

PKB strengthens its results

Revenues slightly down on the back of the EUR/CHF exchange rate and the change in strategy. Antigua subsidiary sold in 2015. Net profit over CHF 25 million.

2015 saw the PKB group strengthen its strategy and results. In Switzerland, net revenues (CHF 112,371 million, -3.42%) suffered from the weakening of the EURO against the CHF after the Swiss National Bank ended its defence of the 1.20 exchange rate and from hostile financial markets (especially for bonds) that warranted a cautious wait and see approach rather than dynamic asset management.

Nevertheless, substantially stable costs and an extraordinary profit from the 2015 sale of the Antigua subsidiary, as part of the Bank's strategy over the last few years, contributed to the strong growth in net profit for the year to CHF 25,591 million (+15.05% over 2014). Such result was achieved despite more than CHF 5 million in value adjustments and prudential provisions.

On a consolidated basis, net revenues were CHF 111,509 million (-11.60%), of which CHF 75,675 million from commissions, CHF 18,863 million from interest, CHF 14,721 million from trading activities and CHF 2,250 million from other ordinary income. Costs totalled CHF 81,222 million (+2.23%).

Following the sale of the off-shore subsidiary, Group client assets totalled CHF 9,2 billion at year-end, loans to clients were CHF 1,375 billion, of which CHF 760 million mortgages, while the consolidated balance sheet stood at CHF 3,347 billion.

The Group's equity at 31.12.2015 was CHF 331,117 million net of dividend (proposed) and its Tier 1 capital ratio was 18.97%.

In 2015 PKB accelerated the implementation of its new strategy, which focuses on three core markets (Switzerland, Italy and South America), improving products and services to clients, increasing the efficiency of its work processes - especially risk management - and making a determined move towards a business-model based on tax-compliant clients and full adherence to cross-border and suitability standards.

Over the year the Group also migrated to a new IT platform (the FIS group's Ambit Private Banking) and reached a non-prosecution agreement, as part of the US Program, with the US Department of Justice that involved the payment of a USD 6,3 million penalty.

PKB Privatbank SA specialises in private banking. It operates from five Swiss offices, in Lugano (headquarters), Bellinzona, Geneva, Lausanne and Zurich, as well as from its affiliate PKB Banca Privada (Panama). The PKB Group, including Cassa Lombarda in which the Group holds 33.93%, manages assets of over CHF 14 billion. PKB's Tier 1 capital ratio is approximately 20%, while the ratio between eligible regulatory capital and the minimum capital required under Swiss law is around 200%.

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