

Pictet Group  
Half-year financial report  
30 June 2023



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## KEY FIGURES

The Pictet Group is a privately owned leader in wealth and asset management. As an investment-led service company, the Pictet Group offers wealth management, asset management and related asset services. The Group does not engage in investment banking, nor does it extend commercial loans.

CHF thousand	1st half 2023	1st half 2022
<b>Consolidated income statement</b>		
Operating income	1 621 079	1 576 765
Total expenses before tax	1 146 009	1 109 918
Operating result	475 070	466 847
Consolidated profit for the half-year	365 515	380 144
Cost/income ratio	71%	70%
<b>Consolidated balance sheet</b>		
Total assets	40 537 245	44 881 308
Total equity	3 925 126	4 154 632
Basel III CET1 solvency ratio	29.1%	27.1%
Basel III Total solvency ratio	29.3%	27.4%
<b>Other indicators</b>		
Assets under management or custody (CHF bn)	638	608
Staff (in FTE)	5 379	5 307
in Switzerland	3 177	3 174
abroad	2 202	2 133
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 2023.

## CONSOLIDATED BALANCE SHEET

<b>Assets (CHF thousand)</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
Liquid assets	5 780 146	5 013 412
Amounts due from banks	777 304	1 748 151
Amounts due from securities financing transactions	5 650 000	5 582 520
Amounts due from customers	8 120 920	8 714 108
Trading portfolio assets	21 210	13 637
Positive replacement values of derivative financial instruments	1 915 176	2 557 556
Other financial instruments at fair value	1 257 120	1 419 385
Financial investments	15 816 111	18 435 937
Accrued income and prepaid expenses	738 111	661 546
Non-consolidated participations	3 986	4 090
Tangible fixed assets	280 420	257 450
Other assets	176 741	473 516
<b>Total assets</b>	<b>40 537 245</b>	<b>44 881 308</b>
<b>Total subordinated claims</b>	<b>-</b>	<b>-</b>
<b>Liabilities (CHF thousand)</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
Amounts due to banks	1 212 064	1 756 371
Liabilities from securities financing transactions	2 082 900	2 074 326
Amounts due in respect of customer deposits	28 504 477	31 030 344
Trading portfolio liabilities	3 207	814
Negative replacement values of derivative financial instruments	1 291 104	1 967 509
Liabilities from other financial instruments at fair value	1 409 673	1 569 393
Accrued expenses and deferred income	1 047 611	1 322 718
Other liabilities	731 552	688 471
Provisions	329 531	316 730
<b>Total equity</b>	<b>3 925 126</b>	<b>4 154 632</b>
Equity owners' contribution	678 480	691 137
Capital reserve	11 664	11 664
Retained earnings reserve	2 880 238	2 691 132
Currency translation reserve	(10 771)	(7 205)
Consolidated profit (first half 2023/full year 2022)	365 515	767 904
<b>Total liabilities</b>	<b>40 537 245</b>	<b>44 881 308</b>
<b>Total subordinated liabilities</b>	<b>-</b>	<b>-</b>

### Consolidated off-balance-sheet transactions

<b>CHF thousand</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
Contingent liabilities	8 675 754	8 016 187
Irrevocable commitments	110 803	127 363

Unaudited figures

## CONSOLIDATED INCOME STATEMENT

CHF thousand	1st half 2023	1st half 2022	Change
Interest and discount income	367 067	103 611	
Interest and dividend income from financial investments	168 904	23 125	
Interest expense	(222 292)	(4 086)	
<b>Gross result from interest operations</b>	<b>313 679</b>	<b>122 650</b>	<b>156%</b>
Changes in value adjustments for default risks and losses from interest operations	1 083	( 142)	
<b>Subtotal net result from interest operations</b>	<b>314 762</b>	<b>122 508</b>	<b>157%</b>
Commission income from securities trading and investment activities	1 649 284	1 864 298	
Commission income from lending activities	1 813	1 559	
Commission income from other services	3 975	5 931	
Commission expenses	(454 012)	(525 082)	
<b>Subtotal result from commission business and services</b>	<b>1 201 060</b>	<b>1 346 706</b>	<b>(11%)</b>
<b>Result from trading activities and the fair value option</b>	<b>104 617</b>	<b>104 284</b>	<b>0%</b>
Result from the disposal of financial investments	-	3	
Income from other non-consolidated participations	1 652	1 534	
Result from real estate	1 431	613	
Other ordinary income	106	1 592	
Other ordinary expenses	(2 549)	( 475)	
<b>Subtotal other result from ordinary activities</b>	<b>640</b>	<b>3 267</b>	<b>(80%)</b>
<b>Subtotal operating income</b>	<b>1 621 079</b>	<b>1 576 765</b>	<b>3%</b>
Personnel expenses	(757 140)	(768 767)	
General and administrative expenses	(364 484)	(312 264)	
<b>Subtotal operating expenses</b>	<b>(1 121 624)</b>	<b>(1 081 031)</b>	<b>4%</b>
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	(21 824)	(22 974)	
Changes to provisions and other value adjustments and losses	(2 561)	(5 913)	
<b>Operating result</b>	<b>475 070</b>	<b>466 847</b>	<b>2%</b>
Extraordinary income	2	1 230	
Extraordinary expenses	-	-	
Taxes	(109 557)	(87 933)	
<b>Consolidated profit of the half-year ended 30 June</b>	<b>365 515</b>	<b>380 144</b>	<b>(4%)</b>

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 2023.

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 2023.

### **Events after the balance sheet date**

No significant events that might affect the consolidated 2023 half-year accounts have occurred since 30 June 2023.

### **Factors influencing the economic situation of the Pictet Group**

During the first half of 2023, central banks continued to raise interest rates to contain and eventually bring inflation back in line with long-term targets. The pace of interest rate increases since 2022 and continued market uncertainty amid geopolitical tensions resulted in a challenging environment for the financial sector.

The resilience of the Group's results against this backdrop reflects its diversified business mix and prudent balance sheet management.

### **Extraordinary income and expenses**

The Pictet Group did not record any significant extraordinary income or expenses during the first half-year 2023.

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