

Pictet Group
Half-year financial report
30 June 2022



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KEY FIGURES

As an investment-led service company, the Pictet Group focuses exclusively on wealth management, asset management and related asset services, including custody and fund administration services. The Group does not, however, offer commercial loans or investment banking services.

CHF thousand	1st half 2022	1st half 2021
Consolidated income statement		
Operating income	1 576 765	1 541 541
Total expenses before tax	1 109 918	1 077 089
Operating result	466 847	464 452
Consolidated profit for the half-year	380 144	635 681
Cost/income ratio	70%	70%
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CHF thousand	30.06.2022	31.12.2021
Consolidated balance sheet		
Total assets	49 734 138	48 923 744
Total equity	3 785 880	3 679 945
Basel III CET1 solvency ratio	23.3%	22.5%
Basel III Total solvency ratio	23.5%	22.7%
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Other indicators		
Assets under management or custody (CHF bn)	610	698
Staff (in FTE)	5 174	5 040
in Switzerland	3 110	3 058
abroad	2 064	1 982
Banque Pictet & Cie SA's rating FitchRatings/Moody's	AA-/Aa2	AA-/Aa2

The yearly consolidated accounts are drawn up on 31 December. This publication presents the unaudited interim consolidated financial statements at 30 June 2022.

CONSOLIDATED BALANCE SHEET

Assets (CHF thousand)	30.06.2022	31.12.2021
Liquid assets	10 568 743	11 668 513
Amounts due from banks	1 131 033	2 003 865
Amounts due from securities financing transactions	8 877 000	5 913 000
Amounts due from customers	9 500 692	9 819 087
Trading portfolio assets	25 083	37 074
Positive replacement values of derivative financial instruments	2 361 544	1 108 905
Other financial instruments at fair value	1 530 563	1 800 725
Financial investments	14 715 344	15 379 876
Accrued income and prepaid expenses	595 216	688 695
Non-consolidated participations	6 905	6 904
Tangible fixed assets	199 134	174 916
Other assets	222 881	322 184
Total assets	49 734 138	48 923 744
Total subordinated claims	-	-
Liabilities (CHF thousand)	30.06.2022	31.12.2021
Amounts due to banks	1 149 727	1 215 145
Liabilities from securities financing transactions	426 750	1 501 727
Amounts due in respect of customer deposits	38 772 127	37 358 724
Trading portfolio liabilities	11 641	7 553
Negative replacement values of derivative financial instruments	1 941 094	1 169 539
Liabilities from other financial instruments at fair value	1 643 430	1 996 105
Accrued expenses and deferred income	979 539	1 368 326
Other liabilities	696 546	301 952
Provisions	327 404	324 728
Total equity	3 785 880	3 679 945
Equity owners' contribution	691 137	691 063
Capital reserve	11 664	11 664
Retained earnings reserve	2 715 334	1 988 736
Currency translation reserve	(12 399)	(19 401)
Consolidated profit (first half 2022/full year 2021)	380 144	1 007 883
Total liabilities	49 734 138	48 923 744
Total subordinated liabilities	-	-

Consolidated off-balance-sheet transactions

CHF thousand	30.06.2022	31.12.2021
Contingent liabilities	8 324 875	7 611 079
Irrevocable commitments	69 341	44 388

