

# Pictet Group

# Half-year financial report

# 30 June 2019



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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 thousands	1st half 2019	1st half 2018
Consolidated income statement		
Operating income	1 282 138	1 347 527
Total expenses before tax	943 464	929 554
Operating result	338 674	417 973
Consolidated profit for the half-year	265 255	321 300
Cost/income ratio	74%	69%

CHF thousands	30.06.2019	31.12.2018
Consolidated balance sheet		
Total assets	39 170 754	38 474 184
Total equity	3 004 231	2 945 769
Basel III CET1 solvency ratio	21.2%	21.1%
Basel III Total solvency ratio	21.2%	21.1%
Other indicators		
Assets under management or custody (CHF bn)	544	496
Staff (in FTE)	4 518	4 358
in Switzerland	2 802	2 702
abroad	1 716	1 656
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 2019.

**CONSOLIDATED BALANCE SHEET**

At 30 June 2019 and 31 December 2018

<b>Assets (CHF thousands)</b>	<b>30/06/2019</b>	<b>31/12/2018</b>
Cash and balances with central banks	14 410 839	14 528 429
Due from banks	1 313 734	1 604 059
Due from securities financing transactions	2 123 000	1 906 000
Due from clients	8 688 629	8 586 560
Trading portfolio assets	29 751	63 923
Positive replacement values of derivative financial instruments	1 261 547	1 075 119
Other financial instruments at fair value	816 921	817 432
Financial investments	9 373 708	8 787 957
Accrued income and prepaid expenses	404 472	410 864
Non-consolidated participations	6 007	5 956
Fixed assets	442 875	446 109
Other assets	299 271	241 776
<b>Total assets</b>	<b>39 170 754</b>	<b>38 474 184</b>
Total subordinated loans	-	1 856
<b>Liabilities (CHF thousands)</b>	<b>30/06/2019</b>	<b>31/12/2018</b>
Due to banks	1 213 004	1 334 286
Liabilities from securities financing transactions	1 362 482	240 565
Amounts due in respect of client deposits	30 161 882	30 648 822
Trading portfolio liabilities	8 670	11 732
Negative replacement values of derivative financial instruments	1 390 169	1 045 221
Liabilities from other financial instruments at fair value	902 890	893 575
Accrued expenses and deferred income	708 071	869 032
Other liabilities	171 996	245 765
Provisions	247 359	239 417
<b>Total equity</b>	<b>3 004 231</b>	<b>2 945 769</b>
Equity owners' contribution	667 492	638 386
Capital reserve	11 664	11 664
Retained earnings reserve	2 076 654	1 713 853
Currency translation reserve	(16 834)	(14 070)
Consolidated profit (first half 2019/full year 2018)	265 255	595 936
<b>Total liabilities and equity</b>	<b>39 170 754</b>	<b>38 474 184</b>

**Consolidated off-balance-sheet positions**

<b>CHF thousands</b>	<b>30/06/2019</b>	<b>31/12/2018</b>
Contingent liabilities	6 403 239	5 742 264
Irrevocable commitments	19 262	19 262

Unaudited figures

**CONSOLIDATED INCOME STATEMENT****Half-year ended 30 June**

<b>CHF thousands</b>	<b>1st half 2019</b>	<b>1st half 2018</b>	<b>Change</b>
Interest and discount income	79 558	109 173	
Interest and dividend income from financial investments	53 707	31 914	
Interest expense	3 328	5 221	
<b>Gross interest income</b>	<b>136 593</b>	<b>146 308</b>	<b>(7%)</b>
Changes in value adjustments for default risks and losses from interest operations	-	-	
<b>Net interest income</b>	<b>136 593</b>	<b>146 308</b>	<b>(7%)</b>
Fees from securities trading and investment activities	1 407 910	1 477 155	
Fees from lending activities	1 303	2 588	
Fees from other services	9 651	13 359	
Commission expense	(349 306)	(391 717)	
<b>Net fee and commission income</b>	<b>1 069 558</b>	<b>1 101 385</b>	<b>(3%)</b>
<b>Income from trading activities and the fair value option</b>	<b>68 533</b>	<b>94 766</b>	<b>(28%)</b>
Income from other non-consolidated participations	6 545	3 889	
Result from real estate	901	1 092	
Other ordinary revenues	8	87	
<b>Other ordinary income</b>	<b>7 454</b>	<b>5 068</b>	<b>47%</b>
Personnel expenses	(637 697)	(651 357)	
General and administrative expenses	(273 133)	(237 897)	
<b>Operating expenses</b>	<b>(910 830)</b>	<b>(889 254)</b>	<b>2%</b>
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	(22 785)	(23 545)	
Changes to provisions and other value adjustments, losses	(9 849)	(16 755)	
<b>Operating result</b>	<b>338 674</b>	<b>417 973</b>	<b>(19%)</b>
Extraordinary income	126	-	
Taxes	(73 545)	(96 673)	
<b>Consolidated profit for the half-year ended on 30 June</b>	<b>265 255</b>	<b>321 300</b>	<b>(17%)</b>

Unaudited figures

## COMMENTS

### Name and legal status

The Pictet Group's accounts comprise 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 as at 30 June 2019.

The Group's scope of consolidation therefore encompasses a number of corporate entities that are either combined between themselves or consolidated into one or more of the combined entities. The combination link stems from the fact these entities come under the common management 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 "settlement date" principle, provisions of the Swiss Federal Law on Banks and Savings Banks, its relevant Implementing Ordinance, and the guidelines for accounting principles to be applied in the banking sector as stipulated by the Swiss Financial Market Supervisory Authority (FINMA) Circular 2015/1.

### 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 assets, liabilities, off-balance-sheet transactions, income and costs of fully consolidated companies are included in the Group's financial statements. The material business relations between consolidated companies are eliminated from assets, liabilities, costs and income. 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.

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Pictet Group head office  
Route des Acacias 60  
1211 Geneva 73, Switzerland