



LOMBARD ODIER
LOMBARD ODIER DARIER HENTSCH

**Interim report
as at 30 June 2020
Lombard Odier Group**

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MEDIA RELEASE

Geneva, 27 August 2020

Lombard Odier Group reports results for first six months of 2020

Client assets resilient at CHF 290 billion with strong net new money

Positive net new money

Net new money flows were strong in the first half of 2020 but were offset by unprecedented market conditions over the six-month period. Total client assets at end-June 2020 stood at CHF 290 billion, down 3% from end-December 2019.

Growth in operating income and earnings

Operating income for the first six months of 2020 was CHF 674 million, up 16% from a year earlier, driven by strong net new money flows and increased client activity in volatile markets. Consolidated net profit was at CHF 119 million.

Strong balance sheet and capitalisation

The Group's balance sheet remains strong, highly liquid and conservatively invested, totalling CHF 20.6 billion. The Group has no external debt and is well capitalised, with a CET1 ratio of 29.7% and a liquidity coverage ratio of 238% at end-June 2020. Fitch reaffirmed the Group's credit rating at AA- with a stable outlook in July 2020.

“Our strong results reflect the trust our clients place in us, the solidity of our bank and our investment expertise.” highlighted **Patrick Odier, Senior Managing Partner**. *“We have systematically sought to position portfolios to shield clients from the worst of the market falls and benefit from the gradual recovery since mid-March. Our sustainability integration enhanced portfolio performance, while we generated significant net new money flows across our businesses, even amid the pandemic.”*

Sustainability, alternatives and technology as key differentiators

Sustainability is at the heart of Lombard Odier's approach to its business and investment philosophy. As a leader in this field, the bank has continued to integrate sustainability across its institutional and private client portfolios, and continues to expand its range of sustainability-driven core conviction strategies, including via the successful launch of a new Climate Transition Fund in March.

Our focus on developing our in-house alternative investment strategies has proven particularly useful at a time of heightened market volatility.

The robustness of our proprietary banking platform has enabled us to stay close to our clients and to provide seamless client service throughout the crisis. We will continue the significant investment in our proprietary technology for clients and third parties which has proven to be a key differentiator for Lombard Odier.

Market outlook

The first half of 2020 was an unprecedented time for global economies and markets while the rest of the year will undoubtedly remain challenging. Lombard Odier is conscious of the need to manage potential risks, and will remain prudent and agile in the management of clients' assets.

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About Lombard Odier

Lombard Odier is a leading global wealth and asset manager. For over 220 years and through 40 financial crises the Group has combined innovation and prudence to align itself with the long-term interests of private and institutional clients. The Group is solely owned by its Managing Partners, has a highly liquid balance sheet and is well capitalised with a CET1 ratio of 29.7% and a Fitch rating of AA-.

Lombard Odier provides a complete offering of wealth services, including succession planning, discretionary and advisory portfolio management, and custody. Asset management services are offered through Lombard Odier Investment Managers (LOIM). The Group has also created cutting-edge banking technology, which is offered to other financial institutions.

The Group had total client assets of CHF 290 billion at 30 June 2020. Headquartered in Geneva since 1796, at end-June the Group had 29 offices in 23 jurisdictions and employed 2,535 people.

For more information: www.lombardodier.com

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Consolidated balance sheet (unaudited) as at 30 june 2020

