



LOMBARD ODIER
LOMBARD ODIER DARIER HENTSCH

**Interim report
as at 30 June 2024
Lombard Odier Group**

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MEDIA RELEASE

Geneva, 29 August 2024

Lombard Odier reports half-year 2024 results and announces evolution in the Partnership

- **Assets under Management up 8%, continued investment cycle in the business while retaining strong balance sheet**
- **Alexandre Zeller to retire as Managing Partner, with Xavier Bonna to join the Lombard Odier Partnership**

Lombard Odier's assets under management (AuM) stood at CHF 209 billion at the end of June 2024, up 8% on end-December 2023. The AuM increase resulted largely from positive market and currency effects. Overall, at end-June 2024, the Group had total client assets of CHF 318 billion compared to CHF 296 billion at the end of 2023.

The Group saw solid new client acquisition within its Private Clients division, driven primarily by the recent investment in new talent. Asset management net inflows were impacted by clients shifting to higher interest rate cash solutions.

First half revenues were CHF 665 million, down 6% year-on-year, driven by a 30% decline in our net interest income, in line with most of the industry and reflecting the increased cost of deposits from conversion to interest-bearing products. Operating expenses stood at CHF 540 million, up 3% year-on-year, reflecting our investment programme and the impact of the upcoming move to our new headquarters. First half net profits were CHF 115 million, down 15% year-on-year.

The Group remains focused on delivering organic growth through its Wealth and Asset Management businesses. Its expertise in sustainable investing is being recognised by clients, as evidenced by its appointment by Nest, the UK's largest workplace pension scheme, to build and manage a mandate of USD 6 billion by 2030 that invests in global equities that are well positioned for the transition to a Net Zero, Nature Positive, and Socially Fairer economy.

Hubert Keller, Senior Managing Partner, commented, *"What matters to us, as an investment firm, is to deliver solid performance for our clients in the face of markets that are increasingly uncertain. We have achieved this objective in the first half of the year and will continue to work hard to deliver results over the long term."*

"We are now two thirds of the way into our current investment cycle, which will allow us to improve the efficiency of our overall business and deliver growth. It will also see us move into our new, landmark headquarters in Geneva."

Strong balance sheet and capitalisation

Lombard Odier's balance sheet remains strong, liquid and conservatively invested, and totalled CHF 13 billion at end-June 2024. The Group has a significant equity base. As of 30 June 2024, its CET1 ratio was among the highest in the industry at 31.7% and more than double that required by the regulator. Fitch reaffirmed the Group's credit rating at AA- with a stable outlook in July 2024.

Evolution in the Group's Partnership

Alexandre Zeller has decided to retire as Managing Partner of Lombard Odier at the end of 2024. He joined the Group as Managing Partner in 2019 and will retire following a distinguished career in the banking industry. He will become a non-executive board member of Banque Lombard Odier & Cie*.

Xavier Bonna will become a Managing Partner of the Lombard Odier Group on 1 January 2025*. With extensive experience in private banking and investment management, Xavier Bonna joined Lombard Odier in 2016. He has since held various senior roles in the Private Clients division, mostly active in serving the Bank's large client relationships.

Hubert Keller stated: *"As the generational transition of our Partnership continues, we would like to thank Alexandre Zeller for his outstanding contribution to Lombard Odier. His experience and leadership have been a great asset to our Firm, and we are pleased to see him join our board".*

We look forward to welcoming Xavier Bonna as we build our next generation of Managing Partners. His passion for investments, leadership skills and dedication to clients underline what we stand for as a Bank."

Market outlook

Global macroeconomic fundamentals remain solid, even as the US economy slows from above-trend levels. We judge recession risks to be low as the global rate-cutting cycle gathers pace. As major central banks continue to shift rates from restrictive to neutral territory in 2025, growth should revert to longer-term trend levels. Political and geopolitical risks will remain key to monitor.

*Subject to regulatory approval



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About Lombard Odier

Lombard Odier is a global wealth and asset manager. For over 225 years and through more than 40 financial crises, the Group has aligned itself with the long-term interests of private and institutional clients. It has a strong balance sheet with a CET1 ratio of 31.7% and a Fitch rating of AA-, the highest possible rating for a bank of its size.

