

Bern, 2 May 2019

Strong start to the year: Valiant significantly increases its quarterly profit

Valiant Bank got off to a good start in 2019, increasing its consolidated net profit by 8.7% to CHF 28.2 million in the first quarter. Net interest income was again extremely robust; it climbed by 2.5% to CHF 76.8 million, helping to drive up the bottom line. Valiant expects profit to be slightly higher in 2019 than in the previous year.

Valiant Bank had a very healthy start to 2019, generating consolidated net profit of CHF 28.2 million in the first three months of the year. That represents an increase of CHF 2.3 million, or 8.7%, on the year-earlier period – driven in part by lending growth and continued rigorous cost control.

Interest margin largely stable

Valiant succeeded in increasing its interest margin last year and continued to focus on profitability in the first quarter of 2019, recording an interest margin of 1.11% (previous year: 1.12%). Given that mortgage interest rates fell to new lows, this was only made possible by Valiant significantly reducing interest expenses, which were down 27.2%. Net interest income before value adjustments for credit risk, and loan losses – which makes up most of the bank's operating income – rose by 2.5% to CHF 76.8 million. Conversely, fee and commission income decreased to CHF 14.6 million (–3.6%).

New jobs created

Cost trends in the first quarter were broadly similar to those in the previous year. Personnel expenses went up by 3.7% to CHF 32.1 million as a result of the bank's expansion strategy. Valiant further increased its headcount, creating eight new full-time positions. At the same time, general and administrative expenses fell at a similar rate, to CHF 25.1 million (–3.6%). Overall, operating expenses rose by 0.4% to CHF 57.2 million. This shows that Valiant still has costs well under control despite its expansion. The cost/income ratio fell slightly year on year, from 60.3% to 59.7%.

Loans up by 1%

During the first quarter, Valiant recorded solid growth in its core business. Mortgage lending increased by CHF 230 million to CHF 22.7 billion (+1.0%). Total lending also rose by 1.0%, to CHF 24.3 billion (+CHF 244 million). Valiant is therefore well on its way to achieving its target of 3% annual lending growth without relaxing its prudent risk policy.

Interim Chief Financial Officer appointed

Valiant's Board of Directors has appointed Serge Laville to serve as interim CFO. Mr Laville, the current deputy CFO will perform this role until Hanspeter Kaspar – whose appointment as the new CFO has already been announced – takes office in October 2019 at the latest. The current CFO, Ewald Burgener, will become Valiant's new CEO following the Annual General Meeting on 16 May 2019. This interim appointment will allow Mr Burgener to concentrate fully on his new role from that date.

Quality of investment advice once again recognized

Valiant's private banking expertise again impressed the jury of business magazine Bilanz. For the seventh year running, Valiant was recognized as one of the best investment houses in Switzerland. It was one of only two banks to be honoured with distinction and earn the title "longstanding quality leader". This achievement is the result of a team effort between Valiant's client advisors and investment experts. The Bank's strong local presence through its Swiss-wide branch network also stood out as a decisive factor.

The outlook for FY 2019 remains positive. Valiant expects consolidated net profit to be slightly higher than in 2018.

Key balance sheet figures

	31/3/2019 in CHF millions	31/12/2018 in CHF millions	Change as %
Total assets	28,143	27,383	2.8
Client loans	24,265	24,021	1.0
- of which mortgages	22,712	22,483	1.0
Client deposits	18,374	18,291	0.5
Headcount (FTEs)	898	890	+8 FTEs

Key income statement figures

	31/03/2019 in CHF thousands	31/03/2018 in CHF thousands	Change as %
Net interest income before value adjustments for credit risk and loan losses	76,794	74,953	2.5
Fee and commission income	14,569	15,111	-3.6
Net trading income	3,150	2,849	10.6
Other operating income	1,248	1,673	-25.4
Operating income*	95,761	94,586	1.2
Operating expenses	57,198	56,993	0.4
Operating profit	31,412	30,989	1.4
Consolidated net profit	28,231	25,980	8.7

* Before value adjustments for credit risk, and loan losses

Documents and information on the interim results at 31 March 2019 are available at: valiant.ch/results

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About Valiant

Valiant is an independent Swiss financial services provider. Valiant operates exclusively in Switzerland and offers private clients and small and medium-sized businesses a comprehensive range of easy-to-understand products and services covering all financial needs. Valiant has a strong local presence, with 91 branch offices in the following 12 Swiss cantons: Aargau, Basel-Land, Basel-Stadt, Bern, Fribourg, Jura, Lucerne, Neuchâtel, Solothurn, Vaud, Zug and Zürich. And through its innovative digital services, it is available to clients throughout Switzerland. Valiant has total assets of CHF 28.1 billion and more than 1,000 employees, including 80 trainees.

Valiant calendar

16 May 2019

8 August 2019

7 November 2019

AGM of Valiant Holding AG in Lucerne

H1 2019 results

9M 2019 results