

**valiant**

**interim  
financial statements  
as at 30 september 2019**

# Consolidated financial statements

## Consolidated balance sheet

	30/09/2019 in CHF thousands	31/12/2018 in CHF thousands	Change in CHF thousands	Change as %
<b>Assets</b>				
Cash and cash equivalents	2,894,588	1,972,228	922,360	46.8
Due from banks	145,089	154,134	-9,045	-5.9
Due from customers	1,466,631	1,538,649	-72,018	-4.7
Mortgage loans	23,136,158	22,482,749	653,409	2.9
Trading portfolio assets	104	187	-83	-44.4
Positive replacement values of derivative financial instruments	10,264	8,316	1,948	23.4
Financial investments	763,036	830,932	-67,896	-8.2
Accrued income and prepaid expenses	26,742	19,920	6,822	34.2
Non-consolidated holdings	211,882	214,079	-2,197	-1.0
Tangible fixed assets	123,282	130,314	-7,032	-5.4
Intangible assets	1,114	1,621	-507	-31.3
Other assets	62,965	29,546	33,419	113.1
<b>Total assets</b>	<b>28,841,855</b>	<b>27,382,675</b>	<b>1,459,180</b>	<b>5.3</b>
Total subordinated claims	0	0	0	0.0
of which subject to mandatory conversion and/or conditional write-off	0	0	0	0.0
<b>Liabilities and equity</b>				
Due to banks	951,192	544,311	406,881	74.8
Customer deposits	18,356,342	18,100,855	255,487	1.4
Negative replacement values of derivative financial instruments	55,398	22,976	32,422	141.1
Medium-term notes	125,259	190,054	-64,795	-34.1
Bond issues and central mortgage institution loans	6,848,030	6,044,227	803,803	13.3
Accrued expenses and deferred income	148,853	127,669	21,184	16.6
Other liabilities	41,678	51,596	-9,918	-19.2
Provisions	31,419	34,306	-2,887	-8.4
Reserves for general banking risks	34,786	34,786	0	0.0
Share capital	7,896	7,896	0	0.0
Capital reserve	592,684	592,676	8	0.0
Retained earnings reserve	1,561,836	1,510,995	50,841	3.4
Treasury shares	0	0	0	0.0
Consolidated net profit	86,482	120,328	-33,846	n/a
<b>Total equity capital</b>	<b>2,283,684</b>	<b>2,266,681</b>	<b>17,003</b>	<b>0.8</b>
<b>Total liabilities and equity</b>	<b>28,841,855</b>	<b>27,382,675</b>	<b>1,459,180</b>	<b>5.3</b>
Total subordinated liabilities	0	0	0	0.0
of which subject to mandatory conversion and/or debt waiver	0	0	0	0.0

<b>Off-balance-sheet transactions</b>	<b>30/09/2019</b> <b>in CHF thousands</b>	<b>31/12/2018</b> <b>in CHF thousands</b>	<b>Change</b> <b>in CHF thousands</b>	<b>Change</b> <b>as %</b>
Contingent liabilities	211,036	225,306	-14,270	-6.3
Irrevocable commitments	732,078	752,783	-20,705	-2.8
Commitments relating to calls on shares and other equities	50,295	50,295	0	0.0
Credit commitments	0	0	0	0.0

