Pictet Overseas Inc.

Financial Statements and Supplemental Schedules
Pursuant to Rule 17a-5 under the Securities
Exchange Act of 1934 and Regulation 1.10 of the
Commodity Exchange Act
December 31, 2024 and December 31, 2023
(expressed in US dollars)

Report of Independent Registered Public Accounting Firm

To the Board of Directors of Pictet Overseas Inc.

Opinion on the Financial Statements

We have audited the accompanying statements of financial condition of Pictet Overseas Inc. (the Company) as of December 31, 2024 and December 31, 2023, and the related statements of changes in shareholder's equity, changes in liabilities subordinated to the claims of general creditors pursuant to a satisfactory subordination agreement, income and comprehensive income, and cash flows for the years then ended, including the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and December 31, 2023, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The accompanying statements of computation of net capital and computation of aggregate indebtedness as of December 31, 2024 and December 31, 2023 (Schedule I) and statement of segregation requirements and funds in segregation for customers trading on US commodity exchanges (Schedule II), statement of segregation requirements and funds in segregation for customers' dealer options accounts (Schedule III), statement of secured amounts and funds held in segregate accounts for foreign futures and foreign options customers pursuant to commission regulation 30.7 (Schedule IV) and statement of cleared swaps customer segregation requirements and funds in cleared swaps customer accounts under 4D(F) of

CEA (Schedule V) as of December 31, 2024 (collectively, the supplemental information) have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934 and Regulation 1.10 under the Commodity Exchange Act. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Montréal, Quebec, Canada
February 28, 2025

We have served as the Company's auditor since 1996.

Pictet Overseas Inc.

Statements of Financial Condition

As of December 31, 2024 and December 31, 2023

(expressed in US dollars)

	2024 $	2023 $
Assets		
Current assets		
Cash and cash equivalents	4,571,539	2,113,881
Cash segregated for benefit of customers	-	751,753
Financial assets at fair value through net income (note 4)	23,122,500	20,252,442
Short-term deposits (note 5)	14,500,000	30,100,000
Accounts receivable	1,066,803	1,350,738
Derivative financial assets (note 6)	268,204	212,828
Due from customers (note 7)	167,649	5,516,089
Due from correspondents (note 8)	-	9,334,454
Prepaid expenses	1,645,885	1,576,702
Income taxes receivable	117,687	-
	45,460,267	71,208,887
Liabilities		
Current liabilities		
Accounts payable and accrued charges	1,230,554	940,506
Due to customers (note 9)	-	14,698,871
Due to correspondents (note 10)	167,649	25,676
Subordinated loan (note 11)	-	12,000,000
Income taxes payable	-	63,517
	1,398,203	27,728,570
Shareholder's Equity		
Redeemable preferred shares (note 13)	25,000,000	25,000,000
Common shares (note 13)	5,000,000	5,000,000
Retained earnings	14,062,064	13,480,317
	44,062,064	43,480,317
	45,460,267	71,208,887

Commitments and contingencies (note 23)

The accompanying notes are an integral part of these financial statements.

Pictet Overseas Inc.

Statements of Changes in Shareholder's Equity

For the years ended December 31, 2024 and December 31, 2023

(expressed in US dollars)

	Common stock		Preferred stock					
	Number of Class A common shares	Amount $	Number of Class C preferred shares	Amount $	Number of Class D preferred shares	Amount $	Retained earnings $	Total $
Balance as of December 31, 2022	5,000,000	5,000,000	22,500,000	22,500,000	2,500,000	2,500,000	12,404,978	42,404,978
Net income and comprehensive income for the year	-	-	-	-	-	-	1,075,339	1,075,339
Balance as of December 31, 2023	5,000,000	5,000,000	22,500,000	22,500,000	2,500,000	2,500,000	13,480,317	43,480,317
Net income and comprehensive income for the year	-	-	-	-	-	-	581,747	581,747
Balance as of December 31, 2024	5,000,000	5,000,000	22,500,000	22,500,000	2,500,000	2,500,000	14,062,064	44,062,064

The accompanying notes are an integral part of these financial statements.

Pictet Overseas Inc.

Statements of Changes in Liabilities Subordinated to the Claims of General Creditors
Pursuant to a Satisfactory Subordination Agreement

For the years ended December 31, 2024 and December 31, 2023

(expressed in US dollars)

	2024 $	2023 $
Balance – Beginning of year	12,000,000	12,000,000
Repayment of subordinated loan	(12,000,000)	-
Balance – End of year	-	12,000,000

The accompanying notes are an integral part of these financial statements.

Pictet Overseas Inc.

Statements of Income and Comprehensive Income

For the years ended December 31, 2024 and December 31, 2023

(expressed in US dollars)

	2024 $	2023 $
Revenue		
Commissions (note 14)	11,182,330	9,324,586
Other income (note 15)	2,544,096	2,898,311
Unrealized gain in fair value of derivative financial instruments	268,204	212,828
Interest income	2,723,245	3,048,573
	16,717,875	15,484,298
Expenses		
Personnel (note 19)	3,958,387	3,892,937
Operating (note 16)	7,612,875	7,008,230
General and administrative (note 17)	4,106,581	2,544,614
Interest (note 19)	242,267	576,957
	15,920,110	14,022,738
Income before income taxes	797,765	1,461,560
Provision for income taxes (note 18)	216,018	386,221
Net income and comprehensive income for the year	581,747	1,075,339

The accompanying notes are an integral part of these financial statements.

