

PARIS, 23 JULY 2104

MOVING IN THE RIGHT DIRECTION : FIRST HALF OF 2014 UP 26% IN NET BANKING PROFITS

- Growth in all business sectors besides Real estate which remains stable.
- Net subscriptions positive at 62 M€
- Increase in net profits (group part) to 13.9 M€

With the arrival of more than 200 financial advisors of the AEC network acquired January 1, 2014, UFF has consolidated its position as leader in the sector of advice on the creation and management of wealth and is continuing its strategy of profitable growth in an economic environment which remains uncertain.

1st half year	2013	2014	Change 2014/2013
Net commissions (M€), of which	70,3	91,1	30%
- UFF pre-existing network of advisors	70,3	77,6	10%
- UFF newly acquired network of advisors	-	13,5	NA
Operating profits (M€)	10,5	16,9	62%
Consolidated net profits (group part) (M€)	7,4	13,9	88%
Assets under management, at the end of period (Bd€)	7,3	10,9	49%
- UFF pre-existing network of advisors	7,3	8,2	12%
- UFF newly acquired network of advisors	-	2,7	NA

Commercial activity : 563.4 M€

The first half of 2014 has witnessed sustained activity in all sectors with commercial subscriptions up 33% compared with the first half of 2013. This high level of performance stems from two main factors : a record increase in commercial subscriptions to 465.9 M€, 10% higher than historical levels ; and the 97.5 M€ contribution in assurance from the recently acquired network of financial advisors.

- Life assurance has achieved a record increase of 64 % thanks to growth of 15% above historical levels and income streams coming from our newly incorporated network of advisors. The sums invested in unit linked contracts has risen to 60 %.
- The recovery seen over the last 12 months on investments into transferable securities continues to hold up with commercial subscriptions up 24% thanks mainly to the equity savings plans.

- Sales of real estate units are stable, in terms of both monetary amounts and volume, compared with the first half of 2013, which was particularly strong. This high level of performance, especially in a market in decline, is linked to our rigorous selection of real estate assets, which enables UFF to offer products well-suited to the needs of our clients who are becoming more and more cautious.
- Subscriptions into REITs (Real Estate Investments Trusts) are up 44 % with strong growth shown in commercial premises.

Net subscriptions : 62 M€

New subscriptions can be broken down into 53 M€, representing an increase of 154 % on historical levels compared with the first half of 2013, and 9 M€ coming from the recently acquired network of financial advisors.

The 2.5 Bn € takeover of the Aviva portfolio on 1st January 2014 created an opening asset balance of 10.3 Bn € at the beginning of the period. At the end of June 2014, these assets had grown 5.6 % to 10.9 Bn €.

Net banking profits : 91.6 M€

Net banking profits for the first half year stand at 91.6 M€, (up 26% compared with the first half of 2013), with 13.5 M€ coming from the newly acquired network. Excluding external growth and interest rate products, growth is +10%.

Net banking profits in M€)	2012	2013	2014	Change 2014/2013
Net banking profits on 30th June - Total	69.7	72.6	91.6	26%
Placement commissions, of which:	25.8	26.4	36.8	39%
- UFF pre-existing network of advisors	25.8	26.4	30.3	15%
- UFF newly acquired network of advisors	-	-	6.5	NA
Management commissions, of which	43.1	43.9	54.3	24%
- UFF pre-existing network of advisors	43.1	43.9	47.3	8%
- UFF newly acquired network of advisors	-	-	7.0	NA
Profits net of interest and other	0.8	2.3	0.5	-79%

Placement commissions posted during the first half year reached 36.8 M€, up 39 % compared with the first half of 2013.

- Life assurance rose +77 % overall, thanks mainly to the recently acquired network which contributed 6.5 M€ over the period. Excluding this contribution, growth stood at +18%.
- Transferable securities were up 27 % reflecting the good level of performance in this activity.
- Placement commissions on real estate are in line with those posted during the first half of 2013. Commissions on investments into REITs increased 55 % in line with the rise in commercial subscriptions.

Management commissions also grew well and reached 54.3 M€ at the end of the first half of 2014, up 24 % compared with the first half of 2013.

- Management commissions benefited from the significant increase in average assets under management linked to the takeover of the portfolio and the general rise in share prices.

- Management commissions from UFF's pre-existing network of financial advisors accounts for 47.3 M€, an improvement of 8 % compared with the first half of 2013, and the newly acquired network of advisors accounts for 7 M€.

Operating costs : 76.2 M€

Costs for the commercial network stood at 44.5 M€. They have increased by 29% (8.9 M€ for the first half year) because of the integration of AEC colleagues but also, more structurally, they have increased because of the rise in remunerations following the rise in the level of commercial activity. This well-managed increase (+3% excluding the acquired network) translates into a good level of productivity for the consolidated commercial network.

