

PARIS, 7 NOVEMBER 2016

NBI OF €146.5 MILLION AT 30 SEPTEMBER 2016

"It is in periods such as these that our customers have the greatest need for an investment coach to decipher the environment and guide them in developing their assets over the long-term. 2016 was undisputedly the year for real estate which registered gains in all areas and lessened the impact of largely disappointing performance for equities. Far from remaining inactive, we continue to lay solid foundations for the future by consolidating the pillars of our strategic plan, Odysée 2020" commented Paul Younès, UFF's Chief Executive Officer.

NBI (€ millions)	2015	2016	Change 2016/2015
- Q1	50,5	47,5	-6%
- Q2	51,9	49,2	-5%
- Q3	54,6	49,8	-9%
NBI at 30 September	157,0	146,5	-7%
- Commissions on investment inflows	62,1	65,7	6%
- Commissions on assets under management	93,7	81,1	-13%
- Net interest and similar income	1,2	-0,3	NS

Growth in commercial activity¹ in the 2016 third quarter

Robust commercial activity in the 2016 third quarter (+8.2% from the same period in 2015 to €336 million) contributed to largely make up for slower pace of inflows at the beginning of the year in response to the economic climate recognized by highly volatile financial markets. Overall, commercial activity was down 3% in relation to 30 September 2015 (€1.016 billion compared to €1.045 billion), though with performances by asset class varying significantly:

- The financial market environment adversely impacted **life insurance** (-6%), with investments in euros accounting for nearly 50% at the expense of unit-linked products and **securities** for retail customers (-48%);
- Real estate investments continued to profit from favourable market conditions, whether for **direct real estate** (+13%) with increased inflows driven by the French tax-advantaged investment provisions ("Pinel Law") and new investments in **REIT** units (+41%), generating considerable interest from customers seeking steady income.

Commissions on investments remain driven by the real estate sector

Commissions on new investments grew 6% relation to 30 September 2015, bolstered by high real estate billings originating from commercial inflows in 2015 plus higher growth in REIT commissions in line with the commercial trend in this sector.

¹ Customer inflows for products marketed by UFF (financial securities, life insurance and real estate)

Lower commissions on assets under management reflecting the drop in financial markets in first half

Net inflows² amounted to €75 million compared to €136 million at 30 September 2015, reflecting the combined impact of lower commercial inflows from financial products and the increase in redemptions (+4%).

Assets under management³ remained resilient despite unfavourable exchange rate trends, registering growth of 1% in relation to 30 September 2015 to €11.3 billion.

Commissions on assets under management amounted to €81.1 million, down 13% in relation to September 2015, linked to the decline in average assets under management reflecting financial market volatility which bolstered the euro at the expense of mutual funds

Net Banking Income at 30 September 2016 amounted to €146.5 million, down 7% from one year earlier. This includes financial expense of €0.3 million from capital losses on investments.

Outlook

While carefully monitoring markets, UFF will continue to implement the Odyssee 2020 strategic plan unveiled at the start of the year.

UFF's dedicated IFA subsidiary, CGP Entrepreneurs, was strengthened by Infinitis' acquisition, to become the leader in this market with more than 300 affiliated independent financial advisors across France. This acquisition furthermore reinforces the Group's overall distribution capacity which represents one of the pillars of the strategic plan.

In the third quarter, UFF continued to strengthen its offering of original solutions to provide customers increased diversification for the allocation of assets. On that basis, in an environment of highly volatile markets, UFF introduced, among other new products, a unit-linked real estate product within its life insurance offering as well as an absolute performance mutual fund available as unit-linked and life insurance products.

In the year's last quarter, a cross-functional strategic project will be launched to improve the customer experience incorporating the most recent digital innovations. This represents a long-term project to be implemented over the entire period of the strategic plan. At the same time, we will continue our transformation through several projects for renewal currently underway, and concerning in an initial phase, the support functions.


Upcoming event: publication of 2016 annual results, 2 March 2017

UFF in brief

Set up in 1968, Union Financière de France Banque is a provider of wealth management services and products for individual and corporate clients. UFF's product range, developed through an open architecture approach, includes real estate, financial securities, and life assurance, as well as a wide range of products for companies (retirement savings plans, employee savings plans, medium term cash management, etc.).

With 1,500 employees that include more than 1,200 financial advisors, Union Financière de France has an extensive network covering all of France.

On 30 September 2016, Union Financière de France had a customer base of 211,000 clients (187,000 individuals and 24,000 corporate clients).

 Union Financière de France Banque is listed on Euronext Paris (Segment B)
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² Customer inflows less outflows in assets under management in the period

³ Customer investments in financial securities or life insurance managed by the UFF Group.

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