Pictet Overseas Inc.

Statements of Cash Flows

For the years ended December 31, 2024 and December 31, 2023

(expressed in US dollars)

	2024 $	2023 $
Cash flows from		
Operating activities		
Net income and comprehensive income for the year	581,747	1,075,339
Changes in non-cash operating working capital items		
Cash segregated for benefit of customers	751,753	5,541,195
Unrealized gain on financial assets at fair value through net income	222,710	(188,396)
Derivative financial assets	(55,376)	46,498
Accounts receivable	283,935	(403,537)
Due from customers	5,348,440	(5,515,133)
Due from correspondents	9,334,454	20,055,313
Prepaid expenses	(69,183)	(155,557)
Income taxes receivable	(117,687)	4,256
Accounts payable and accrued charges	290,048	55,117
Due to customers	(14,698,870)	(12,802,772)
Due to correspondents	141,972	25,676
Income taxes payable	(63,517)	63,517
	1,950,426	7,801,516
Investing activities		
Acquisition of short-term deposits	(223,900,000)	(365,200,000)
Redemption of short-term deposits	239,500,000	366,100,000
Acquisition of Treasury Bills	(88,533,409)	(19,971,585)
Redemption of Treasury Bills	85,440,641	10,999,342
	12,507,232	(8,072,243)
Financing activities		
Subordinated loan	(12,000,000)	-
Change in cash and cash equivalents during the year	2,457,658	(270,727)
Cash and cash equivalents – Beginning of year	2,113,881	2,384,608
Cash and cash equivalents – End of year	4,571,539	2,113,881
Supplementary information		
Interest paid	242,267	586,957
Income taxes paid	331,687	321,803

The accompanying notes are an integral part of these financial statements.

(expressed in US dollars)

1 Organization and nature of business

Pictet Overseas Inc. (the Company) was incorporated on December 7, 1993 under the laws of Canada and began operations on July 1, 1994. The Company is owned by Sopafin (Luxembourg) SA (the Parent) and is an affiliate of Banque Pictet & Cie S.A. (BPSA).

The Company is registered as a securities broker-dealer with the Securities and Exchange Commission (SEC) in 53 US states, territories and districts and as an approved futures commission merchant (FCM) with the Commodity Futures Trading Commission (CFTC). The Company is a member of the Financial Industry Regulatory Authority (FINRA), the Securities Investor Protection Corporation (SIPC) and the National Futures Association (NFA). On December 20, 2024, the Company discontinued its participation in FCM activities and applied for an Introducing Broker (IB) membership, which was approved by the NFA and the CFTC on January 21, 2025.

The Company provides trade execution services for global equities, fixed income, equity options, foreign exchange, domestic and foreign listed derivative products and foreign currency forward contracts.

2 Significant accounting policies

Basis of presentation

The financial statements have been prepared under accounting principles generally accepted in the United States of America (US GAAP).

The financial statements are prepared and presented in US dollars, which is also the Company's functional currency.

Management estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Management considers that no significant estimates are made in the context of the financial statements.

Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and highly liquid short-term deposits with maturities of less than three months.

Cash segregated for benefit of customers

Cash segregated for benefit of customers represents cash segregated and held in separate accounts in accordance with Regulation 1.20, Customer Segregated Accounts, under Sections 4d(a) and 4d(b), and

(expressed in US dollars)

Regulation 30.7, Customer Secured Accounts, under Section 4(b) of the Commodity Exchange Act (CEA). As indicated, the Company discontinued its FCM membership on December 20, 2024.

Short-term deposits

Short-term investments are classified as held for trading, are initially recognized at fair value and interest is accrued over the term of the deposits and is paid at maturity. They are comprised of highly liquid deposits with a maturity date of less than 90 days, and as such, are classified as current assets.

Due from and to customers

Amounts due from and to customers consist of failed trades pending settlement, funds received, net unrealized profit and loss on open future contract positions and net value of options on futures contracts.

Due from and to correspondents

The amounts due from and to correspondents include amounts receivable or payable to broker dealers for failed trades pending settlement, net liquidating equity on open futures contract positions and net value of options on futures contracts held at the Company's clearing futures commissions merchant.

Income taxes

The Company provides for income taxes using the liability method of tax allocation. Under this method, future income tax assets and liabilities are determined based on deductible or taxable temporary differences between the financial statement values of assets and liabilities using enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse.

Revenue recognition

Commission revenue earned from commission-based services is accounted for on a trade date basis when the service is performed. On its riskless principal trades, the Company recognizes a spread on the transaction, which is reflected in the statements of income and comprehensive income for open foreign currency forward contracts on the trade date.

- Interest income

  Interest income consists of interest earned on the Company's cash and cash equivalents balances, its investments in Treasury Bills and short-term deposits and due from correspondents.

- Other income

  Other income includes FCM minimum fees that result from a service level agreement with BPSA for services the Company provides as an FCM. Also included in other income are fees for client services provided by the Company on behalf of affiliates to serve external clients' needs such as administration, custody and operations, and to develop new product offerings.

(expressed in US dollars)

Agency and principal transactions

In its capacity as a broker-dealer, the Company's main business activity is to offer brokerage services on a delivery versus payment basis and, as such, the Company does not hold customer funds or securities. The Company's product offering includes equities, fixed income, equity options, foreign exchange and foreign currency forward contracts. The Company acts as agent when executing client transactions, with the exception of fixed income and foreign exchange spot and forward transactions. As agent, the Company is acting only in a broker capacity, purchasing or selling the securities against receipt of payment or delivery of stock from the client's custodian.

