

Cornèr Bank Ltd.
Lugano Head Office

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Cornèr Bank Group: excellent first-half results for 2014

Cornèr Bank Group presents rising profits for the first half of 2014. Income totalled CHF 186 million, up 7.1% on the first half of 2013. Despite increased expenditure in support of this growth, gross profit has forged ahead to touch the mark of CHF 50 million (2013: CHF 46.5 million). Net profit also rose, by more than 25%, to reach CHF 21.5 million.

Now close to CHF 900 million, shareholders' equity provides further confirmation of the Group's capital adequacy.

Growth has been the keynote of the first half which recently closed at Cornèr Bank Group. The Group has been successful in seizing the opportunities arising on a very demanding market.

In the first half of 2014, interest income reached CHF 62.9 million, which corresponds to a rise of 3.5% on the previous year. In view of the persistent low level of interest rates, this is extremely positive progress. Commission income rose by 4.3% to a total of CHF 88 million. Trading income is also growing and now stands at CHF 34.9 million, compared with CHF 32.4 million for 2013. Combined with its other ordinary results, Cornèr Bank Group therefore closes the first half of 2014 with an operating income of CHF 185.7 million, recording a rise of more than CHF 12 million compared with the same period of the previous year (CHF 173.4 million).

To further sustain its medium- and longer-term business development, Cornèr Bank Group in recent years has undertaken major projects to upgrade its IT and infrastructure systems. The work, which has entailed major financial commitments, is now nearing the consolidation stage.

The financing of these projects, and support for the Group's seizure of the strategic opportunities presented by the market, have had an impact on staff costs. These stand at CHF 77.1 million for the first half of 2014, a rise of over CHF 4 million on last year. Other operating costs are also on an upward path, and now stand at CHF 59.3 million. However, it is important to note that the Cornèr Bank Group workforce has grown to well over 1,000 employees, with the addition of more than 50 full-time equivalents since the end of 2013.

Gross profit thus rose to 49.3 million francs, up nearly 6% compared with the previous year (CHF 46.6 million). Net profit amounts to CHF 21.5 million, progressing by more than CHF 4 million compared with the CHF 17.2 million recorded for the same period of 2013.

The result achieved during the first half of 2014 exceeds expectations and indicates healthy growth in all business lines. It is also an indicator of the Group's capital adequacy, the prerequisite for similar results in the second half of the year.

Finally, analysis of the balance sheet reveals further growth in total assets, which now amount to CHF 6.4 billion (+5.7%). This includes a significant portion of liquid assets, which stand at well over CHF 1 billion. Loans to Clients are close to CHF 2.9 billion, while Customer deposits are also moving upwards and now exceed CHF 4.2 billion.

Shareholders' equity is close to CHF 900 million, confirming for the third consecutive year the Cornèr Bank Group's status as one of Switzerland's most adequately capitalised banks, as reported in the global financial statistics published by the trade journal *The Banker* in July 2014.

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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.

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 Banque (Luxembourg) SA, Cornèr Bank (Overseas) Limited, of Nassau and BonusCard.ch Ltd.