

2
0

Pictet Group
Half-year financial report
30 June 2015

1
5

CONTENTS

Key figures	3
Consolidated balance sheet	4
Consolidated income statement	5
Comments	6

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 2015	1st half 2014
Consolidated income statement		
Operating income	1 046 863	975 012
Total expenses before tax	761 927	727 768
Operating result	284 936	247 244
Consolidated profit	225 875	202 959
Cost/income ratio	73%	75%

CHF thousands	30/06/2015	31/12/2014
Consolidated balance sheet		
Total assets	37 592 920	38 809 900
Total equity	2 642 233	2 460 760
Basel III CET1 solvency ratio	25.1%	21.3%
Basel III Total solvency ratio	25.1%	21.3%
Other indicators		
Assets under management or custody (CHF bn)	420	435
Staff (in FTE)	3 775	3 715
in Switzerland	2 434	2 398
abroad	1 341	1 317
Rating FitchRatings/Moody's	AA-/Aa2	AA-/Aa3

The yearly consolidated accounts are drawn up on 31 December. This publication presents the interim financial statements at 30 June 2015.

CONSOLIDATED BALANCE SHEET

At 30 June 2015 and 31 December 2014

Assets (CHF thousands)	30/06/2015	31/12/2014
Cash and balances with central banks	5 566 764	8 579 013
Due from banks	2 330 359	2 560 083
Due from securities financing transactions	1 968 000	99 365
Due from clients	5 926 576	5 534 788
Trading portfolio assets	120 169	172 191
Positive replacement values of derivative financial instruments	1 809 277	2 483 217
Other financial instruments at fair value	968 855	1 001 725
Financial investments	17 899 898	17 393 824
Accrued income and prepaid expenses	345 629	336 626
Non-consolidated participations	8 301	8 195
Fixed assets	473 674	479 139
Other assets	175 418	161 734
Total assets	37 592 920	38 809 900
Total subordinated loans	2 839	2 491
Liabilities (CHF thousands)	30/06/2015	31/12/2014
Due to banks	1 691 312	1 478 954
Liabilities from securities financing transactions	-	49 683
Amounts due in respect of client deposits	29 284 656	30 008 194
Trading portfolio liabilities	43 868	59 761
Negative replacement values of derivative financial instruments	1 940 674	2 464 496
Liabilities from other financial instruments at fair value	989 818	1 029 436
Accrued expenses and deferred income	450 065	633 559
Other liabilities	382 762	452 126
Provisions	167 532	172 931
Total equity	2 642 233	2 460 760
Equity owners' contribution	1 096 390	1 053 342
Capital reserve	11 664	11 664
Retained earnings reserve	1 322 055	940 887
Currency translation reserve	(13 751)	(4 444)
Consolidated profit (first half 2015/full year 2014)	225 875	459 311
Total liabilities and equity	37 592 920	38 809 900

Unaudited figures

Consolidated off-balance-sheet positions

CHF thousands	30/06/2015	31/12/2014
Contingent liabilities	3 126 209	2 714 571
Irrevocable commitments	28 028	28 028

Unaudited figures

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

CHF thousands	1st half 2015	1st half 2014	Change
Interest & discount income	20 985	31 519	
Interest & dividend income from financial investments	50 321	35 513	
Interest expense	(6 164)	(4 286)	
Gross interest income	65 142	62 746	4%
Changes in value adjustments for default risks and losses from interest operations	-	-	
Net interest income	65 142	62 746	4%
Fees from securities trading and investment activities	1 234 618	1 142 122	
Fees from lending activities	1 514	1 307	
Fees from other services	6 823	3 385	
Commission expenses	(360 381)	(318 552)	
Net fee and commission income	882 574	828 262	7%
Income from trading activities and the fair value option	92 163	78 667	17%
Result from the disposal of financial investments	2 687	721	
Income from other non-consolidated participations	3 699	3 951	
Result from real estate	601	665	
Other ordinary expenses	(3)	-	
Other ordinary income	6 984	5 337	31%
Personnel expenses	(538 984)	(519 457)	
General and administrative expenses	(197 861)	(184 609)	
Operating expenses	(736 845)	(704 066)	5%
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	(20 282)	(19 638)	
Changes to provisions and other value adjustments, losses	(4 800)	(4 064)	
Operating result	284 936	247 244	15%
Extraordinary income	1 000	-	
Extraordinary expenses	(2)	-	
Taxes	(60 059)	(44 285)	
Consolidated profit for the half-year ended on 30 June	225 875	202 959	11%

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 2015.

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.

Furthermore, the Pictet Group opted to implement FINMA's new Accounting Guidelines for Banks (AGB; "*Prescriptions comptables pour les banques*" – PCB), as set out in FINMA Circular 2015/1, ahead of the deadline as from 1 January 2014.

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.

Balance sheet

- The decision by the Swiss National Bank (SNB) on 15 January 2015 to abolish the currency peg, coupled with the increase in the negative interest rate to -0.75%, led to a decrease in “Cash and balances with central banks” and an increase in “Amounts due from securities financing transactions” and “Financial investments”.
- The equity at 30 June 2015 does not yet account for the dividends which are generally distributed in the second half of the year.

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

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