

Pictet Group

Half-year financial report

30 June 2021



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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 2021	1st half 2020
Consolidated income statement		
Operating income	1 541 541	1 328 363
Total expenses before tax	1 077 089	1 009 000
Operating result	464 452	319 363
Consolidated profit for the half-year	635 681	262 397
Cost/income ratio	70%	76%

CHF thousand	30.06.2021	31.12.2020
Consolidated balance sheet		
Total assets	46 255 867	45 345 865
Total equity	3 589 827	3 167 986
Basel III CET1 solvency ratio	22.0%	20.6%
Basel III Total solvency ratio	22.2%	20.6%
Other indicators		
Assets under management or custody (CHF bn)	690	609
Staff (in FTE)	4 975	4 881
in Switzerland	3 008	2 982
abroad	1 967	1 899
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 financial statements at 30 June 2021.

CONSOLIDATED BALANCE SHEET

Assets (CHF thousand)	30.06.2021	31.12.2020
Liquid assets	7 426 575	13 869 915
Amounts due from banks	2 407 759	1 597 424
Amounts due from securities financing transactions	6 316 094	3 758 383
Amounts due from customers	10 358 653	8 320 080
Trading portfolio assets	82 979	47 073
Positive replacement values of derivative financial instruments	1 136 101	1 450 531
Other financial instruments at fair value	1 869 983	1 432 513
Financial investments	15 551 797	13 301 761
Accrued income and prepaid expenses	547 297	683 024
Non-consolidated participations	7 016	5 845
Tangible fixed assets	157 387	474 827
Other assets	394 226	404 489
Total assets	46 255 867	45 345 865
Total subordinated claims	-	-
Liabilities (CHF thousand)	30.06.2021	31.12.2020
Amounts due to banks	1 207 590	1 392 722
Liabilities from securities financing transactions	70 914	1 402 249
Amounts due in respect of customer deposits	36 730 408	34 423 463
Trading portfolio liabilities	18 685	6 676
Negative replacement values of derivative financial instruments	1 136 255	1 728 573
Liabilities from other financial instruments at fair value	1 981 446	1 639 385
Accrued expenses and deferred income	894 715	1 106 919
Other liabilities	353 208	250 328
Provisions	272 819	227 564
Total equity	3 589 827	3 167 986
Equity owners' contribution	750 878	780 519
Capital reserve	11 664	11 664
Retained earnings reserve	2 200 841	1 808 262
Currency translation reserve	(9 237)	(9 173)
Consolidated profit (first half 2021/full year 2020)	635 681	576 714
Total liabilities	46 255 867	45 345 865
Total subordinated liabilities	-	-

Consolidated off-balance-sheet Transactions

CHF thousand	30.06.2021	31.12.2020
Contingent liabilities	8 552 195	8 046 501
Irrevocable commitments	37 457	39 345

Unaudited figures

CONSOLIDATED INCOME STATEMENT

CHF thousand	1st half 2021	1st half 2020	Change
Interest and discount income	76 618	86 606	
Interest and dividend income from financial investments	3 226	27 386	
Interest expense	(2 502)	(7 376)	
Gross result from interest operations	77 342	106 616	(27%)
Changes in value adjustments for default risks and losses from interest operations	4 567	(32 874)	
Subtotal net result from interest operations	81 909	73 742	11%
Commission income from securities trading and investment activities	1 874 058	1 546 185	
Commission income from lending activities	2 467	1 790	
Commission income from other services	3 707	7 831	
Commission expenses	(538 446)	(420 950)	
Subtotal result from commission business and services	1 341 786	1 134 856	18%
Result from trading activities and the fair value option	113 790	117 082	(3%)
Income from other non-consolidated participations	4 798	1 254	
Result from real estate	537	1 013	
Other ordinary income	90	418	
Other ordinary expenses	(1 369)	(2)	
Subtotal other result from ordinary activities	4 056	2 683	51%
Personnel expenses	(771 033)	(685 893)	
General and administrative expenses	(268 516)	(279 249)	
Subtotal operating expenses	(1039 549)	(965 142)	8%
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	(26 978)	(25 557)	
Changes to provisions and other value adjustments and losses	(10 562)	(18 301)	
Operating result	464 452	319 363	45%
Extraordinary income	303 246	69	
Extraordinary expenses	(109)	(100)	
Taxes	(131 908)	(56 935)	
Consolidated profit of the half-year ended on 30 June	635 681	262 397	142%

Unaudited figures

COMMENTS

Name and legal status

The Pictet Group's (hereafter also referred to as "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 2021.

The Group's scope of consolidation therefore covers a number of corporate entities that are either linked in business combinations between themselves or consolidated into one or more of the business combinations. The combination link stems from the fact these entities come under the common control of the partners of Pictet & Cie Group SCA.

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 in the course of the half-year ended on 30 June 2021

Events after the balance sheet date

No significant events that might affect the consolidated 2021 half-year accounts have occurred since 30 June 2021.

Factors influencing the economic situation of the Pictet Group

The favourable trend in markets and positive net new money led to a 13% increase in assets under management or custody to CHF 690 billion in the first half-year.

This increase explains the 18% rise in the result from commission business and services, the main source of income of the Group.

Extraordinary income and expenses

Following a sale and leaseback agreement, the Pictet Group no longer owns its headquarters building in Geneva. The sale generated CHF 302 million of extraordinary income and will finance the construction of the Pictet de Rochemont Campus, which is scheduled to be inaugurated in 2025.

This report is available in English and French. The French version is the authoritative version.

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