For fixed income and foreign exchange spot and forward transactions, the Company acts as a riskless principal and enters into back-to-back trades between itself, its counterparty and its client, and earns a spread on the transaction. The Company accepts foreign exchange orders and enters into forward contracts on foreign exchange only from customers for whom BPSA is the custodian. The Company hedges all of its foreign exchange back-to-back orders exclusively with BPSA, thus eliminating any counterparty credit risk, as BPSA acts as both the prime broker and custodian of the client and also as the Company's own foreign exchange counterparty.

Non-clearing futures commission merchant

In its capacity as an FCM, the Company provided trade execution services for domestic and foreign listed derivative products. The Company is a non-clearing FCM and cleared its trades through a clearing FCM. The Company acts as custodian for its customers' derivative transactions. As indicated, the Company discontinued its FCM membership on December 20, 2024 and continues to provide trade execution services as an IB.

Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated at the rates in effect as at the statements of financial condition dates. Revenue and expenses denominated in a foreign currency are translated into US dollars at the rate of exchange prevailing as at the transaction date. Gains and losses on foreign exchange are included in the statements of income and comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are no longer recognized when the rights to receive cash flows from the instruments have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are no longer recognized when they have expired or have been cancelled.

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial condition when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(expressed in US dollars)

Estimated fair value of financial instruments

The Company values its financial instruments using a hierarchy of fair values that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

The fair value hierarchy can be summarized as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Derivatives

Derivative contracts can be exchange-traded or traded over the counter (OTC). Exchange-traded derivatives typically fall within Level 1 or Level 2 of the fair value hierarchy, depending on whether they are deemed to be actively traded or not. The Company defines an active market based on the liquidity of the product. OTC derivatives are valued using market transactions and other market evidence whenever possible, including market-based inputs to models, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

Classification of financial assets and financial liabilities

Financial assets and financial liabilities are classified in one of the following categories: fair value through net income (FVTNI) or loans and receivables.

Financial assets designated at FVTNI comprise US Government Treasury Bills and derivative financial instruments. These financial instruments are recorded at fair value, with changes in fair value recorded in net income and comprehensive income for the year.

Financial assets designated as loans and receivables comprise cash and cash equivalents, cash segregated for benefit of customers, short-term deposits, accounts receivable, due from customers and due from correspondents. These financial assets are recorded at amortized cost, net of impairment losses, if any.

Financial liabilities designated as loans and receivables comprise accounts payable and accrued charges, due to customers, due to correspondents and subordinated loan. These financial liabilities initially recognized at fair value are recorded at amortized cost.

(expressed in US dollars)

3 Recent accounting developments – accounting guidance recently adopted

There were no new standards that were recently issued that materially impacted the Company.

4 Financial assets at fair value through net income

	2024 $	2023 $
US Government Treasury Bills at fair value	23,122,500	20,252,442

5 Short-term deposits

As of December 31, 2024, the Company had two short-term deposits in the amounts of $10,500,000 and $4,000,000, bearing interest at 4.5% and 4.5%, respectively, and maturing on January 6 and January 10, 2025, respectively.

As of December 31, 2023, the Company had two short-term deposits in the amounts of $11,600,000 and $18,500,000, bearing interest at 5.27% and 5.34%, respectively, and maturing on January 5 and January 17, 2024, respectively.

6 Derivative financial instruments

Derivative contracts are instruments such as futures, forwards, swaps or option contracts that derive their value from underlying assets, indices, reference rates or a combination of these factors. Derivative contracts may be contracts that are privately negotiated and referred to as OTC derivatives, or actively traded on an exchange.

Substantially all of the Company's derivative transactions are entered into on behalf of its customers.

Forward contracts

The Company accepts foreign exchange orders from and enters into foreign currency forward contracts with customers. These transactions are riskless principal transactions. The Company hedges all of its foreign exchange back-to-back orders exclusively with BPSA.

In all circumstances, BPSA acts as both the prime broker and custodian of the client and also as the Company's own foreign exchange counterparty. Therefore, the counterparty credit risk is entirely hedged, as BPSA is the Company's counterpart for both the derivative asset and liability. These back-to-back transactions are offset, and only the resulting spread is reflected in the statements of financial condition and in the statements of income and comprehensive income.

Other derivative financial instruments

Other derivative financial instruments result mainly from transactions on behalf of customers in which the Company contracts with counterparties on the market.

(expressed in US dollars)

The fair value of the derivative financial instruments netted in the statements of financial condition is as follows:

					2024
				Contract volume	
	Derivative assets at fair value $	**Derivative liabilities at fair value $**	**Exchange traded $**	**Over the counter $**	**Total $**
Foreign exchange					
Forward contracts by maturity					
Under 3 months	159,355	-	-	14,568,635,114	14,568,635,114
Between 3 and 6 months	100,898	-	-	8,949,456,518	8,949,456,518
Between 6 and 9 months	-	-	-	-	-
Between 9 and 12 months	7,951	-	-	32,150,862	32,150,862
Total financial instruments	268,204	-	-	23,550,242,494	23,550,242,494