Administrative costs and general overheads stand at 31.7 M€, up 15 % under the dual effect of the integration of direct costs related to the network acquired and the strengthening of certain back office systems : mainly wealth engineering, product development, and investments into information technology such as modernisation of the back office.

Overall, operating costs rose by 23 %, which is 3 % above historical norms.

Profits and losses on transactions : 1.6 M€

The takeover of the portfolio of clients and the network of AEC financial advisors, which took place on 1st January 2014, has led to the posting of a profit for transactions, which is realised as the difference between the actual price paid and the synergies expected by UFF, (based on our estimation of the capacity of this network to generate an additional income stream).

The operating costs connected with this operation are, for the most part, accounted for on 30th June 2014. They consist mainly of general overheads, fees, and transitory financial measures aimed at facilitating the integration of the commercial workforce ; such measures were anticipated in the substitution agreement signed on 30th June 2014.

The total of these elements, posted in the item : 'Profits and losses on transactions' amounts to 1.6 M€ on the date of closure of the half year accounts.

Consolidated net profits, (group part) : 13.9 M€

Taking into account all the various changes, the operating profits have improved by 62 % to 16.9 M€ during the first half of 2014.

Due to the tax-free situation of profits on transaction, the theoretical rate of tax applied to the first half year profits is 22 % compared with 34 % at the end of June 2013.

The net profits, (group part), comes out at 13.9 M€ on 30th June 2014, with a virtually zero cost of risk for the period.

Consolidated equity, after payment of the interim dividend for 2014, stands at 87.5 M€. The consolidated balance sheet is healthy with cash flow of 93.5 M€ (compared with 103.3 M€ on 31/12/2013). This cash flow is managed with caution : 70 % is invested in mutual monetary funds, and operating debt is placed exclusively at short term for the balance of 25.3 M€ (compared with 26.3 M€ on 31/12/2013). These elements translate into a solid financial position for UFF, which clearly meets its regulatory requirements.

Information on the parent company

Because of the operational integration of Group activities, the figures are difficult to interpret in isolation. Union Financière de France Banque's net profits for the first half of 2014 stand at 17 M€.

The meeting of the Board of Directors, which was held on 22nd July 2014, approved the accounts and voted for the payment of an interim dividend of 0.70 € per share. This will be paid on 6th November 2014.

Equity capital, after payment of this interim dividend, will stand at 150.8 M€.

The consolidated accounts have been subject to an audit by the company's auditors.

Transactions with related parties

Aviva France Group, the parent company of Union Financière de France Banque, is considered as a 'related party'. The operational relationships between the different companies which form Union Financière de France Group and the Aviva France Group concern the life assurance activity, the financial management of certain UCITs (transferable securitie), the placement operations, and IT services.

Outlook

During 2014, UFF will continue to roll out its strategic plan and to ensure its goals are implemented:


- Strengthening of UFF's channels of distribution ;
 - The progressive integration of financial advisor teams coming from the network recently acquired continues in a satisfactory manner and will be continued through the remainder of this year. Integration will mainly focus on training the teams on the full range of UFF products, and, in particular, on the range of real estate products.
 - Strengthened by the March 2014 takeover of the financial company Caroussel, the UFF subsidiary, CGPE (Financial Advisor Entrepreneurs), which is aimed at the independent financial advisors' (IFA) market, will continue efforts already undertaken to expand into more firms. CGP Entrepreneurs today has its own specific range of products and an infrastructure which will provide a solid base for growing its activity.
- Strengthening of UFF's presence with its clients by the continual provision of a range of specifically targeted and up-to-date investment products.
- Acceleration of UFF's transformation with the aim of increasing its operational efficiency and preparing for regulatory changes.

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 back office staff which is present throughout France and which consists of 1 450 employees, of whom over 1 150 are financial advisors.

On 30th June 2014, Union Financière de France had 200 000 clients, of whom 178 000 were individual clients and 22 000 were corporate clients.

 Union Financière de France is listed on Euronext Paris Compartiment B
Code Euroclear 3454
Code ISIN FR0000034548.

For all other information, please contact :

UFF

Karyn Bayle
Managing Director
Tel : 01 40 69 64 47
karyn_bayle@uff.net

UFF

Françoise Paumelle
Head of Public Relations
Tel : 01 40 69 63 75
francoise_paumelle@uff.net
coralie.menard@golinharris.com

Golin Harris

Coralie Ménard
Press Officer
Tel : 01 40 41 56 09