



UNION BANCAIRE PRIVÉE

Press release

Annual results 2020

Union Bancaire Privée announces net inflows of nearly CHF 9 billion and an increase in assets under management to CHF 147.4 billion (+5.1%)

Geneva, 21 January 2021

- *Assets under management* totalled CHF 147.4 billion at the end of 2020, up by CHF 7.1 billion (5.1%).
- Net inflows doubled compared with last year to CHF 8.97 billion, representing 6.4% of *assets under management*.
- *Income* remained stable, at CHF 1.071 billion, despite the significant fall in net interest margins.
- The *operating result* improved by 8.7% and *net profits* were CHF 181.4 million, compared with CHF 187.8 million in 2019, a year which included an exceptional gain from a real estate transaction.

Asset growth sustained by significant client inflows across all markets

Assets under management at UBP rose by 5.1% to CHF 147.4 billion. Net new money (up CHF 8.97 billion) came essentially from private clients in the Bank's main markets (Switzerland, the UK, the Middle East, Europe and Asia), and benefited from a solid performance in both funds and mandates. These large inflows offset the negative exchange rate effects (CHF 7.3 billion) over the year.

Income remained stable at CHF 1.071 billion (+0.4%), despite a significant deterioration in net interest margins due to the decline in US rates. However, this fall (CHF 74.6 million) was fully compensated for by an increase (CHF 58.8 million, 8.7%) in income from fees and commissions – linked to the increase in assets under management and a high level of client transaction volumes – as well as by steady returns in forex and trading (CHF 22.9 million, +27.3%).

Operating expenses decreased slightly (-0.9%) to CHF 718.4 million, even taking into account the substantial investments made throughout the year. The bank invested in digital capabilities, particularly communication tools and technology that allowed it to successfully maintain business continuity throughout the health crisis, and in new team hires in key growth markets.

The *operating result* increased by 8.7% despite the uncertain and difficult environment, while *net profits* were 3.4% lower than in 2019 (1.9% higher if excluding the previous year's one-off gain). Profits were CHF 181.4 million, down from CHF 187.8 million the previous year, when the exceptional gain following the sale of a building in London was booked. The *cost/income ratio* remained stable at 67.1% (compared with 67.9% in 2019).

"These results demonstrate the confidence our clients have in both UBP and the Swiss financial centre. Our teams' adaptability and proactivity have enabled us to keep offering appropriate investment solutions in this unprecedented context, while maintaining high-quality services for all our clients worldwide. We are determined to continue to invest and expand our presence in our key markets", said UBP's CEO Guy de Picciotto.



UNION BANCAIRE PRIVÉE

Strong fundamentals

UBP has the means to continue its development both in Switzerland and abroad, having a balance sheet of CHF 37.8 billion as at the end of December 2020 (up from CHF 32.8 billion in 2019), and a *Tier 1 ratio* of 27.7%, well above the minimum requirements of the Basel III accords and FINMA regulations. Its *short-term liquidity coverage ratio (LCR)* stands at 307.5%.

These ratios reflect UBP's solidity and the quality of its balance sheet, as attested by its long-term Aa2 deposit rating assigned by Moody's.

For any further information, please contact:

Bernard Schuster

Group Head of Communications (Spokesman)

Tel. +41 58 819 24 70

E-mail bernard.schuster@ubp.ch

Maude Hug

Head of Media Relations

Tel. +41 58 819 75 27

E-mail maude.hug@ubp.ch

About Union Bancaire Privée (UBP)

UBP is one of Switzerland's leading private banks, and is among the best-capitalised, with a Tier 1 ratio of 27.7%. The Bank is specialised in the field of wealth management for both private and institutional clients. It is based in Geneva and employs 1,812 people in over twenty locations worldwide; it held some CHF 147.4 billion in assets under management (numbers as at 31 December 2020).

www.ubp.com

FINANCIAL RESULTS AS AT 31 DECEMBER 2020

(UNAUDITED ACCOUNTS)

Consolidated statement of income

In CHF thousands

	As at 31.12.2020	As at 31.12.2019	Variation	Variation in %
Consolidated statement of ordinary income and expenses on banking operations				
Result from interest operations				
Interest and discount income	318,805	592,215	(273,410)	(46.2%)
Interest and dividends from financial investments	66,118	93,602	(27,484)	(29.4%)
Interest expense	(161,307)	(383,390)	(222,083)	(57.9%)
Gross result from interest operations	223,616	302,427	(78,811)	(26.1%)
Changes in value adjustments and provisions for default risks and losses from interest operations	13	(4,270)	4,283	100.3%
Net result from interest operations	223,629	298,157	(74,528)	(25.0%)
Fees and commissions				
Commission income on securities trading and investment transactions	746,875	689,466	57,409	8.3%
Credit-related fees and commissions	2,748	2,833	(85)	(3.0%)
Other fees and commissions income	3,479	4,182	(703)	(16.8%)
Commission expense	(16,381)	(18,591)	(2,210)	(11.9%)
Fees and commissions	736,721	677,890	58,831	8.7%
Result from trading activities and the fair value option	106,660	83,806	22,854	27.3%
Other result from ordinary activities				
Result from the disposal of financial investments	1,867	(524)	2,391	456.3%
Income from participations	706	5,726	(5,020)	(87.7%)
of which, from participations reported using the equity method	(415)	(322)	93	28.9%
of which, from other non-consolidated participations	1,121	6,048	(4,927)	(81.5%)
Result from real estate	576	663	(87)	(13.1%)
Other ordinary income	1,030	1,643	(613)	(37.3%)
Other result from ordinary activities	4,179	7,508	(3,329)	(44.3%)
Total income	1,071,189	1,067,361	3,828	0.4%