					2023
				Contract volume	
	Derivative assets at fair value $	**Derivative liabilities at fair value $**	**Exchange traded $**	**Over the counter $**	**Total $**
Foreign exchange					
Forward contracts by maturity					
Under 3 months	118,052	-	-	11,755,108,145	11,755,108,145
Between 3 and 6 months	80,677	-	-	7,859,879,120	7,859,879,120
Between 6 and 9 months	-	-	-	-	-
Between 9 and 12 months	14,099	-	-	55,865,539	55,865,539
Total financial instruments	212,828	-	-	19,670,852,804	19,670,852,804

7 Due from customers

	2024 $	**2023 $**
FCM segregated accounts	-	5,490,323
Failed trades pending settlement	167,649	25,686
Other	-	80
	167,649	5,516,089

(expressed in US dollars)

8 Due from correspondents

	2024 $	2023 $
FCM secured accounts	-	9,061,197
FCM segregated accounts	-	273,257
	-	9,334,454

9 Due to customers

	2024 $	2023 $
FCM secured accounts	-	9,100,794
FCM segregated accounts	-	5,598,077
	-	14,698,871

10 Due to correspondents

	2024 $	2023 $
Failed trades pending settlement	167,649	25,676

11 Subordinated loan

On April 25, 2019, the Company entered into a subordinated loan agreement (the subordinated loan) with the Parent in accordance with Appendix D of SEC Rule 15c3-1. This subordinated loan is non-secured and subordinate to the Company's obligations to other vendors and creditors. The subordinated loan had an initial one-year term and a 3% annual interest rate, calculated using the simple interest method. To the extent that such borrowings are required for the continued compliance with the minimum net capital requirements, they may not be repaid. The term was automatically renewed for additional one-year terms, unless the Parent notified in writing both the Company and FINRA, before the scheduled maturity date, of its intention not to extend the maturity date. This was allowed provided the Company continued to comply with the minimum net capital requirements both before and after the proposed return of funds. The subordinated loan was included in the calculation of the Company's net capital as per the SEC's uniform net capital rule. On March 26, 2024, the subordinated loan and accumulated interest were fully repaid following the pre-approval from FINRA and the NFA.

(expressed in US dollars)

12 Credit facilities

On December 5, 2019, the Company entered into a broker loan and security agreement with the Bank of Montreal (the Bank). Under the terms of this agreement, the Bank extended and/or renewed up to $10,000,000 of secured loans on a revolving basis at the Bank's prime rate. The borrowed funds are secured by marketable securities that the Company has on deposit with the Bank. As at December 31, 2024 and 2023, no amount was due under this agreement.

13 Capital stock

Authorized, unlimited as to number
- Class A common shares, voting
- Class B common shares, non-voting
- Class A preferred shares, voting, non-participating, without par value, ranking in priority to Class B, C and D preferred shares and Class A and B common shares, with entitlement to dividends as declared by the Board of Directors, redeemable at the option of the Company at their paid-in amount or the fair value of the consideration received, plus declared and unpaid dividends
- Class B preferred shares, non-voting, non-participating, without par value, ranking in priority to Class C and D preferred shares and Class A and B common shares, with entitlement to dividends as declared by the Board of Directors, redeemable at the option of the Company at their paid-in amount or the fair value of the consideration received, plus declared and unpaid dividends
- Class C preferred shares, voting, non-participating, without par value, ranking in priority to Class D preferred shares and Class A and B common shares, with entitlement to dividends as declared by the Board of Directors, redeemable at the option of the Company or the holder at their paid-in amount or the fair value of the consideration received, plus declared and unpaid dividends
- Class D preferred shares, non-voting, non-participating, without par value, ranking in priority to Class A and B common shares, with entitlement to dividends as declared by the Board of Directors, redeemable at the option of the Company or the holder at their paid-in amount or the fair value of the consideration received, plus declared and unpaid dividends

Issued and fully paid

	2024 $	2023 $
22,500,000 Class C preferred shares	22,500,000	22,500,000
2,500,000 Class D preferred shares	2,500,000	2,500,000
5,000,000 Class A common shares	5,000,000	5,000,000
	30,000,000	30,000,000

(expressed in US dollars)

14 Commissions

	2024 $	2023 $
Brokerage commissions (note 19)	9,156,377	7,120,517
Foreign exchange market (note 19)	1,275,341	976,095
Commodities (note 19)	750,612	1,227,974
	11,182,330	9,324,586

15 Other income

	2024 $	2023 $
FCM minimum fee (note 19)	1,966,408	1,329,537
Services to affiliates (note 19)	499,827	1,340,305
Custody fees (note 19)	120,663	126,384
Other revenue	(42,802)	102,085
	2,544,096	2,898,311

16 Operating expenses

	2024 $	2023 $
Stock exchange and related	2,282,505	2,319,553
Commission reallowances	651,711	431,798
Information services and subscriptions	3,006,891	2,178,558
Membership fees	159,587	139,770
Licences and software maintenance	26,482	16,147
Loss (gain) on foreign exchange	44,638	(70,215)
Services from affiliates (note 19)	1,441,061	1,206,280
Development costs	-	786,339
	7,612,875	7,008,230

17 General and administrative expenses

	2024 $	2023 $
Management fees	1,190,811	1,188,863
Professional and other fees	2,751,819	1,155,827
General office	43,355	40,382
Services from affiliates (note 19)	120,596	155,276
Travel, meals and entertainment	-	4,266
	4,106,581	2,544,614

(expressed in US dollars)