# Consolidated income statement

	30/09/2019 in CHF thousands	30/09/2018 in CHF thousands	Change in CHF thousands	Change as %
<b>Interest income</b>				
Interest and discount income	259,962	264,463	-4,501	-1.7
Interest and dividend income from trading portfolios	0	0	0	0.0
Interest and dividend income from financial investments	15,546	17,467	-1,921	-11.0
Interest expense	-42,425	-53,864	11,439	-21.2
<b>Net interest income before value adjustments for credit risk, and loan losses</b>	<b>233,083</b>	<b>228,066</b>	<b>5,017</b>	<b>2.2</b>
Value adjustments for credit risk, and loan losses	-3,350	-2,309	-1,041	45.1
<b>Net interest income after value adjustments for credit risk, and loan losses</b>	<b>229,733</b>	<b>225,757</b>	<b>3,976</b>	<b>1.8</b>
<b>Fee and commission income</b>				
Commission income from securities trading and investment activities	30,188	29,650	538	1.8
Commission income from lending activities	2,370	2,671	-301	-11.3
Commission income from other services	21,970	21,902	68	0.3
Commission expense	-9,376	-8,673	-703	8.1
<b>Net fee and commission income</b>	<b>45,152</b>	<b>45,550</b>	<b>-398</b>	<b>-0.9</b>
<b>Net trading income and fair-value adjustments</b>	<b>8,962</b>	<b>8,505</b>	<b>457</b>	<b>5.4</b>
<b>Other operating income</b>				
Income from the disposal of financial investments	1,110	681	429	63.0
Income from holdings	15,669	19,587	-3,918	-20.0
of which holdings recognised using the equity method	12,008	16,848	-4,840	-28.7
of which other non-consolidated holdings	3,661	2,739	922	33.7
Net income on real estate	1,553	1,643	-90	-5.5
Other ordinary income	450	369	81	22.0
Other ordinary expenses	-1	-16	15	-93.8
<b>Net other operating income</b>	<b>18,781</b>	<b>22,264</b>	<b>-3,483</b>	<b>-15.6</b>
<b>Total operating income<sup>1</sup></b>	<b>305,978</b>	<b>304,385</b>	<b>1,593</b>	<b>0.5</b>
<b>Operating expenses</b>				
Personnel expenses	-97,448	-94,116	-3,332	3.5
General and administrative expenses	-77,748	-78,124	376	-0.5
<b>Total operating expenses</b>	<b>-175,196</b>	<b>-172,240</b>	<b>-2,956</b>	<b>1.7</b>
Depreciation and amortisation of tangible fixed and intangible assets, and impairments on holdings	-16,723	-16,542	-181	1.1
Other provisions and losses	-5,632	-239	-5,393	n/a
<b>Operating profit</b>	<b>105,077</b>	<b>113,055</b>	<b>-7,978</b>	<b>-7.1</b>
<b>Net profit</b>				
Extraordinary income	4,689	2,577	2,112	82.0
Extraordinary expenses	0	0	0	0.0
Changes in reserves for general banking risks	0	-9,000	9,000	-100.0
Taxes	-23,284	-21,443	-1,841	8.6
<b>Consolidated net profit</b>	<b>86,482</b>	<b>85,189</b>	<b>1,293</b>	<b>1.5</b>

<sup>1</sup> Before value adjustments for credit risk, and loan losses.

## Consolidated statement of changes in equity

	Share capital in CHF thousands	Capital reserve in CHF thousands	Retained earnings reserve in CHF thousands	Reserves for general banking risks in CHF thousands	Treasury shares in CHF thousands	Profit for the period in CHF thousands	Total in CHF thousands
Equity at the beginning of the reporting period	7,896	592,676	1,510,995	34,786	0	120,328	2,266,681
Appropriation of previous year's net profit			50,841			-50,841	0
Acquisition of treasury shares					-2,643		-2,643
Sale of treasury shares					2,643		2,643
Gain (loss) from the sale of treasury shares		-25					-25
Dividends and other distributions		33				-69,487	-69,454
Consolidated net profit						86,482	86,482
<b>Equity at the end of the reporting period</b>	<b>7,896</b>	<b>592,684</b>	<b>1,561,836</b>	<b>34,786</b>	<b>0</b>	<b>86,482</b>	<b>2,283,684</b>

# Condensed notes

## Changes to the principles of consolidation as well as any error corrections and their impact on the interim financial statements

There were no changes to the principles of consolidation or corrections of errors.

## Information on factors that influenced the economic position of the group during the current period or compared with the previous period

There were no material factors that influenced the group's financial situation during the reporting period or compared with the previous period.

## Material events after the date of the interim financial statements

No extraordinary events have occurred since the balance-sheet date that might have a material influence on the assets, financial position or income situation of Valiant during the reporting period.

## Extraordinary income and expenses

	30/09/2019 in CHF thousands	30/09/2018 in CHF thousands
<b>Extraordinary income</b>		
Gains from the sale of properties	4,684	2,317
Reversal of negative goodwill	0	260
Other items	5	0
<b>Total extraordinary income</b>	<b>4,689</b>	<b>2,577</b>
<b>Extraordinary expenses</b>		
<b>Total extraordinary expenses</b>	<b>0</b>	<b>0</b>