

Pictet Says Client Assets Increased 11% in First Half (Update1)

By Warren Giles

Aug. 12 (Bloomberg) -- Pictet & Cie., Switzerland's biggest closely held private bank, said assets under management climbed by 11 percent in the first half, halting a decline that began in the fourth quarter of 2007.

Assets under management rose to 230.9 billion Swiss francs (\$213 billion) by June 30, from 207.6 billion francs six months earlier, said Pictet spokesman **Frank Renggli**. That compares with a 15 percent jump in assets at Basel-based rival **Bank Sarasin & Cie**, an 8.8 percent gain at **Julius Baer Holding AG** and a 6.6 percent increase at EFG International AG in Zurich.

"We have never witnessed an influx of new clients on the scale we have seen in the past nine months," Pictet Managing Partner **Jacques de Saussure** said in an e-mail today. "They are coming from everywhere. The challenge will now be to retain them once the crisis is over."

Pictet, founded in 1805, has hired bankers from Julius Baer and The Boston Consulting Group this year after assets fell from 276 billion francs at the end of September 2007. The Geneva-based bank is bidding to lure clients as UBS AG, Switzerland's biggest bank by assets, reported 22.3 billion francs of outflows in the second quarter, a fifth straight period of redemptions.

"Pictet has been benefiting from a business model that seems stable with a focus on private banking," said **Bernhard Bauhofer**, founder of Sparring Partners GmbH, which advises companies on reputation management. "They've benefited from the problems at UBS and other competitors."

New Money

Pictet declined to give a figure for net new money in the first half. The bank attracted 17 billion francs in 2008, 7 billion francs of which arrived in the fourth quarter.

Julius Baer's private banking unit, which increased managed assets by 12 percent to 142 billion francs, attracted inflows of 3.8 billion francs in the first half. The bank will split from its asset management business at the end of September after withdrawals at the GAM hedge fund unit hurt investor confidence.

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