangible and intangible fixed assets	(61,818)	(64,228)	(2,410)	(3.8%)
Changes to provisions and other value adjustments and losses	(1,802)	(8,031)	(6,229)	(77.6%)
Operating result	137,983	136,931	1,052	0.8%
Taxes	(27,149)	(24,296)	2,853	11.7%
Half-year Group profit	110,834	112,635	(1,801)	(1.6%)
of which minority interests in Group profit	(127)	103	(230)	(223.3%)

Consolidated balance sheet

In CHF thousands

	As at 30.06.2023	As at 31.12.2022 (audited)
Assets		
Cash and cash equivalents	1,013,636	1,553,557
Due from banks	3,414,460	3,476,661
Due from securities financing transactions	760,415	1,777,545
Due from clients	7,631,258	8,389,859
Mortgages	2,163,895	2,351,902
Trading portfolio assets	7,631	191,619
Positive replacement values of derivative financial instruments	1,460,763	1,374,951
Other financial instruments at fair value	1,246,175	1,318,047
Financial investments	19,340,559	17,513,156
Accrued income and prepaid expenses	290,224	205,706
Non-consolidated participations	3,352	3,529
Tangible fixed assets	305,961	309,471
Intangible assets	213,561	233,767
Other assets	79,496	61,574
Total assets	37,931,386	38,761,344
Total subordinated claims	-	-

In CHF thousands

As at 30.06.2023	As at 31.12.2022 (audited)
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Liabilities

Due to banks	3,038,476	1,989,336
Liabilities from securities financing transactions	3,846,493	3,630,585
Due in respect of client deposits	24,902,513	26,949,521
Liabilities from trading portfolios	1	25
Negative replacement values of derivative financial instruments	1,195,661	1,413,056
Liabilities from other financial instruments at fair value	1,405,674	1,362,784
Bond issues and central mortgage institution loans	335,000	335,000
Accrued expenses and deferred income	342,140	357,342
Other liabilities	279,478	113,124
Provisions	35,402	39,027
Total liabilities	35,380,838	36,189,800

Reserves for general banking risks	230,413	230,413
Share capital	300,000	300,000
Capital reserves	867,336	867,336
Reserves and retained earnings	1,041,457	963,152
Minority interests in equity	508	267
Half-year/annual Group profit	110,834	210,376
of which minority interests in Group profit	(127)	150
Total equity	2,550,548	2,571,544

Total liabilities and equity	37,931,386	38,761,344
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Total subordinated liabilities	-	-
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Off-balance-sheet transactions

In CHF thousands

As at 30.06.2023	As at 31.12.2022 (audited)
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Contingent liabilities	503,612	621,779
Irrevocable commitments	725,562	678,723
Liabilities to pay up shares and to make additional payments	653,271	746,745
Credit commitments (deferred payments)	269	1,412