



UNION BANCAIRE PRIVÉE

Press release

Annual results 2022

Union Bancaire Privée reports net profit of CHF 210.4 million, up 4.5%

Geneva, 23 January 2023

- UBP's *net profit* was CHF 210.4 million in 2022, up 4.5% from CHF 201.2 million a year earlier
- *Revenues* rose by 7.0% to CHF 1.213 billion
- *Assets under management* totalled CHF 140.4 billion at end 2022

Following the sharp correction in financial markets in 2022, as well as negative exchange rate effects due to the strength of the Swiss franc against the euro and the pound, *assets under management* at UBP amounted to CHF 140.4 billion at the end of December 2022 (-12.5% vs. 2021).

Net new money was positive, at CHF 0.9 billion, driven in particular by the integration of Danske Bank International and inflows from private clients, which offset the fund outflows mainly from institutional investors.

Revenues came to CHF 1.213 billion in 2022, up 7.0% year on year, boosted primarily by an increase in the net interest margin following the recent rate hikes. Profits on forex trading were also strong, rising by CHF 16.0 million. This helped compensate for the decline in fees and commissions (-6.2%) due to slower brokerage activities for private clients.

Operating expenses totalled CHF 826.6 million at the end of the year compared with CHF 754.5 million in 2021 (+ 9.6%). This increase is the result of the exceptional costs related to the acquisitions of Millennium BCP in November 2021 and Danske Bank International in January 2022 along with substantial investments made in recruiting new teams in UBP's priority markets (Eastern Europe, the Middle East and Asia).

The Bank's *net profit* for 2022 therefore came in at CHF 210.4 million, up 4.5% from CHF 201.2 million a year earlier. Its *cost/income ratio* stands at 68.1% (compared with 66.5% for 2021).

In addition, UBP recorded an *extraordinary income* of CHF 29.3 million from the sale of a minority participation. This one-off gain was fully offset by a strengthening of the general banking reserves, value adjustment & depreciations, and additional provisions.

With a stable *balance sheet total* of CHF 38.8 billion as at the end of December 2022, UBP has the means to continue implementing its organic and external development plan. At 26.7%, its *Tier 1 ratio* remains well above the minimum requirement under the Basel III accords and FINMA regulations. UBP's *short-term liquidity coverage ratio* (LCR) of 304.6% and Moody's decision to maintain its Aa2 long-term deposit rating further emphasise UBP's financial strength.

"These results demonstrate that our foundations are strong. I'm grateful for all the hard work put in by our teams to stay close to our clients and come up with new investment solutions in this volatile environment. We must be prepared for another unpredictable year although the current headwinds can be considered more cyclical than structural. We are focused both on risk management and on adapting our range of investment solutions to take advantage of the new market regime. We are also determined to channel resources into our human capital and keep hiring talents to continuously strengthen our expertise and offer high-quality services to both institutional and private clients. Our business model has proved resilient, allowing us to maintain our capacity to invest year after year and pursue our growth strategy worldwide," states **UBP's CEO Guy de Picciotto**.



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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 26.7%. The Bank is specialised in the field of wealth management for both private and institutional clients. UBP is based in Geneva and employs 1,960 people in over twenty locations worldwide; it holds CHF 140.4 billion in assets under management (numbers as at 31 December 2022).

www.ubp.com

FINANCIAL RESULTS AS AT 31 DECEMBER 2022

(UNAUDITED ACCOUNTS)

Consolidated statement of income

In CHF thousands

	As at 31.12.2022	As at 31.12.2021	Variation	Variation in %
Consolidated statement of ordinary income and expenses on banking operations				
Result from interest operations				
Interest and discount income	482,161	177,050	305,111	172.3%
Interest and dividends from financial investments	146,733	83,206	63,527	76.3%
Interest expense	(303,771)	(53,402)	250,369	468.8%
Gross result from interest operations	325,123	206,854	118,269	57.2%
Changes in value adjustments and provisions for default risks and losses from interest operations	(5'000)	-	5'000	100.0%
Net result from interest operations	320,123	206,854	113,269	54.8%
Fees and commissions				
Commission income on securities trading and investment transactions	778,930	830,682	(51,752)	(6.2%)
Credit-related fees and commissions	3,711	3,491	220	6.3%
Other fees and commissions income	3,853	3,964	(111)	(2.8%)
Commission expense	(21,619)	(23,123)	(1,504)	(6.5%)
Fees and commissions	764,875	815,014	(50,139)	(6.2%)
Result from trading activities and the fair value option	121,114	105,070	16,044	15.3%
Other result from ordinary activities				
Result from the disposal of financial investments	2,326	1,840	486	26.4%
Income from participations	2,901	3,762	(861)	(22.9%)
of which, from participations reported using the equity method	-	426	(426)	(100.0%)
of which, from other non-consolidated participations	2,901	3,336	(435)	(13.0%)
Result from real estate	715	279	436	156.3%
Other ordinary income	1,284	1,171	113	9.6%
Other ordinary expenses	-	(49)	(49)	(100.0%)
Other result from ordinary activities	7,226	7,003	223	3.2%
Total income	1,213,338	1,133,941	79,397	7.0%

