

Cornèr Bank Ltd.
Lugano Head Office

Press Release/ Communiqué de presse
Pressemitteilung/ Comunicato stampa

Lugano, 7th March 2017

2016 results: Cornèr Bank Group continues to grow

Cornèr Bank Group concluded the 2016 financial year with extremely positive results, which confirm the Lugano-based Bank's continuing growth and sound asset structure. The 65th Annual Report marks a significant increase in net profit to CHF 55.5 million, representing a 10% growth rate. Income for the year rose to CHF 471.3 million. Numerous new clients generated an increase in deposits and credit business, and also constitute firm evidence of the level of trust the Bank enjoys. This general growth is even more gratifying in the light of the difficult business environment. The new Executive Board can therefore remain calm in facing the challenges of the future.

Cornèr Bank Group as an institution has undergone major changes in its governance structure during the 2016 financial year: Paolo Cornaro, the son of the Lugano-based Bank's founder, took over as Chairman of the Board of Directors from Giancarlo Viscardi, who had held the office for 24 years and is now the Honorary Chairman. At the same time, Paolo Cornaro handed over the operational management of the Bank to his son Vittorio, Group Chief Executive Officer. He will be supported by the two Executive Vice-Presidents, Alessandro Seralvo and Christian Torriani.

The change in leadership from one generation of Cornaro bankers to the next coincided with a particularly successful year from an economic point of view.

All Group activities recorded growth and achieved all-time highs. The Group was able to win new clients for its Private Banking division and credit business, which continues to be managed with the utmost prudence. CornèrTrader, the online trading division, delivered extremely encouraging results. The pace of its expansion has quickened further recently, contributing positively to Group profit. Finally, the payment cards sector consolidated its presence and importance in an increasingly international setting.

The Group also supported its growth in terms of investments. In particular, the launch of an information technology project developed entirely in-house must be mentioned. Its aim is to completely rebuild the operating platform for payment card management and distribution at Group level.

An analysis of the 65th Annual Report shows an increase of the total assets of 16.7% to over CHF 7.6 billion. As anticipated, customer deposits rose significantly to a total of CHF 5.6 billion (+16.4%). The amounts due from banks were up 13.6%, and the due from clients up 8.3%. As profits were reinvested, the Group's capitalisation increased by 8.3% and passed the CHF 1 billion mark.

For the second consecutive year, the statistics published by *The Banker* have confirmed Cornèr Bank Group as Switzerland's number one in terms of capital soundness, an element clients greatly appreciate.

The income statement reveals an increase in trading activities and commission business, while interest operations income has decreased slightly due to the low-interest-rate environment. These factors have contributed to the figure of CHF 471.3 million in income earned (+27%), including the payment received from Visa Inc. for its takeover of Visa Europe, of which Cornèr Bank had been a founding company and shareholder. Operating expenses recorded a 7% rise to CHF 303.1 million, following the full consolidation of the costs of the Diners Club Italia and Dinit affiliates, which had been acquired in October 2015. Thanks to the positive results achieved by Cornèr Bank Group, CHF 45 million could be allocated to the reserves for general banking risks. After depreciation, amortisation and taxes, a net profit of CHF 55.5 million (+10%) was recorded. Furthermore, a bonus of CHF 2,500 was paid to the more than 1,000 Cornèr Bank Group employees and retirees in Switzerland. The number of employees worldwide has risen to 1,199 (full-time equivalents) by the end of 2016.

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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.

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, BonusCard.ch Ltd., Cornèrcard UK Ltd., Diners Club Italia S.r.l. and Dinit d.o.o.