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## FIRST QUARTER 2014 : NET BANKING PROFITS UP BY 18%

UFF RECORDS A SHARP INCREASE IN NET BANKING PROFITS IN LINE WITH THE STRENGTHENING OF ITS SALES NETWORK

- Business is up in all sectors
- Net subscriptions stand at 16 M€
- Commissions are up by 24%

***This Quarter, UFF welcomed the arrival of financial advisors coming from the acquired network on 1st January 2014 ; the integration of these advisors into UFF will continue throughout the rest of this year.***

Net Banking Profit for the 1st Quarter (in millions of euros)	2012	2013	2014	Change 2014/2013
UFF network (original)	37.2	38.2	38.7	1%
Acquired network	-	-	6.4	N.A
<b>TOTAL</b>	<b>37.2</b>	<b>38.2</b>	<b>45.1</b>	<b>+18%</b>
- of which :				
- Placement commissions	14.9	14.7	18.5	<b>+26%</b>
- Management commissions	21.9	21.8	26.6	<b>+22%</b>
- Products net of interest and miscellaneous	0.4	1.7	-	<b>N.A</b>

### Increase in activity

During the 1st Quarter of 2014, net subscriptions rose to 236 M€, up 40% compared with the 1st Quarter of 2013 ; this was due, notably, to 48 M€ in life assurance coming from the acquired network on 1st January 2014. A comparison of like for like however, shows that subscriptions rose to 188 M€, also up (by +11%) compared with the 1st quarter of 2013.

In comparison with 2013, subscriptions increased in all business sectors :

- Life assurance went up by 57 % with a part of the investments into unit linked contracts up 56 % on the new investments ;

- Investments into transferable securities (private clients) went up by +23 % thanks to the equity savings plans ;
- Sales of real estate units increased by 16 % in numerical terms, and 24 % in financial terms, due to the rise in the average price of units ;
- Payments into parts of REITs (Real Estate Investment Trusts) increased by 58 % mainly on REITs in Commercial Premises.

Investments for the 1st Quarter generated 18.5 M€ in placement commissions, a rise of 26 % compared with the 1st Quarter of 2013. This increase is due to a rise in commission across the whole range of products, with the exception of real estate, which shows a decline.

Placement commissions paid on the sale of real estate units are calculated as of the signing of the contract with the solicitor ; however, during the 1st Quarter, the time taken to reach the contract signature stage was longer than usual, and this impacted on the payment of commissions.

As a consequence, the placement commissions for real estate dropped by 25 % over the period, although the underlying business itself (reservations of real estate units) increased sharply. The figure for placement commissions yet to be paid for reservations already made stood at 14.3 M€ at the end of March 2014 compared with 11 M€ at the end of March 2013. The reservations made this quarter will feed into the Net Banking Profit of future quarters.

### **Positive net subscriptions**

Net subscriptions stood at 16 M€ across the whole range of products and sectors, with 3 M€ coming from the newly acquired network. On a like for like basis, the remaining figure for net subscriptions of 13 M€ is down compared with the 1st Quarter of 2013, which stood at 28 M€. This is due to the partial repayment of mutual funds ; however, putting aside this repayment of mutual funds, net subscriptions would have been in line with the 2013 figure.

The loyalty rate for UFF assets, on a like for like basis, stood at 94% compared with 93.3% for the 1st Quarter of 2013.

A 2.5 Bn € portfolio buyout from Aviva, which took place on 1st January 2014, brought the overall asset figure to 10.3 Bn € at the start of the period. On 31st March 2014 however, this asset figure had reached 10.6 Bn €, showing an increase of 3% for the quarter.

Management commissions coming from assets rose to 26.6 M€ compared with 21.8 M€ for the 1st Quarter of 2013, making a rise of 22 %.

The Net Banking Profit for the 1st Quarter of 2014 stood at 45.1 M€, up 18 % compared with the 1st Quarter of 2013. As a reminder, this includes a 1.7 M€ provision for sustained depreciation ; however, putting aside this figure, the Net Banking Profit would have shown a rise of 24 %.

### **Outlook for the 2<sup>nd</sup> Quarter of 2014**

Since 2012, UFF's strategy has been to take whatever means necessary to ensure profitable growth for the long term based on two principal axes:

- A strengthening, and, at the same time, a reduction in the channels of distribution.
- A well-targeted product policy

For UFF, the 2<sup>nd</sup> Quarter of 2014 will be highlighted by :

- Continued integration of the network, acquired from Aviva at the beginning of the year ; integration of this network of financial advisors is currently meeting all expectations ;
- The tax declaration campaign and its new products : an SME mandate, parts of the forest groups, new a mutual fund etc...
- An abundant and varied range of high quality real estate products (Ehpad, Malraux, Déficit fonciers, Duflot, Nue-propriété ...)
- The promotion of equity savings plans and mutual funds, mainly European.

Among other things, the acquisition, in March 2014, of Financière du Carrousel, should allow UFF to consolidate the action of its subsidiary aimed at independent financial advisors and Financial Advisor Entrepreneurs, and should allow this subsidiary to attain its critical size in the market more quickly.

### **UFF 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 1400 employees, of whom over 1 100 are financial advisors.*

*On 31<sup>st</sup> March 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 Banque is listed on the Euronext Paris Compartiment B  
Code Euroclear 3454  
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