UNION BANCAIRE PRIVÉE

Press release

Mid-year results 2015

Union Bancaire Privée limits the negative effects of a stronger Swiss franc, posting a net result of CHF 79.5 million

Geneva, 28 July 2015

- Union Bancaire Privée, UBP SA (UBP) announced today net earnings of CHF 79.5 million as at the end of June 2015, down 3% from CHF 82 million one year earlier, showing that it has successfully mitigated the negative impact of the SNB's actions in January.
- Thanks to sustained sales activity, UBP has seen net inflows of more than CHF 2 billion from both institutional and private clients.
- Assets under management, primarily denominated in foreign currencies, were down slightly (-1.8%) on June 2014, coming in at CHF 93.1 billion. This figure does not include the assets of Coutts International, the acquisition of which was announced at the end of March 2015.

"With 80% of our assets being denominated in foreign currencies, the strengthening of the Swiss franc has been a significant drag on our revenues. The impact of this has been estimated to be CHF 20 million over the first six months of the year, and it could increase in the second half of 2015," said Guy de Picciotto, UBP's CEO. "The fact that we have maintained our results is a clear sign of our ability to manage our costs and to offer our clients high-performance products and services that respond to their needs," he continued.

Adverse effect of exchange rates offset by solid activity

As at 30 June 2015, *assets under management* came to CHF 93.1 billion, compared with CHF 94.8 billion one year earlier. The 1.8% decline is a direct result of the exchange-rate effect, however, the negative impact of this was significantly limited thanks to inflows from institutional clients, and from private clients in the Bank's growth markets.

Income was stable, coming in at CHF 379.5 million, compared with CHF 380.8 million at the end of June 2014, boosted by solid trading activity.

Costs managed tightly; teams strengthened

The slight (+1.7%) rise in *operating expenses*, which totalled CHF 252.6 million – versus CHF 248.4 million for the same period last year – is the result of the early effects of integrating Coutts International and investments made in the Bank's growth regions: in the first half of the year, amongst other outlays, UBP set up a joint venture in Shanghai with an asset management team, and reinforced its sales teams in Eastern Europe and the Middle East.

Nonetheless, UBP continues to keep a tight rein on costs, improving its *consolidated cost/income ratio* (66.6%) in the first half of the year, despite its cost base being denominated in Swiss francs and its revenues being principally in euros and dollars.

Financial base further strengthened

The balance sheet, which is highly liquid, totalled CHF 19.45 billion, up 5% on the same period in 2014. Conservative risk-management has enabled UBP to maintain an excellent financial base and to achieve a *Tier 1 capital ratio* of 30.5% (before the integration of Coutts International).

Half-year dominated by the acquisition of Coutts International

The main event of these first six months was the announcement of the acquisition of Coutts International. The teams have been fully mobilised on the integration roll-out, and the programme is on schedule. UBP's priority is to ensure a smooth transition for everyone involved. The preparatory work since the announcement has confirmed that the two businesses' respective product ranges and corporate cultures perfectly complement one another, which will benefit their clients.

For further information, please contact

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About Union Bancaire Privée (UBP)
UBP is one of Switzerland's leading private banks, and is amongst the best-capitalised, with a Tier 1 ratio of 30.5%. The Bank specialises in wealth management for both private and institutional clients. It is based in Geneva and employs some 1,300 people across twenty-five locations worldwide; as at 30 June 2015, it held CHF 93.1 billion (USD 99.6 billion) in assets under management.
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