

Bern, 7 November 2019

Valiant reports 1.5% rise in net profit

Valiant turned in a solid performance in the first nine months of the year. Consolidated net profit rose to CHF 86.5 million, mainly thanks to the bank's strong interest business. Net interest income before value adjustments increased by 2.2% to CHF 233.1 million, and the net interest margin held steady at 1.11%. Lending was up by a solid 2.4%. Full-year consolidated net profit is on track to come in slightly higher than in 2018.

Valiant posted strong 9M results, continuing the trend recorded in H1. Net profit rose by 1.5% year on year to CHF 86.5 million.

Stable interest margin and strong net interest income

Despite the further decline in interest rates in 2019, Valiant kept its net interest margin steady at 1.11%. It achieved this by reducing interest expense by more than 21%, primarily through its covered bond issues. Net interest income before value adjustments increased by CHF 5.0 million year on year (+2.2%) to CHF 233.1 million. Fee and commission income was down 0.9%. Net trading income rose 5.4%.

Higher costs due to expansion

Costs have been increasing slightly ever since Valiant began to expand in 2016, and this year has been no exception. Operating expenses rose 1.7% to CHF 175.2 million, and the higher headcount (+27 FTEs) drove personnel expenses up 3.5%. General and administrative expenses fell by 0.5%. The cost/income ratio increased to 57.3%, up from 56.6% a year earlier. Operating profit came in at CHF 105.1 million (-7.1%). This decline was primarily a result of a one-off dividend payment from Aduno in the previous year, which led to exceptionally high income from holdings.

Growth in line with the market

Valiant recorded solid growth in its core business. Total lending increased by 2.4%, or CHF 581.4 million, to CHF 24.6 billion, with mortgage lending up CHF 653.4 million to CHF 23.1 billion (+2.9%). These firm figures reflect the bank's focus on achieving profitable growth while maintaining a stable net interest margin. Client deposits rose 1.0% to

CHF 18.5 billion. Valiant still expects full-year consolidated net profit to come in slightly higher in 2019 than in 2018.

Key balance sheet figures

	30/09/2019 in CHF millions	31/12/2018 in CHF millions	Change as %
Total assets	28,842	27,383	+5,3
Client loans	24,603	24,021	+2,4
- of which mortgages	23,136	22,483	+2,9
Client deposits	18,482	18,291	+1,0
Headcount (FTE)	917	890	+27 FTEs

Key income statement figures

	30/09/2019 in CHF thousands	30/09/2018 in CHF thousands	Change as %
Net interest income before value adjustments for credit risk and loan losses	233,083	228,066	+2,2
Fee and commission income	45,152	45,550	-0,9
Net trading income	8,962	8,505	+5,4
Other operating income	18,781	22,264	-15,6
Operating income*	305,978	304,385	+0,5
Operating expenses	175,196	172,240	+1,7
Operating profit	105,077	113,055	-7,1
Consolidated net profit	86,482	85,189	+1,5

* Before value adjustments for credit risk, and loan losses.

Documents and information on the half-year results are available at: valiant.ch/results

Contact for analysts and investors

Joachim Matha, Head of Investor Relations, 031 310 77 44, ir@valiant.ch

Contact for the media

Marc Andrey, Head of Corporate Communications, 031 320 96 01, medien@valiant.ch

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 93 branch offices in the following 13 Swiss cantons: Aargau, Basel-Land, Basel-Stadt, Bern, Fribourg, Jura, Lucerne, Neuchâtel, Solothurn, St Gallen, Vaud, Zug and Zurich. Through its innovative digital services, Valiant is also available to clients throughout Switzerland. Valiant has total assets of CHF 28.8 billion and more than 1,000 employees, including 80 trainees.

Valiant calendar

13 February 2020

7 May 2020

13 May 2020

6 August 2020

FY 2019 results: media and analysts' conference

Q1 2020 results

AGM of Valiant Holding in Bern

H1 2010 results