Structured as an independent partnership, Lombard Odier is solely owned by its Managing Partners. This governance model allows the Bank to remain completely client-focused and innovative at the highest level in the organisation.

Lombard Odier is an investment house that provides a comprehensive offering of discretionary and advisory portfolio management, wealth services 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 318 billion at 30 June 2024. Headquartered in Geneva since 1796, at end-June the Group had 28 offices in 19 jurisdictions and employed 2,910 people.

For more information: www.lombardodier.com

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Consolidated balance sheet (unaudited) as at 30 June 2024

	30.06.2024	31.12.2023	Change in %
	In thousands CHF	In thousands CHF	
Assets			
Liquid assets	2,507,476	4,414,661	
Amounts due from banks	674,641	1,030,974	
Amounts due from customers	5,203,630	4,563,879	
Trading portfolio assets	2,332	0	
Positive replacement values of derivative financial instruments	331,903	1,045,234	
Other financial instruments at fair value	440,800	520,585	
Financial investments	2,973,741	3,032,696	
Accrued income and prepaid expenses	207,208	161,130	
Non-consolidated participations	13,045	13,065	
Tangible fixed assets	554,062	473,582	
Other assets	74,852	53,885	
Total assets	12,983,690	15,309,691	-15%
Liabilities			
Amounts due to banks	556,715	1,027,560	
Liabilities from securities financing transactions	44,930	1,089,598	
Amounts due in respect of customer deposits	9,391,430	9,430,465	
Trading portfolio liabilities	2,403	0	
Negative replacement values of derivative financial instruments	306,939	1,011,211	
Liabilities from other financial instruments at fair value	453,085	534,309	
Accrued expenses and deferred income	376,844	517,183	
Other liabilities	126,535	109,027	
Provisions	80,393	79,639	
Total liabilities	11,339,274	13,798,992	-18%
Reserves for general banking risks	515,413	524,413	
Share capital	73,710	73,710	
Retained earnings reserve	984,414	744,351	
Foreign currency translation reserve	(44,013)	(52,788)	
Consolidated profit	114,892	221,013	
Total equity	1,644,416	1,510,699	9%
Total liabilities and equity	12,983,690	15,309,691	-15%
Total subordinated liabilities	34,040	38,780	
Off-balance sheet transactions			
Contingent liabilities	365,609	384,781	
Irrevocable commitments	1,689,692	1,485,845	

Consolidated profit and loss account (unaudited) as at 30 June 2024

	30.06.2024	30.06.2023	Change in %
	In thousands CHF	In thousands CHF	
Interest and discount income	141,138	126,503	
Interest and dividend income from financial investments	14,653	17,852	
Interest expense	(68,513)	(19,274)	
Gross result from interest operations	87,278	125,081	-30%
Changes in value adjustments for default risks and losses from interest operations	0	0	
Net result from interest operations	87,278	125,081	-30%
Commission income from securities trading and investment activities	536,268	541,732	
Commission income from lending activities	999	979	
Commission income from other services	63,725	66,560	
Commission expense	(79,107)	(81,568)	
Result from commission business and services	521,885	527,703	-1%
Result from trading activities and the fair value option	50,768	48,639	4%
Result from the disposal of financial investments	(121)	13	
Income from participations	4,498	2,217	
- of which from other non-consolidated participations	4,498	2,217	
Result from real estate	502	554	
Other ordinary expense	(83)	0	
Result from ordinary activities	4,796	2,784	72%
Total operating income	664,727	704,207	-6%
Personnel expenses	(402,273)	(386,445)	
General and administrative expenses	(137,904)	(137,564)	
Total operating expenses	(540,177)	(524,009)	3%
Value adjustments on participations and depreciation of tangible fixed assets	(6,514)	(4,657)	
Changes to provisions and other value adjustments, losses	(800)	(1,642)	
Operating result	117,236	173,899	-33%
Extraordinary income	9,472	17,050	
Extraordinary expenses	0	(2)	
Change in reserves for general banking risks	9,000	(26,000)	
Taxes	(20,816)	(29,673)	
Consolidated profit	114,892	135,274	-15%

Condensed notes as at 30 June 2024

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 2023 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 2023 between "Commission income from securities trading and investment activities" and "Commission expense".

Changes in accounting and measurement policies

There have been no changes in the accounting and valuation principles during the first half of 2024.

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 2024.

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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