

Cornèr Bank Ltd.
Lugano Head Office

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Profits again on an upward trend at Cornèr Bank Group

Cornèr Bank Group presents its 61st Annual Report with a positive result at the end of 2012: net profit rose by 5.1%, to a total of 65.7 million Swiss francs. Facts underlining the Group's encouraging progress are the further consolidation of its asset structure, the launch of major new activities and the increase in personnel.

The progress made in 2012 looks even more satisfactory when considering the difficult economic and financial context and the continued strength of the Swiss franc.

Thanks to its financial solidity, the Cornèr Bank Group was able to reinforce its development policy, focussing on the Swiss and foreign markets. Furthermore, this enabled the undertaking of many projects aimed at extending the range of its products and services in private banking, in the area of lending to commercial and private clients and in the field of credit and prepaid cards, where the Group holds a leading position in Switzerland.

The relocation of the Bank's Lausanne branch to Geneva was strategically important. It was sought to best exploit the private banking business by operating in a more important financial centre, both at national and international level.

The past year also brought the launch of the CornèrTrader online trading platform, yet another sign of Cornèr Bank Group's innovative spirit.

Analysis of the profit and loss account highlights the general improvement in earnings due, in part, to the acquisition of BonusCard.ch. This company joined the Group at the end of 2011, with the intent to maintain its independence in the payment-cards market. The Group's income would have in any case risen in relation to 2011, even without the positive impact of BonusCard.ch.

To quote specific figures, the trading result was up 28% to 65.4 million Swiss francs, while commission income rose 16.8% to 158.1 million Swiss francs and income from interest-earning operations increased by 15.1% to 127.7 million

Swiss francs. Reflecting these results, the total income stands at 352 million Swiss francs, a 19% increase on the previous year and by far exceeding expectations.

On the other hand, increase in personnel impacted operating costs which rose to 235.6 million Swiss francs (+20.4%). The number of personnel rose from 881 at the end of 2011 to 931 at present, of whom 763 are employed locally in Ticino (737 in 2011). Further new engagements are planned during 2013. Thanks to these good results, Cornèr Bank Ltd was able to give a special Christmas gift to all its employees and pensioners.

The balance sheet items record an increase in customer deposits by 13.7% to 3.8 billion Swiss francs. On the assets side, there is also a significant increase in lending to clients, especially in mortgage lending (+10.2% to 863.5 million Swiss francs).

The asset structure has been further consolidated and shareholders' equity stood at 876.1 million Swiss francs, almost three times the level required by law. Confirming this figure, *The Banker* ranked Cornèr Bank Group second in Switzerland in terms of capital soundness in its world financial statistics published on July 2012.

Last but not least, the considerable trading profit earned incurs tax liabilities in excess of 16 million Swiss francs.

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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 and Visa and MasterCard prepaid and credit cards (Cornèrcard)-the three pillars of Cornèr Bank Group's growth.

The decision to keep the Head Office and General Management 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, Zurich, and the **affiliated** Cornèr Banque (Luxembourg) SA, Cornèr Bank (Overseas) Limited, of Nassau and BonusCard.ch AG.