18 Current income taxes

Rate reconciliation: statutory to effective tax rate

	2024 $	2023 $
Income before income taxes	797,765	1,461,560
Income taxes at statutory rate of 26.5% (2023 – 26.5%)	211,408	387,313
Permanent items	-	1,102
Other reconciliation items		
True-up difference from prior years and other	4,610	(2,194)
Provision for income taxes	216,018	386,221

19 Related party transactions and balances

All transactions and balances with related parties are with entities under common ownership. The statements of financial condition include the following related party balances:

	2024 $	2023 $
Assets		
Cash and cash equivalents	716,580	558,106
Accounts receivable	904,675	1,054,779
Due from customers	-	5,490,323
Liabilities		
Accounts payable and accrued charges	474,079	446,230
Due to customers	-	8,137,683
Due to correspondents	167,649	25,676
Subordinated loan	-	12,000,000

The statements of income and comprehensive income include the following related party transactions:

	2024 $	2023 $
Revenue		
Commissions		
Brokerage commissions and foreign exchange market	6,004,825	4,932,227
Commodities	706,926	1,216,900
Other income	2,586,898	2,796,226
Interest income	8,424	88,745
Expenses		
Personnel	3,667,865	3,607,454
General and administrative	1,226,359	1,257,194
Operating	2,023,876	1,563,137
Interest	88,101	365,267

(expressed in US dollars)

The Company clears its North American equity trades through Pictet Canada L.P. and its European and international (with few exceptions) equity trades through BPSA. Commissions are collected by Pictet Canada L.P. and BPSA at the settlement date and are remitted to the Company.

During the years ended December 31, 2024 and 2023, the Company paid clearing fees to Pictet Canada L.P. These are included in operating expenses. Similarly, the Company paid trade execution fees to Pictet Canada L.P. and BPSA.

The Company has entered into a service level agreement with Pictet Canada L.P. Under the terms of this agreement, the Company earns commissions for execution services rendered to Pictet Canada L.P.'s clients on US equities, options and fixed income.

The Company has entered into an expense sharing agreement with Pictet Canada L.P. for administrative and accounting services. Under the terms of this agreement, the Company reimburses a portion of personnel and general administrative services to Pictet Canada L.P.

The Company has entered into a service level agreement with BPSA whereby it collects a minimum annual fee for the services it provides as a FCM.

The Company has entered into a service agreement with Pictet & Cie Group SCA. Under the terms of this agreement, the Company is invoiced for various services provided by Pictet & Cie Group SCA. The amount paid is included in general and administrative expenses.

The Company is charged interest on debit balances on futures trading accounts by its correspondent clearing broker. The Company is also charged custody fees on the collateral lodged as security against margin required on futures trades at the correspondent broker. Since 2022, both of these amounts have been charged back to the underlying clients.

Unless otherwise disclosed, all related party transactions occurred in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties and the Company.

Effective January 1, 2023, the Pictet Group adopted a transfer pricing model for its intra-group services. Under the new transfer pricing model, the Company is allocated various costs by affiliates based on services it receives from affiliates. Likewise, the Company earns income for services it provides to affiliates.

Services in scope of the transfer pricing model are divided into two categories:

- internal products, which are services related to corporate functions, IT, logistics, operations and specific lines of services; and
- client services, which are services provided to serve external clients' needs related to administration, custody and operations.

(expressed in US dollars)

20 Collateral pledged and received

The Company receives securities from customers in connection with its FCM activity. These securities are used to cover initial margin requirements. As of December 31, 2024, the Company had no more collateral due to the discontinuation of the FCM activity. As of December 31, 2023, the Company received collateral with a market value of $103,556,352 and $27,815,430 for customers' segregated and secured accounts, respectively, to cover its customers' exposures, which were partly pledged to the clearing FCM. These securities were not included in the balance stated on the Company's statements of financial condition, as they did not meet the criteria for recognition under US GAAP.

21 Financial instruments and risk management

Fair value

The Company has estimated the fair market values of its financial instruments based on the current interest rate environment, related market values and current pricing of financial instruments with comparable terms. The carrying values of its financial instruments approximate their fair market values, unless otherwise indicated.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk arises from its cash and cash equivalents, cash segregated for benefit of customers, short-term deposits, Treasury Bills, accounts receivable, derivative financial assets, due from customers and due from correspondents. The maximum exposure of the Company to credit risk before taking into account any collateral held or other credit enhancements is the carrying amount of the receivables.

	2024 $	2023 $
Cash and cash equivalents	4,571,539	2,113,881
Cash segregated for benefit of customers	-	751,753
Financial assets at fair value through net income	23,122,500	20,252,442
Short-term deposits	14,500,000	30,100,000
Accounts receivable	1,066,803	1,350,738
Derivative financial assets	268,204	212,828
Due from customers	167,649	5,516,089
Due from correspondents	-	9,334,454
Maximum exposure	43,696,695	69,632,185

The Company's financial instruments are with other major financial institutions that have a Prime-1 credit rating from Moody's. Consequently, management considers the risk of counterparties defaulting on their obligations to be low.

As of December 31, 2024 and 2023, there were no amounts of receivables in default.

(expressed in US dollars)

The Company's exposure to credit risk is negligible on principal trades, as the Company acts as a riskless principal and does not take a position in the security, but rather enters into back-to-back principal trade between itself, its counterparty and its client.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet a demand for cash or fund its obligations as they come due. The Company's management is responsible for reviewing liquidity resources to ensure that funds are readily available to meet its financial obligations as they come due, as well as ensuring that they are held with a Canadian chartered bank and have maturities of up to 12 months. The Company manages its treasury on a monthly basis. Any excess cash after taking into account planned operational expenses is invested in short-term deposits or in Treasury Bills for a period of up to 12 months.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices. The Company separates market risk into three categories: fair value risk, interest rate risk and currency risk.

