

PARIS, 27 JULY 2017

18% increase in net income in the 1st half of 2017

The Board of Directors' meeting held on 26 July 2017 has approved the interim financial statements for the first half of 2017.

Commenting on the occasion, Paul Younès, Chief Executive Officer of the UFF, said: *"The economic and political climate seen at the start of this year presented a number of excellent opportunities for the UFF, with renewed client interest in unit-linked products putting an end to the trend seen in 2016. We took advantage of this momentum to launch our new products, which led to a significant rebound in our results and allowed us to continue to invest in our Odyssée 2020 plan. Economic fundamentals should remain strong over the second half of the year. The first Finance Act from France's new presidential mandate will undoubtedly influence activity towards the end of the year and could shuffle the deck for wealth management in 2018, prompting our coaches to work even more closely with our clients to provide the best possible advice and assistance."*

Commercial activity¹ up 11% at constant scope²:

Global inflow	2016	2017	Change 2017/2016
- Employee network	680	760	12%
- Independent advisors and partners network	39	94	141%
Total global inflow	719	854	19%

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

² Excluding inflows from Infnitis acquired on 14 October 2016

- **Commercial activity amounted to €854 million** in the first half of 2017, which is a substantial increase on the same period in 2016, as it continued to be underpinned by demand for REITs as well as a recovery in securities.
- The **Employee network** reported a 12% increase in activity as REITs continued to grow (+54%) and thanks to renewed interest in assets exposed to financial market volatility, including investment securities (+38%), corporate stocks (+36%) and life insurance (+6%). At the other end of the scale, direct property slowed after two years of very strong growth (-14%), notably due to the increasingly limited number of properties available for sale given the drop in the number of building permits issued in recent months.
- **Independent advisor and partner networks** enjoyed a strong increase in activity following the integration of the Infinitis network acquired in October 2016. Excluding Infinitis, inflows fell 4% in relation to the first six months of 2016 on the back of a slowdown on the property market.

Strong increase in financial results:

Financial results	2016	2017	Change 2017/2016
NBI (€m)			
- 1 st quarter	47.5	53.3	12%
- 2 nd quarter	49.2	54.5	11%
NBI at June 30 (€m)	96.7	107.8	11%
- o/w Commissions on investment inflows	42.5	49.8	17%
- o/w Commissions on assets under management	55.1	57.8	5%
- o/w Net interest and similar income	-0.9	0.2	NS
Operating profit at 30 June (€m)	14.2	15.9	12%
Consolidated net income, Group share at 30 June (€m)	11.0	13.0	18%
Assets under management - end of period (€bn)	11.0	11.9	8%

- **Net inflows³ of €7 million** (€45 million in the first half of 2016) thanks to buoyant sales. Inflows were nonetheless affected by the general increase in redemption volumes seen on the market (+19%), particularly for life insurance. Payouts for terminated funds also amounted to €29 million as against €22 million at end-June 2016.
- **Assets under management at period end of €11.9 billion** compared with €11.0 billion (+8%) for the first half of 2016, thanks to a very favorable price effect (+€329 million) in relation to the first half of 2016 led by the upturn on the financial markets since the beginning of the year.
- **Net banking income of €107.8 million (+11%)**. Commissions on investments grew across all sectors and particularly in property on the back of an excellent performance from REITs and

³ Customer inflows less outflows in assets under management in the period

real estate billings generated by inflows in 2016. Commissions on assets under management climbed 5% thanks to an increase in average assets under management.

- **Operating profit of €15.9 million, up 12%.** The increase in expenses (11%) is tied to remuneration linked to strong sales and to new hires in control and IT functions, as well as to costs linked to preparatory work for the deployment of the strategic plan and regulatory projects.
- **Net income of €13.0 million (+18%).** The cost of risk was virtually nil for the period and the share of earnings in 30%-held Primonial Reim contributed €2.8 million which is substantially higher than in the first half of 2016 (€1.7 million).

Payment of an interim dividend of €0.70 per share

The consolidated balance sheet structure remains healthy, with carefully-managed cash assets (investments and liquid assets) of €130 million (compared with €117 million at 31 December 2015) that are 66%-invested in low-risk assets. In addition, all operating payables and receivables are short-term.

Consolidated shareholders' equity before distribution of earnings amounted to €96 million compared with €102 million at 31 December 2016.

These figures highlight the financial strength of UFF which more than meets regulatory requirements.

Backed by this strong financial footing, the Board of Directors has approved the distribution of an interim dividend of €0.70 per share (interim dividend of €0.60 per share paid in 2016). To be paid on 2 November 2017, the dividend is confirmation of UFF Banque's commitment to ensuring a lasting improvement in shareholder returns.

Outlook

Launched at the start of 2016, the UFF's **Odysée 2020** strategic roadmap has already strengthened its distribution capacity with the acquisition of the Infinitis network and enriched its product offering for High Net Worth clients. Today, the plan has accelerated with the parallel execution of several structuring projects with staggered completion through to 2020. The investments made are intended to profoundly transform the UFF's systems in order to meet two priorities: **client satisfaction** by providing the best possible advice with a complete and innovative offer, **client protection** by providing profile-tailored solutions that meet with all regulatory requirements.

Amongst the different flagship projects to be rolled out at the end of 2017 and the start of 2018, the UFF is working on a new digital tool for its sales network that will help improve the productivity of advisors, streamline the experience for clients and reduce the times needed to process operations.

The development of new and existing expertise, which began in 2016, will continue in line with the development of activity and the implementation of major new regulatory frameworks (MIF 2, DDA, CRS).

Other information

UNION FINANCIERE DE FRANCE BANQUE

32, avenue d'Iéna 75783 Paris Cedex 16 – T. + 33 1 40 69 65 17 – UFF Customer Services Contact: 0810 732 732 – www.uff.net – French joint stock company (*société anonyme*) with a share capital of €15,467,031.07 – Registered in Paris (R.C.S. No. 473 801 330).

The statutory auditors performed a limited review of the consolidated financial statements. The original French version of the interim financial report will be filed with the French financial markets authority, the AMF, and made available to the public on the company's website within the statutory time limits.

A detailed presentation of the results for the first half of 2016 will be available under the "Actionnaires" section of the company's website <http://www.uff.net/actionnaires-investisseurs/74>) on 28 July 2017.

Given the operational integration of Group businesses, it is difficult to interpret individual company figures. Based on the parent company financial statements for the first half of 2017, net income for Union Financière de France Banque amounted to €21 million.

Aviva France Group, the parent company of Union Financière de France Banque, qualifies as a "related party". The operational relations between companies of Union Financière de France Banque Group and Aviva France Group concern life insurance, the financial management of certain UCITS, investment activities and information technology services.

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 insurance, 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 nearly 1,200 financial advisors, Union Financière de France has an extensive network covering all of France.

On 30 June 2017, Union Financière de France had a customer base of 212,000 clients (187,000 individuals and 25,000 corporate clients).

Union Financière de France Banque is listed on Euronext Paris (Compartment B)

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