	30.06.2020	31.12.2019	Change in %
	In thousands CHF	In thousands CHF	
Assets			
Liquid assets	7,732,682	7,581,098	
Amounts due from banks	1,071,109	434,185	
Amounts due from securities financing transactions	1,300,000	0	
Amounts due from customers	4,398,028	5,038,766	
Trading portfolio assets	2,965	0	
Positive replacement values of derivative financial instruments	428,102	348,668	
Other financial instruments at fair value	602,671	611,243	
Financial investments	4,543,445	2,932,851	
Accrued income and prepaid expenses	173,617	191,837	
Non-consolidated participations	7,492	5,907	
Tangible fixed assets	155,199	139,654	
Other assets	167,042	146,012	
Total assets	20,582,352	17,430,221	18%
Liabilities			
Amounts due to banks	1,074,190	748,304	
Amounts due in respect of customer deposits	16,475,603	13,817,372	
Negative replacement values of derivative financial instruments	432,386	339,479	
Liabilities from other financial instruments at fair value	667,944	654,701	
Accrued expenses and deferred income	264,773	374,869	
Other liabilities	97,306	94,186	
Provisions	113,550	104,432	
Total liabilities	19,125,752	16,133,343	19%
Reserves for general banking risks	373,577	330,327	
Share capital	73,710	73,710	
Retained earnings reserve	916,091	710,813	
Foreign currency translation reserve	(26,247)	(21,026)	
Consolidated profit	119,469	203,054	
Total equity	1,456,600	1,296,878	12%
Total liabilities and equity	20,582,352	17,430,221	18%
Total subordinated liabilities	23,011	30,943	
- of which with conversion obligation and/or debt waiver	12,986	13,043	
Off-balance sheet transactions			
Contingent liabilities	340,315	343,785	
Irrevocable commitments	1,030,489	1,004,981	

Consolidated profit and loss account (unaudited) as at 30 june 2020

	30.06.2020	30.06.2019	Change in %
	In thousands CHF	In thousands CHF	
Interest and discount income	42,649	43,935	
Interest and dividend income from financial investments	12,870	13,849	
Interest expense	0	0	
Gross result from interest operations	55,519	57,784	-4%
Changes in value adjustments for default risks and losses from interest operations	(94)	0	
Net result from interest operations	55,425	57,784	-4%
Commission income from securities trading and investment activities	554,768	505,916	
Commission income from lending activities	1,120	1,108	
Commission income from other services	60,937	58,878	
Commission expense	(92,724)	(94,672)	
Result from commission business and services	524,101	471,230	11%
Result from trading activities and the fair value option	92,647	42,512	118%
Result from the disposal of financial investments	29	125	
Income from participations	1,387	7,925	
- of which from other non-consolidated participations	1,387	7,925	
Result from real estate	872	1,171	
Other ordinary income	30	0	
Result from ordinary activities	2,318	9,221	-75%
Total operating income	674,491	580,747	16%
Personnel expenses	(377,376)	(360,000)	
General and administrative expenses	(97,135)	(106,147)	
Total operating expenses	(474,511)	(466,147)	2%
Value adjustments on participations and depreciation of tangible fixed assets	(2,552)	(2,848)	
Changes to provisions and other value adjustments, losses	(5,411)	(2,945)	
Operating result	192,017	108,807	76%
Extraordinary income	243	7,629	
Extraordinary expenses	0	(24)	
Change in reserves for general banking risks	(43,249)	(16,896)	
Taxes	(29,542)	(27,799)	
Consolidated profit	119,469	71,717	67%

Condensed notes

Name, legal form and registered office of the Group

The ultimate parent company of the Lombard Odier Group is Compagnie Lombard Odier SCmA, a partnership limited by shares with its office in Geneva.

Accounting and valuation principles

These financial statements are the consolidated financial statements of the Lombard Odier Group and are presented in accordance with the Swiss Code of Obligations, the Swiss Banking Act, the Swiss Banking Ordinance, the FINMA Accounting Ordinance and the FINMA Circular 2020/1 Accounting - Banks. They give a true and fair view of the net assets, financial position and results of operations of the Group. The interim financial statements are based on the same rules, principles and structure as those applied to the annual accounts.

Details of the accounting principles for the preparation of the consolidated financial statements are provided on pages 22 to 26 of the 2019 annual report.

Changes in accounting and measurement policies

There have been no changes in the accounting and valuation principles during the first half of 2020.

Information on factors that influenced the economic position of the Group as well as extraordinary results

The information is commented in the media release on page 4 of this report.

Events after the end of the reporting period

There were no events after the end of the reporting period capable of impacting the financial statements as at 30 June 2020.

This report is published in French, English and German.
It is also available in PDF format for download from our website, www.lombardodier.com.

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