- Fair value risk

  The Company's exposure to fair value risk is negligible as it does not engage in proprietary trading. All of its investments are in short-term deposits or in Treasury Bills held with a Canadian chartered bank with maturities of up to 12 months and with BPSA in derivative financial instruments with maturities of up to 12 months.

  The following table shows an analysis of financial instruments recorded at fair value as of December 31, 2024, by fair value hierarchy level:

Financial instrument	Level 1 $	Level 2 $	Level 3 $	Total $
US Government Treasury Bills	23,122,500	-	-	23,122,500
Derivative financial assets	-	268,204	-	268,204

  There were no movements between Levels 1, 2 and 3 during the year ended December 31, 2024.

(expressed in US dollars)

The following table shows an analysis of financial instruments recorded at fair value as of December 31, 2023 by fair value hierarchy level:

Financial instrument	Level 1 $	Level 2 $	Level 3 $	Total $
US Government Treasury Bills	20,252,442	-	-	20,252,442
Derivative financial assets	-	212,828	-	212,828

There were no movements between Levels 1, 2 and 3 during the year ended December 31, 2023.

- Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the Company. The Company does not incur interest rate risk on its term deposit investments recorded at amortized cost, since they all have a maturity of less than one month.

- Currency risk

Currency risk arises from the possibility that changes in the price of foreign currencies will result in losses.

The significant balances in foreign currencies expressed in equivalent US dollars as of December 31, 2024 and 2023 are as follows:

			2024			2023
	EUR	CA$	Other	EUR	CA$	Other
Cash and cash equivalents	401	170,419	491,075	31,004	56,871	467,171
Accounts receivable	23	101,322	2,271	31	67,947	-
Derivative financial assets	76,317	229	31,612	47,547	57	36,842
Due from customers	-	8,299	-	-	-	25,676
Due from correspondents	-	-	-	2,314,123	283,489	8,075,455
Due to correspondents	-	(8,299)	-	-	(25,676)	-
Accounts payable and accrued charges	-	(529,783)	(468,584)	-	(577,070)	(100,423)
	76,741	(257,813)	56,374	2,392,705	(194,382)	8,504,721

Based on the above net exposures as of December 31, 2024 and 2023, and assuming that all other variables remain constant, a 5% appreciation or depreciation of the US dollar against the Euro would result in a decrease or increase of $3,837 (2023 – $119,635), respectively, in net income. A 5% appreciation or depreciation of the US dollar against the Canadian dollar would result in a decrease or increase of $12,891 (2023 – $9,719), respectively, in net income. A 5% appreciation or depreciation of the US dollar against all other currencies would result in a decrease or increase of $2,819 (2023 – $425,236), respectively, in net income.

(expressed in US dollars)

22 Capital management

The Company's capital comprises capital stock and retained earnings.

As a member of FINRA and the NFA, the Company is subject to minimum net capital requirements of both regulators, which are as follows:

The Company must maintain a minimum net capital equal to the greater of:

a) $1,000,000;

b) 8% of the amount of customers' risk maintenance margin; and

c) 6 2/3% of the Company's aggregate indebtedness (AI).

It is also required that the Company's AI not exceed 1,500% of net capital.

The Company's management monitors the capital of the Company to ensure that it has adequate funds to support business strategies and operational growth. In order to maintain or adjust the capital structure, the Company may issue additional shares or pay out dividends. On a daily basis, the Company computes and monitors its excess net capital and compares the current balance to the projected capital and prior days' amounts.

In its capacity as broker-dealer, the Company does not hold customer funds; however, if inadvertently received, the Company promptly forwards all funds and securities received. Accordingly, the Company is exempt from the SEA (Security Exchange Act of 1934) Rule 15c 3-3, under subparagraph (k)(2)(i) of that Rule.

In its capacity as a FCM, the Company acts as custodian for its customers' derivative transactions. The Company is required to segregate and hold in separate accounts all funds received to margin the trades or contracts of customers in regulated commodities and cleared OTC derivatives. As of December 31, 2024, the Company had no more customer funds. As of December 31, 2023, for customers trading on US commodity exchanges pursuant to Section 4d(a) of the CEA, segregated funds exceeded such requirement by $5,839,152. As of December 31, 2023, for customers trading outside of the US pursuant to Regulation 30.7 of the CEA, the Company held funds in separate accounts labeled as secured accounts that exceeded such requirement by $3,658,186.

In 2024, the Company continued with its 2023 strategy, which was to maintain its excess net capital at an adequate level for its operations. As of December 31, 2024, the Company's net capital and minimum net capital requirement were $40,933,870 and $1,000,000, respectively (2023 – $50,769,786 and $8,471,982, respectively), resulting in an excess net capital of $39,933,870 (2023 – $42,297,804).

(expressed in US dollars)

23 Commitments and contingencies

The Company accrues loss contingencies if it is probable that a loss would result from the contingency and the amount of the loss can be reasonably estimated. If it is reasonably possible that a loss contingency would occur, the Company would disclose the contingency. As of December 31, 2024 and 2023, no provisions for contingencies were accrued.

Pictet Overseas Inc.

