

**Cornèr Bank Ltd.**  
Lugano Head Office

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## **Growth continues at Cornèr Bank Group**

**The 64th Annual Report from Cornèr Bank Group confirms the strength of the Lugano-based Bank. In 2015, the Group again recorded rising profits, despite an adverse regulatory, financial and economic backdrop for the entire banking sector. Income was up again, increasing by 3.4% to CHF 395.4 million. Net profit also rose, reaching CHF 50.8 million.**

In addition to widespread uncertainty – in the midst of a real economy with growth rates close to zero and a financial market that was artificially inflated by the expansive monetary policy of certain central banks – 2015 was also influenced by extraordinary external factors. In January, the Swiss National Bank's decision to discontinue the minimum exchange rate of CHF 1.20 per euro caused upheaval on the international markets. This forced the Bank to review its budget for the entire financial year and continue to increase its focus on costs.

2015 was also the year of voluntary disclosure in terms of fiscal regularisation of undeclared capital held by Italian citizens. The process was completed at the end of December. Despite the fact that most of Cornèr Bank Group's clients are Swiss and a large number of its Italian clients had already regularised their positions during previous tax amnesties, the 2015 voluntary disclosure made regularisation possible also for the remainder of the clients, most of whom decided to leave their assets under the management of Cornèr Bank Group.

Finally to be mentioned, and still on the subject of external factors, is that 2015 brought a resolution to the tax dispute with the USA. In 2013, Cornèr Bank had joined the American programme designed to settle tax issues between Swiss banks and the USA, and had opted to be entered in category 2. A Non-Prosecution Agreement was concluded with the US Department of Justice in December 2015, after payment of a fine of around USD 5 million.

Despite the difficulties experienced by the sector, which were exacerbated by the extraordinary factors mentioned above, during the year under review, Cornèr

Bank Group attracted new clients, confirming its own growth capacity. Further, it managed to strengthen its asset structure, as was reported by *The Banker*, the prominent Financial Times Group publication, which has ranked Cornèr Bank number one in Switzerland for capital soundness.

Cornèr Bank consolidated its position as a full-service bank even further, adding new products and services to the already highly diversified range of offers which distinguish the Group. One of the main innovations of 2015 is the launch of the direct issue of structured products on the Swiss market. This has enabled Cornèr Bank to join the Swiss Structured Products Association (SSPA), making it the Association's first member bank from Ticino.

In October 2015, the acquisitions of Diners Club Italia, Milan, and Dinit d.o.o. – a company in Slovenia servicing the Diners brand at European level – further extended the scope of activity in the payment cards sector. The addition of these two new affiliates to Cornèr Bank Group has resulted in an increase in staff to 1,194 employees (+15.8%).

Finally, the Group's Luxembourg affiliate was divested. This was due to the fact that persistent near-zero or even negative interest rates and changes in domestic legislation have rendered Cornèr Bank Group's presence in the Luxembourg financial centre no longer attractive. However, the business linked to the investment funds under the direction of CB-Accent is being continued.

The analysis of the 64th Annual Report shows a balance sheet total up 1.6% to over CHF 6.5 billion. Client deposits increased by CHF 305.9 million, resulting in a total of CHF 4.85 billion. This confirms the trust clients place in Cornèr Bank Group. Equity totals CHF 958.5 million – three times the minimum statutory requirement.

Regarding income, interest rate operations were down 1.4% to CHF 114.8 million, while trading income rose 5.9% to CHF 79.6 million. Commission income also increased, reaching CHF 180 million.

In a constantly evolving context, Cornèr Bank Group faces an uncertain economic environment and a regulatory framework that leads to rising costs. Nevertheless, it can look to the future with optimism, aware of being a sound and thoroughly diversified financial-services provider with proven professionalism.

## **Cornèr Bank Group**

Founded in Lugano in 1952, Cornèr Bank Group is an independent Swiss private bank group operating on the national market as a full-service bank. Lugano is Switzerland's third-largest banking centre, after Zurich and Geneva.

Active across the whole range of traditional banking services, Cornèr Bank Group specialises in the Private Banking sector, as well as in the areas of lending, Visa, MasterCard and Diners Club payment cards (Cornèrcard) and online trading (CornèrTrader) – the core businesses on which the growth of Cornèr Bank Group is based.

The decision to keep the Head Office and Executive Board situated in Lugano reflects the Bank's strong link with the local economy. Over the years, Cornèr Bank has opened offices in other leading Swiss financial centres and launched a vital process of internationalisation. The specific aim is to diversify and extend the Bank's own range of products and services to keep pace with increasing market globalisation and a more cosmopolitan clientele.

Cornèr Bank Group consists of the Lugano-based parent bank Cornèr Bank Ltd., the four Swiss branches in Chiasso, Geneva, Locarno and Zurich, the affiliated Cornèr Bank (Overseas) Limited, of Nassau, BonusCard.ch Ltd., Cornercard UK Ltd, Diners Club Italia S.r.l. and Dinit d.o.o.