Unaudited figures

CONSOLIDATED INCOME STATEMENT

CHF thousand	1st half 2022	1st half 2021	Change
Interest and discount income	103 611	76 618	
Interest and dividend income from financial investments	23 125	3 226	
Interest expense	(4 086)	(2 502)	
Gross result from interest operations	122 650	77 342	59%
Changes in value adjustments for default risks and losses from interest operations	(142)	4 567	
Subtotal net result from interest operations	122 508	81 909	50%
Commission income from securities trading and investment activities	1 864 298	1 874 058	
Commission income from lending activities	1 559	2 467	
Commission income from other services	5 931	3 707	
Commission expenses	(525 082)	(538 446)	
Subtotal result from commission business and services	1 346 706	1 341 786	0%
Result from trading activities and the fair value option	104 284	113 790	(8%)
Result from the disposal of financial investments	3	-	
Income from other non-consolidated participations	1 534	4 798	
Result from real estate	613	537	
Other ordinary income	1 592	90	
Other ordinary expenses	(475)	(1 369)	
Subtotal other result from ordinary activities	3 267	4 056	(19%)
Personnel expenses	(768 767)	(771 033)	
General and administrative expenses	(312 264)	(268 516)	
Subtotal operating expenses	(1 081 031)	(1 039 549)	4%
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	(22 974)	(26 978)	
Changes to provisions and other value adjustments and losses	(5 913)	(10 562)	
Operating result	466 847	464 452	1%
Extraordinary income	1 230	303 246	
Extraordinary expenses	-	(109)	
Taxes	(87 933)	(131 908)	
Consolidated profit of the half-year ended 30 June	380 144	635 681	(40%)

Unaudited figures

COMMENTS

Name and legal status

The Pictet Group's (hereafter also the "Group") accounts comprise the financial statements of all companies in which the partners of the Pictet Group owned, either directly or indirectly, over 50% of the capital or voting rights at 30 June 2022.

The Group's scope of consolidation therefore covers a number of corporate entities that are either interlinked through business combinations or consolidated into one or more of the business combinations. The link results from these entities' coming under the common control of the partners of Pictet & Cie Group SCA.

Those entities that are directly controlled by the partners are: Pictet & Partners, Cologny; Pictet Holding LLP, Singapore; Pictet Capital SA, Cologny; Sopafin (Luxembourg) SA, Luxembourg; Pictet Canada LP, Montreal; and Sopafin SA, Cologny.

Accounting principles

The Group's consolidated financial statements have been drawn up in accordance with the provisions of the Swiss Federal Law on Banks and Savings Banks, its relevant implementing ordinance as well as the Swiss Financial Market Supervisory Authority's (FINMA) Accounting ordinance (FINMA-AO) and the accounting rules for banks (FINMA Circular 2020/1).

The financial statements have been compiled to present a true and fair view of the Group's assets, financial position and results.

General valuation principles

Assets and liabilities, together with off-balance-sheet business recognised under the same accounting heading, are valued on an individual basis.

Recording of transactions

Transactions are recorded and valued in accordance with generally accepted principles. As a rule, they will be recognised in the balance sheet as of the settlement date, or the trade date in the case of trading and cash-management transactions.

Consolidation

Entities either directly or indirectly controlled by the Group or over which the Group exercises a dominant

influence are consolidated according to the full consolidation method. This means that the assets, liabilities, off-balance-sheet transactions, income and costs of fully consolidated companies are included in the Group's financial statements. All material business relations between consolidated companies are eliminated from assets, liabilities, costs, income and off-balance-sheet transactions. Net assets of Group companies are consolidated according to the purchase method. In the case of combined entities, the combination is an amalgamation of the accounts, performed in keeping with the same rules as described above.

Change in accounting principles

There were no changes in accounting principles during the half-year ended 30 June 2022.

Events after the balance sheet date

On 13 July 2022, Banque Pictet & Cie SA completed the sale of its participation in Euroclear Holding SA/NV. The resulting extraordinary income of CHF 69m will be recognised in the financial statements of the second half of 2022.

Factors influencing the economic situation of the Pictet Group

After two years of pandemic, the world entered a new and more fractured global order following the invasion of Ukraine by Russia. Both of these events have inverted the macroeconomic backdrop of the past two decades – from low inflation and low rates to high inflation and rising rates.

In a deteriorating economic environment, assets under management or custody decreased to CHF 610 billion during the first half-year. Nonetheless, the result from commission business and services, the main source of income of the Group, remained robust, increasing by 0.4% compared to the first half of 2021.

Extraordinary income and expenses

The Pictet Group did not record any significant extraordinary income or expenses during the first half-year 2022.

First half-year 2021 comparative figures include a CHF 302 million extraordinary income that resulted from the sale and lease-back of the headquarters building in Geneva.

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