Statements of Computation of Net Capital and Computation of Aggregate Indebtedness – Schedule I

As of December 31, 2024 and December 31, 2023

(expressed in US dollars)

	2024 $	2023 $
Computation of net capital		
Capital stock	30,000,000	30,000,000
Retained earnings	14,062,064	13,480,317
Total ownership equity	44,062,064	43,480,317
Liabilities subordinated to claims of general creditors	-	12,000,000
Total capital and allowable subordinated liabilities	44,062,064	55,480,317
Deductions and/or charges		
Cash and cash equivalents	132,580	58,106
Accounts receivable	1,001,281	1,224,957
Prepaid expenses	1,645,885	1,576,702
Income taxes receivable	117,687	-
Derivative financial assets	268,204	212,828
Total non-allowable assets	3,165,637	3,072,593
Net capital before haircuts on securities positions	40,896,427	52,407,724
Charge on Short Option value	-	357,176
Haircut on US government securities	-	6,056
Haircut on foreign currency positions	21,257	1,271,270
Other FCM deduction (Non-FCM Foreign Broker)	-	3,436
Net capital	40,875,170	50,769,786
Minimum net capital required	1,000,000	8,471,982
Excess net capital	39,875,170	42,297,804
Computation of aggregate indebtedness		
Aggregate indebtedness		
Accounts payable and accrued charges	1,230,554	940,506
Due to correspondents	167,649	25,676
Income taxes payable	-	63,517
Total aggregate indebtedness	1,398,203	1,029,699
Aggregate indebtedness as percentage of net capital	3.42%	2.03%

Statement pursuant to paragraph d(4) of Rule 17a-5

There were no material differences between the computation of net capital included in this report and the corresponding schedule included in the Company's unaudited December 31, 2024 amended FOCUS Report as filed on February 26, 2025.

Pictet Overseas Inc.

Statements of Segregation Requirements and Funds in Segregation for Customers Trading on US Comodity Exchanges – Schedule II

As of December 31, 2024

(expressed in US dollars)

Segregation Requirements (Section 4d(2) of the CEA)

		$
1.	Net ledger balance	
	A. Cash	-
	B. Securities (at market)	-
2.	Off Net unrealized profit (loss) in open futures contracts traded on a contract market	-
3.	Exchange traded options	
	A. Add market value of open option contracts purchased on a contract market	-
	B. Deduct market value of open option contracts granted (sold) on a contract market	-
4.	Net equity (deficit) (add lines 1, 2 and 3)	-
5.	Accounts liquidating to a deficit and accounts with debit balances – gross amount	-
	Less: Amount offset by customer owned securities	-
6.	Amount required to be segregated (add lines 4 and 5)	-

Pictet Overseas Inc.

Statements of Segregation Requirements and Funds in Segregation for Customers Trading on US Comodity Exchanges – Schedule II *…continued*

As of December 31, 2024

(expressed in US dollars)

Fund in Segregated Accounts

	$
7. Deposited in segregated funds bank accounts	
A. Cash	-
B. Securities representing investments of customers' funds (at market)	-
C. Securities held for particular customers or option customers in lieu of cash margins (at market)	-
8. Margins on deposit with clearing organizations of contract markets	
A. Cash	-
B. Securities representing investments of customers' funds (at market)	-
C. Securities held for particular customers or option customers in lieu of cash margins (at market)	-
9. Net settlement from (to) derivatives clearing organizations of contract markets	-
10. Exchange traded options	
A. Value of open long option contracts	-
B. Value of open short options contracts	-
11. Net equities with other FCMs	
A. Net liquidating equity	-
B. Securities representing investments of customers' funds (at market)	-
C. Securities held for particular customers or option customers	-
12. Segregated funds on hand (describe on separate page)	-
13. Total amount in segregation (add lines 7 through 12)	-
14. Excess (deficiency) of funds in segregation (subtract line 6 from line 13)	-
15. Management target amount for excess funds in segregation	-
16. Excess (deficiency) of funds in segregation over (under) management target amount	-

No material differences exist between the above computation and the computation included in the Company's corresponding unaudited December 31, 2024 amended FOCUS Report as filed on February 26, 2025.

Pictet Overseas Inc.

Statements of Segregation Requireents and Funds in Segregation for
Customers' Dealer Options Accounts – Schedule III

As of December 31, 2024

(expressed in US dollars)

		$
1.	Amount required to be segregated in accordance with Commission Regulation 32.6	-
2.	Funds in segregated accounts	
	A. Cash	-
	B. Securities (at market)	-
	C. Total	-
3.	Excess (deficiency) of funds in segregation (subtract line 2.C from line 1)	-

No material differences exist between the above computation and the computation included in the Company's corresponding unaudited December 31, 2024 amended FOCUS Report as filed on February 26, 2025.

Pictet Overseas Inc.

