



LOMBARD ODIER
LOMBARD ODIER DARIER HENTSCH

**Interim report
as at 30 June 2022
Lombard Odier Group**

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MEDIA RELEASE

Half-year results 2022

Solid performance and stability, despite challenging markets

Client assets impacted by market corrections, but net new money was solid

The challenging environment and volatile markets of the first six months of the year resulted in significant corrections in asset valuations. Total client assets at end-June 2022 stood at CHF 310 billion, down 13% from end-December 2021. Nevertheless, net new money in our Private Client and LOIM businesses was solid in the first half of 2022.

Operating income and earnings reflect challenging markets

Operating income for the first half of 2022 was CHF 689 million, down 4% from the first six months of 2021. Consolidated net profit was CHF 136 million, down 5% from a strong first half of 2021.

Strong balance sheet and capitalisation, the foundations of our stability

The Group's balance sheet remains strong, liquid and conservatively invested, and totalled CHF 24.7 billion at end-June 2022. The Group has a significant equity base with no external debt. At end-June 2022, the CET1 ratio was 29.5% and the liquidity coverage ratio was 217%. In August 2022, Fitch reaffirmed the Group's credit rating at AA- with a stable outlook.

*“During these turbulent markets, the solidity of our business model and our focus on prudently managing our clients' assets were key, allowing us to attract net new money,” said **Patrick Odier, Senior Managing Partner**. “As an independent, long-term oriented private bank, we continued to invest in our people, technology and investment expertise, while maintaining close proximity with our clients at all times.”*

***Hubert Keller, Senior Managing Partner** further stated: “We continue to focus on our Group's strategic priorities of sustainability and private assets, as both remain critical in helping our clients achieve their financial goals. In H1 2022 we launched multiple high-conviction sustainable investment strategies and further developed our expertise in private assets, both key areas where long-term value can be generated for investors.”*

Leading the way in science-based sustainable investment strategies

Lombard Odier continues to lead in the field of sustainability, identifying how clients can most effectively invest in the environmental transition. In H1 2022, the Group launched new investment strategies in the spheres of Sustainable Private Credit, Plastic Circularity and New Food Systems, essential elements that will facilitate the transition to a sustainable economy.

In 2022, the Group also expanded its sustainable investment framework for private client portfolios, helping to mitigate risk, generate performance and deliver impact.

Market outlook

The first half of 2022 was very challenging for investors. As monetary tightening continues and growth slows in the second half, we anticipate more market volatility. We retain a cautious outlook and a prudent portfolio positioning.

Our mission for over two centuries has been to help clients navigate volatile markets while providing stability in uncertain times; values that remain at the heart of our business model. We remain focussed on preserving and growing our clients' assets, while managing potential risks.

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About Lombard Odier

Lombard Odier is a global wealth and asset manager, and a leader in sustainable investing. For over 225 years and through more than 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 and has a strong, liquid and conservatively invested balance sheet with a CET1 ratio of 29.5% and a Fitch rating of AA-.

Lombard Odier provides a comprehensive 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 created cutting-edge banking technology, which is also leveraged by other Swiss and European-based private banks and financial institutions.

The Group had total client assets of CHF 310 billion at 30 June 2022. Headquartered in Geneva since 1796, at end-June the Group had 25 offices in 20 jurisdictions and employed 2,675 people.

For more information: www.lombardodier.com

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Consolidated balance sheet (unaudited) as at 30 june 2022

	30.06.2022	31.12.2021	Change in %
	In thousands CHF	In thousands CHF	
Assets			
Liquid assets	10,562,519	10,359,465	
Amounts due from banks	1,448,888	1,075,293	
Amounts due from customers	6,476,691	5,533,399	
Trading portfolio assets	0	0	
Positive replacement values of derivative financial instruments	798,490	390,160	
Other financial instruments at fair value	550,051	560,735	
Financial investments	4,282,745	3,763,567	
Accrued income and prepaid expenses	176,829	165,884	
Non-consolidated participations	11,222	11,177	
Tangible fixed assets	316,113	272,854	
Other assets	88,390	56,429	
Total assets	24,711,938	22,188,963	11%
Liabilities			
Amounts due to banks	1,719,097	1,098,562	
Amounts due in respect of customer deposits	19,350,585	17,855,351	
Negative replacement values of derivative financial instruments	841,339	468,177	
Liabilities from other financial instruments at fair value	666,988	595,568	
Accrued expenses and deferred income	359,075	488,670	
Other liabilities	55,666	106,652	
Provisions	101,198	103,825	
Total liabilities	23,093,948	20,716,805	11%
Reserves for general banking risks	497,878	477,878	
Share capital	73,710	73,710	
Retained earnings reserve	945,371	679,809	
Foreign currency translation reserve	(34,859)	(29,347)	
Consolidated profit	135,890	270,108	
Total equity	1,617,990	1,472,158	10%
Total liabilities and equity	24,711,938	22,188,963	11%
Total subordinated liabilities	50,780	71,030	
Off-balance sheet transactions			
Contingent liabilities	330,881	330,875	
Irrevocable commitments	1,556,407	1,268,248	

Consolidated profit and loss account (unaudited) as at 30 june 2022

	30.06.2022	30.06.2021	Change in %
	In thousands CHF	In thousands CHF	
Interest and discount income	44,503	32,492	
Interest and dividend income from financial investments	15,570	10,921	
Interest expense	0	0	
Gross result from interest operations	60,073	43,413	38%
Changes in value adjustments for default risks and losses from interest operations	0	0	
Net result from interest operations	60,073	43,413	38%
Commission income from securities trading and investment activities	592,518	646,386	
Commission income from lending activities	1,063	1,269	
Commission income from other services	72,641	72,878	
Commission expense	(96,989)	(107,459)	
Result from commission business and services	569,233	613,074	-7%
Result from trading activities and the fair value option	57,682	57,943	0%
Result from the disposal of financial investments	9	21	
Income from participations	1,875	1,708	
- of which from other non-consolidated participations	1,875	1,708	
Result from real estate	588	975	
Other ordinary income	0	7	
Other ordinary expense	(4)	(5)	
Result from ordinary activities	2,468	2,706	-9%
Total operating income	689,456	717,136	-4%
Personnel expenses	(385,242)	(407,953)	
General and administrative expenses	(118,040)	(99,503)	
Total operating expenses	(503,282)	(507,456)	-1%
Value adjustments on participations and depreciation of tangible fixed assets	(2,367)	(2,912)	
Changes to provisions and other value adjustments, losses	762	(548)	
Operating result	184,569	206,220	-10%
Extraordinary income	193	517	
Extraordinary expenses	0	(26)	
Change in reserves for general banking risks	(20,000)	(29,673)	
Taxes	(28,872)	(33,647)	
Consolidated profit	135,890	143,391	-5%

Condensed notes as at 30 June 2022

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 Federal Act on Banks and Savings Banks and its 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 25 of the 2021 annual report.

Comparative figures

Some figures relating to the previous year have been adjusted, so as to be consistent with the presentation of the current year's figures. Amounts were reclassified in 2021 between "Commission expense" and "Commission income from securities and investment activities".

Changes in accounting and measurement policies

There have been no changes in the accounting and valuation principles during the first half of 2022.

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 2022.

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

IMPORTANT INFORMATION

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