

PARIS, 6TH MAY 2013

FIRST QUARTER 2013 : UFF ACTIVITY CONTINUES TO HOLD WELL ; 3% RISE IN NET BANKING INCOME

- Activity levels up in all sectors (except REITs)
- Net subscriptions of 28 M€
- 3% rise in Net Banking Income

« Our strategy, in terms of product range and expansion of the distribution network, is leading UFF back to its path of profitable growth », declares Martine Simon Claudel, Managing Director of UFF.

Net Banking Income in millions of euros	2011	2012	2013	Change 2013/2012
1st Quarter	41.6	37.2	38.2	+3%
- Placement commissions	18.2	14.9	14.7	- 2%
- Management commissions	23.3	21.9	21.8	0%
- Profits net of interest and miscellaneous	0.1	0.4	1.7	N.A.

Activity levels up

During the first quarter of 2013, UFF's net subscriptions have reached 168 M€, equal to the level reached during the first quarter of 2012.

Compared with last year, subscriptions are higher in all sectors of activity, except for Real Estate Investment Trusts.

- Life assurance is up 2%, with a part of the investments in units of accounts of 60%.
- Investments in financial securities on behalf of private clients have picked up (+3%) and those of corporate clients have benefited from a 3-year bond product tailored to their needs. This has generated growth of 27% in overall subscriptions from corporates.
- Reservations for real estate units are up 30% in number and 14% in amount, due to the reduction in average price per unit.
- Subscriptions into REITS is down 40%.

Subscriptions over the first quarter have generated placement commissions of 14.7 M€, down 2% compared to the first quarter of 2012. This is due to a decrease in real estate commissions, although commissions from other products have clearly increased :

- - 36% on REIT commissions, in line with the decrease in REIT subscriptions
- - 7% on commissions related to sales of real estate units
- + 16% on other products (financial securities, life assurance, products aimed at corporate clients)

The commissions relating to sales of real estate units are entered into the accounts upon legal signature of the contract; the commissions for the first quarter relate to real estate reservations made in the previous year. In order to avoid the decrease in fiscal advantages (linked to the ending of the Scellier fiscal incentive framework), the 2011 contracts had to be legally signed before 31st March 2012; this therefore inflated real estate commissions in the first quarter of 2012.

The high level in Q1 2012 is the reason why there is a 7% decrease in commissions between the first quarters of 2012 and 2013, even though the underlying activity of real estate reservations has increased. In its turn, the robustness of the underlying activity has generated a sharp rise in commissions linked to reservations signed: 11.0 M€ at the end of March 2013 compared with 6.4 M€ at the end of March 2012. These reservations will, in turn, boost the Net Banking Income figure over the coming quarters.

A positive figure for net subscriptions of 28 M€

This figure is close to that of the first quarter of 2012, with:

- A net subscription figure of 33 M€ in life assurance invested in units of account
- A decrease in redemptions (-10%).

The loyalty rate for assets is 93.3% compared with 92.5% for the first quarter of 2012.

During the first quarter, the figure for assets under management has risen 2% due to the rise in rates on the financial markets.

Management commissions related to these assets are up and have reached 21.8 M€, a figure close to that of the first quarter of 2012 (21.9 M€). This continuing stability comes from a slight increase in average assets under management, offset by a change in their structure.

To the commissions income must be added 1.7 M€ for other products ; this comes mainly from a trade-in figure for prolonged depreciation, made in previous financial years, on cash placements which have been disposed of during the first quarter.

Overall, the Net Banking Income figure for the first quarter of 2013 is 38.2 M€, up 3% compared with the first quarter of 2012.

Outlook for the second quarter of 2013

In 2012, and continuing into 2013, UFF has undertaken actions aimed at securing a solid base for growth and profitability:

- Increase in the number of CGP (Financial Advisor) in the commercial network, and consequently increase in the potential for future subscriptions.
- Rise in subscriptions related to life assurance in units of accounts tailored to the conditions of the market.
- Launch of products aimed at investors looking for performance and willing to take a calculated risk.
- Tailoring of the real estate product range to take advantage of the fiscal context (Dufлот framework).


During the second quarter, the subsidiary 'CGP Entrepreneurs' (Financial Advisor Entrepreneurs), set up in June 2012 and aimed at the independent financial advisors (IFA) market, will begin operations. Its aim is to enlarge UFF's distribution capacity and therefore to create growth potential for the coming years.

Union Financière de France in brief

Set up in 1968, Union Financière de France is a bank which specialises in advice on the creation and management of wealth, and which offers products and services for individual and corporate clients. UFF's range of products includes real estate, financial securities, and life assurance, as well as a wide range of products aimed at companies (retirement savings plans, employee savings plans, medium term cash management, etc.).

Union Financière de France enjoys a dense network of financial advisors and support staff which is present throughout France and which consists of 1200 employees, of whom over 900 are financial advisors.

On 31st March 2013, Union Financière de France had 137 000 clients, of whom 116 000 were individual clients and 21 000 were corporate clients.

 Union Financière de France is listed on Euronext Paris Compartment B
Code Euroclear 3454
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