Statements of Secured Amounts and Funds Held in Segregate Accounts for Foreign Futures and Foreign Options Customers Pursuant to Commission Regulation 30.7 – Schedule IV

As of December 31, 2024

(expressed in US dollars)

Foreign Futures and Foreign Options Secured Accounts

	$
Amount required to be set aside pursuant to law, rule or regulation of a foreign government or a rule of a self-regulatory organization authorized thereunder	-
1. Net ledger balance – Foreign futures and foreign options trading – All customers	
A. Cash	-
B. Securities (at market)	-
2. Net unrealized profit (loss) in open futures contracts traded on a foreign board of trade	-
3. Exchange traded options	
A. Market value of open option contracts purchased on a foreign board of trade	-
B. Market value of open contracts granted (sold) on a foreign board	-
4. Net equity (deficit) (add lines 1, 2 and 3)	-
5. Accounts liquidating to a deficit and accounts with debit balances – Gross amount Less; Amount offset by customer owned securities	-
6. Amount required to be set aside as the secured amount – Net liquidating equity method (add lines 4 and 5)	-
7. Greater of amount required to be set aside pursuant to foreign jurisdiction (above) or line 6.	-

No material differences exist between the above computation and the computation included in the Company's corresponding unaudited December 31, 2024 amended FOCUS Report as filed on February 26, 2025.

Pictet Overseas Inc.

Statements of Secured Amounts and Funds Held in Segregate Accounts for Foreign Futures and Foreign Options Customers Pursuant to Commission Regulation 30.7 – Schedule IV ...*continued*

As of December 31, 2024

(expressed in US dollars)

Funds Deposited in Separate Regulation 30.7 Accounts

	$	$
1. Cash in banks		
A. Banks located in the United States	-	-
B. Other banks designated by the Commission Name(s):	-	-
2. Securities		
A. In safekeeping with banks located in the United States	-	-
B. In safekeeping with other banks designated by the Commission Name(s):	-	-
3. Equities with registered futures commission merchants		
A. Cash	-	-
B. Securities	-	-
C. Unrealized gain (loss) on open futures contracts	-	-
D. Value of long option contracts	-	-
E. Value of short option contracts	-	-
4. Amounts held by clearing organizations of foreign boards of trade Name(s):		
A. Cash	-	-
B. Securities	-	-
C. Amount due to (from) clearing organization – Daily variation	-	-
D. Value of long option contracts	-	-
E. Value of short option contracts	-	-
5. Amounts held by members of foreign boards of trade Name(s):		
A. Cash	-	-
B. Securities	-	-
C. Unrealized gain (loss) on open futures contracts	-	-
D. Value of long option contracts	-	-
E. Value of short option contracts	-	-
6. Amounts with other depositories designated by a foreign board of trade Name(s):	-	-
7. Segregated funds on hand (describe)	-	-
8. Total funds in separate section 30.7 accounts		-
9. Excess (deficiency) of set aside funds for secured amount		-
10. Management target amount for excess funds in separate section 30.7 accounts		-
11. Excess (deficiency) of funds in separate section 30.7 accounts over (under) Management target amount		-

No material differences exist between the above computation and the computation included in the Company's corresponding unaudited December 31, 2024 amended FOCUS Report as filed on February 26, 2025.

Pictet Overseas Inc.

Statement of Cleared Swaps Customer Segregation Requirements and Funds
in Cleared Swaps Customer Accounts under 4D(F) of CEA – Schedule V

As of December 31, 2024

(expressed in US dollars)

Cleared Swaps Customer Requirements

	$
1. Net ledger balance	
A. Cash	-
B. Securities (at market)	-
2. Net unrealized profit (loss) in open cleared swaps	-
3. Cleared swaps options	
A. Market value of open cleared swaps option contacts purchased	-
B. Market value of open cleared swaps option contracts granted (sold)	-
4. Net equity (deficit) (Add lines 1, 2 and 3)	-
5. Accounts liquidating to a deficit and accounts with debit balances – Gross amount	-
Less: Amount offset by customer owned securities	-
6. Amount required to be segregated for cleared swaps customers (add lines 4 and 5)	-

No material differences exist between the above computation and the computation included in the Company's corresponding unaudited December 31, 2024 amended FOCUS Report as filed on February 26, 2025.

Pictet Overseas Inc.

Statement of Cleared Swaps Customer Segregation Requirements and Funds in Cleared Swaps Customer Accounts under 4D(F) of CEA – Schedule V *...continued*

As of December 31, 2024

(expressed in US dollars)

Funds in Cleared Swaps Customer Segregated Accounts

	$
7. Deposited in cleared swaps customer segregated accounts at banks	
A. Cash	-
B. Securities representing investments of customers' funds (at market)	-
C. Securities held for particular customers or option customers in lieu of cash margins (at market)	-
8. Margins on deposit with derivatives clearing organizations in cleared OTC derivatives customer sequestered accounts	
A. Cash	-
B. Securities representing investments of customers' funds (at market)	-
C. Securities held for particular customers or option customers in lieu of cash margins (at market)	-
9. Net settlement from (to) derivatives clearing organizations	-
10. Cleared swaps options	
A. Value of open cleared OTC derivatives long option contracts	-
B. Value of open cleared OTC derivatives short option contracts	-
11. Net equities with other FCMs	
A. Net liquidating equity	-
B. Securities representing investments of cleared swaps customers' funds (at market)	-
C. Securities held for particular customers or option customers in lieu of cash (at market)	-
12. Cleared swaps customer funds on hand (describe)	-
13. Total amount in cleared swaps customer segregation (add lines 7 through 12)	-
14. Excess (deficiency) of funds in cleared swaps customer segregation (subtract line 6 from line 13)	-
15. Management target amount for excess funds in cleared swaps segregated accounts	-
16. Excess (deficiency) of funds in cleared swap customer segregated account over (under) management target excess	-

No material differences exist between the above computation and the computation included in the Company's corresponding unaudited December 31, 2024 amended FOCUS Report as filed on February 26, 2025.