In CHF thousands

	As at 31.12.2020	As at 31.12.2019	Variation	Variation in %
Operating expenses				
Personnel expenses	(529,811)	(524,175)	5,636	1.1%
General and administrative expenses	(188,618)	(201,069)	(12,451)	(6.2%)
Operating expenses	(718,429)	(725,244)	(6,815)	(0.9%)
Value adjustments on participations and depreciation of tangible and intangible fixed assets				
	(129,601)	(123,742)	5,859	4.7%
Changes to provisions and other value adjustments and losses	(3,148)	(16'010)	(12'862)	(80.3%)
Operating result	220,011	202'365	17'646	8.7%
Extraordinary income	1	34,361	(34,360)	(100.0%)
Taxes	(38,570)	(48,957)	(10,387)	(21.2%)
Group profit	181,442	187,769	(6,327)	(3.4%)
including minority shareholders' interests	248	82	166	-

Consolidated balance sheet

In CHF thousands

	As at 31.12.2020	As at 31.12.2019
Assets		
Cash and cash equivalents	7,043,041	7,099,857
Due from banks	2,538,863	2,057,494
Due from securities financing transactions	95,587	454,151
Due from clients	9,587,854	9,418,196
Mortgages	1,957,788	1,686,248
Trading portfolio assets	1,690,161	688,044
Positive replacement values of derivative financial instruments	625,442	382,284
Other financial instruments at fair value	1,454,014	957,917
Financial investments	11,795,932	9,091,438
Accrued income and prepaid expenses	152,768	147,737
Non-consolidated participations	2,755	3,173
Tangible fixed assets	317,643	306,437
Intangible assets	223,433	286,361
Other assets	318,339	176,263
Total assets	37,803,620	32,755,600
Total subordinated claims	-	-

In CHF thousands

	As at 31.12.2020	As at 31.12.2019
Liabilities		
Due to banks	592,670	722,431
Liabilities from securities financing transactions	6,403,239	2,963,872
Due in respect of client deposits	24,894,302	24,326,892
Liabilities from trading portfolios	241	521
Negative replacement values of derivative financial instruments	1,317,827	571,338
Liabilities from other financial instruments at fair value	1,792,661	1,378,138
Accrued expenses and deferred income	290,200	333,619
Other liabilities	78,251	60,652
Provisions	27,306	42,913
Total liabilities	35,396,697	30,400,376
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	842,847	785,067
Minority shareholders' interests	(77)	(323)
Group profit	181,442	187,769
including minority shareholders' interests	248	82
Total equity	2,406,923	2,355,224
Total liabilities and equity	37,803,620	32,755,600
Total subordinated liabilities	-	-

Off-balance-sheet transactions

In CHF thousands

	As at 31.12.2020	As at 31.12.2019
Contingent liabilities	403,902	422,196
Irrevocable commitments	72,126	146,925
Liabilities to pay up shares and to make additional payments	833,278	322,929
Credit commitments (deferred payments)	1,903	872

Financial highlights for the Group

In CHF millions, unless otherwise stated

	As at 31.12.2020	As at 31.12.2019	Variation	Variation in %
Net profit	181.4	187.8	(6.4)	(3.4%)
Operating result	220.0	202.4	17.6	8.7%
Client assets (in CHF billions)	147.4	140.3	7.1	5.1%
Total operating income	1,071.2	1,067.4	3.8	0.4%
Net result from interest operations	223.6	298.2	(74.6)	(25.0%)
Net fees and commissions income	736.7	677.9	58.8	8.7%
Profit on trading operations and on fair value options	106.7	83.8	22.9	27.3%
Total operating expenses	718.4	725.2	(6.8)	(0.9%)
Personnel expenses	529.8	524.2	5.6	1.1%
General and administrative expenses	188.6	201.1	(12.5)	(6.2%)
Depreciation, value adjustments, provisions and losses	132.7	139.8	(7.1)	(5.0%)
Total assets	37,803.6	32,755.6	5,048.0	15.4%
Shareholders' equity	2,406.9	2,355.2	51.7	2.2%
Share capital	300.0	300.0	-	-
Capital reserves	867.3	867.3	-	-
Reserves and retained earnings	842.8	785.1	57.7	7.4%
Reserves for general banking risks	215.4	215.4	-	-
Staff members (as at 31 December, FTE)	1,812	1,743	69.0	4.0%
Net profit per staff member (in CHF thousands)	100.1	107.7	(7.6)	(7.1%)
Operating cost/income ratio	67.1%	67.9%	-	-
Cost/income ratio after depreciation	79.2%	79.5%	-	-
Return on equity (ROE)	7.7%	8.2%	-	-
Shareholders' equity/total assets	6.4%	7.2%	-	-
Tier 1 capital ratio	27.7%	25.6%	-	-
Liquidity coverage ratio (LCR)	307.5%	316.4%	-	-
Leverage ratio	6.6%	5.8%	-	-