

PKB: over 100 million in net revenues**Strategic reorientation of the banking group. Assets under management exceeding 13 billion.**

2016 was a year of strategic reorientation and organisational restructuring for the PKB Group.

Total consolidated net revenues exceeded the threshold of CHF 100 million to stand at 102.013 million, recording a decrease of 8.52% on the previous year.

Income was not only affected by the decline in business volumes linked to strategic choices (stronger focus in terms of markets and customer segments which led to a certain downturn in AUM), but also and above all by the fixed income financial markets which, characterised by little growth for most of the year, penalised the commission items linked to securities trading. The positive performance posted by the interest margin (CHF 24.537 million in 2016) only partially offset the decrease to CHF 62.658 million (-17.2%) in the result from commission transactions and service benefits.

An increase was recorded in personnel costs (+2,29% to CHF 63.1 million) and, above all, in general operating costs (+17.89% to CHF 23 million, mainly due to consultancy provided for strategic, organisational and regulatory projects), with a significant, but largely planned, impact on net profit which stands at CHF 9.65 million (-36.6% compared to 2015 which was positively influenced by extraordinary revenues linked to the sale of an affiliate in the Caribbean no longer aligned with the Group strategy).

At year end the PKB Group managed assets for CHF 7.3 billion in Switzerland and exceeding CHF 13 billion in total. This last amount includes, as for the previous year, the assets managed by Cassa Lombarda SpA, Milan. During 2016 PKB increased its equity investment in Cassa Lombarda SpA, Milan, from 33.94% to 99.57%, taking over the 65.63% previously held by their common shareholder COFI SA.

Consolidated shareholders' equity rose above the CHF 400 million mark, with Tier 1 Capital standing at 20% (22.8% at PKB Switzerland level), confirming the sound capitalisation of the Lugano-based banking group, which at year end employed over 500 people, 267 of whom in Switzerland.

Important changes were made to the Board of Directors and formally approved by the Shareholders' Meeting. Henry Peter, Chairman of the Board since 2013, and Jean Philippe Rochat, member of the Board since 2004, expressed their wish not to be re-elected for a further mandate due to other professional and institutional commitments (Mr. Rochat has been appointed by the Federal Council as Chairman of the Organising Committee of the 2026 Winter Olympic Games). In the meantime Jean-Blaise Conne and Giovanni Vergani were elected to join the other directors, whose mandate was renewed. The Board of Directors then appointed Edio Delcò as Chairman and Massimo Trabaldo Togna as Vice-Chairman.

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 PKB holds 99.5%, manages assets of about CHF 13 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 in excess of 200%.

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