In CHF thousands

	As at 31.12.2022	As at 31.12.2021	Variation	Variation in %
Operating expenses				
Personnel expenses	(610,123)	(554,675)	55,448	10.0%
General and administrative expenses	(216,502)	(199,785)	16,717	8.4%
Operating expenses	(826,625)	(754,460)	72,165	9.6%
Value adjustments on participations and depreciation of tangible and intangible fixed assets	(136,000)	(131,603)	4,397	3.3%
Changes to provisions and other value adjustments and losses	(9,474)	(3,403)	6,071	178.4%
Operating result	241,239	244,475	(3,236)	(1.3%)
Extraordinary income	29,250	111	29,139	-
Changes in reserves for general banking risks	(15,039)	-	15,039	100.0%
Taxes	(45,074)	(43,356)	1,718	4.0%
Group profit	210,376	201,230	9,146	4.5%
including minority shareholders' interests	150	106	44	41.5%

Consolidated balance sheet

In CHF thousands

	As at 31.12.2022	As at 31.12.2021
Assets		
Cash and cash equivalents	1,553,557	5,574,847
Due from banks	3,476,661	3,196,097
Due from securities financing transactions	1,777,545	364,460
Due from clients	8,389,859	10,491,593
Mortgages	2,351,902	2,171,942
Trading portfolio assets	191,619	1,660,339
Positive replacement values of derivative financial instruments	1,374,951	530,245
Other financial instruments at fair value	1,318,047	2,103,184
Financial investments	17,513,156	11,494,630
Accrued income and prepaid expenses	205,706	174,392
Non-consolidated participations	3,529	3,550
Tangible fixed assets	309,471	305,769
Intangible assets	233,767	218,650
Other assets	61,574	495,014
Total assets	38,761,344	38,784,712
Total subordinated claims	-	-

In CHF thousands

	As at 31.12.2022	As at 31.12.2021
Liabilities		
Due to banks	1,989,336	609,258
Liabilities from securities financing transactions	3,630,585	5,127,130
Due in respect of client deposits	26,949,521	26,487,668
Liabilities from trading portfolios	25	-
Negative replacement values of derivative financial instruments	1,413,056	1,050,003
Liabilities from other financial instruments at fair value	1,362,784	2,294,641
Bond issues and central mortgage institution loans	335,000	335,000
Accrued expenses and deferred income	357,342	313,395
Other liabilities	113,124	56,965
Provisions	39,027	32,484
Total liabilities	36,189,800	36,306,544
Reserves for general banking risks	230,413	215,375
Share capital	300,000	300,000
Capital reserves	867,336	867,336
Reserves and retained earnings	963,152	894,047
Minority interests in equity	267	180
Group profit	210,376	201,230
including minority shareholders' interests	150	106
Total equity	2,571,544	2,478,168
Total liabilities and equity	38,761,344	38,784,712
Total subordinated liabilities	-	-

Off-balance-sheet transactions

In CHF thousands

	As at 31.12.2022	As at 31.12.2021
Contingent liabilities	621,779	627,659
Irrevocable commitments	678,723	63,857
Liabilities to pay up shares and to make additional payments	746,745	1,008,314
Credit commitments (deferred payments)	1,412	4,090

Financial highlights for the Group

In CHF millions, unless otherwise stated

	As at 31.12.2022	As at 31.12.2021	Variation	Variation in %
Net profit	210.4	201.2	9.2	4.5%
Operating result	241.2	244.5	(3.3)	(1.3%)
Client assets (in CHF billions)	140.4	160.4	(20.0)	(12.5%)
Total operating income	1,213.3	1,133.9	79.4	7.0%
Net result from interest operations	320.1	206.9	113.2	54.8%
Net fees and commissions income	764.9	815.0	(50.1)	(6.2%)
Profit on trading operations and on fair value options	121.1	105.1	16.0	15.3%
Total operating expenses	826.6	754.5	72.1	9.6%
Personnel expenses	610.1	554.7	55.4	10.0%
General and administrative expenses	216.5	199.8	16.7	8.4%
Depreciation, value adjustments, provisions and losses	145.5	135.0	10.5	7.8%
Total assets	38,761.3	38,784.7	(23.4)	(0.1%)
Shareholders' equity	2,571.5	2,478.2	93.3	3.8%
Share capital	300.0	300.0	-	-
Capital reserves	867.3	867.3	-	-
Reserves and retained earnings	963.2	894.0	69.2	7.7%
Reserves for general banking risks	230.4	215.4	15.0	7.0%
Staff members (as at 31 December, FTE)	1,960	1,904	56.0	2.9%
Net profit per staff member (in CHF thousands)	107.3	105.7	1.6	1.5%
Operating cost/income ratio	68.1%	66.5%	-	-
Cost/income ratio after depreciation	79.3%	78.1%	-	-
Return on equity (ROE)	8.5%	8.4%	-	-
Shareholders' equity/total assets	6.6%	6.4%	-	-
Tier 1 capital ratio	26.7%	25.2%	-	-
Liquidity coverage ratio (LCR)	304.6%	274.5%	-	-
Leverage ratio (LERA)	5.6%	5.4%	-	-
Net stable funding ratio (NSFR)	194.2%	162.6%	-	-