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Press release

Berne, August 19, 2011

Valiant simplifies group structure and streamlines network of branches

Despite having to contend with an increasingly competitive environment, the Valiant group is able to show a group profit of CHF 66 million (prior year CHF 70 million), with a slight rise in client loans and funds.

Valiant's group management responded to the shifting market environment in a timely manner by initiating a cost efficiency improvement program: Valiant is simplifying its group structure and streamlining its network of branches. The plan of action presented at the media conference for the half-year results provides for consolidating the four subsidiary banks – Valiant Bank, Valiant Private Bank, Spar + Leihkasse Steffisburg and Banque Romande Valiant – under the umbrella of Valiant Bank.

Growth curbed due to risk considerations – increase in client funds

In view of the difficult economic climate abounding during the first six months, perceptible margin pressure and Valiant's resolute pursuit of its cautious risk policy, Valiant deliberately curbed the growth of client loans, which increased slightly to over CHF 21.3 billion (+0.7%). Client funds increased by 1% to ca CHF 17 billion, with net interest income amounting to CHF 153.4 million (-7.9%).

The decline in interest income could be offset in part by an increase in other ordinary income, which exhibited extraordinary growth due to the consolidation of equity for the first time and a higher dividend payment by RBA-Holding AG (+ CHF 8.1 million).

Commission and fee income showed a positive development of 3% (+ CHF 1.1 million), with net trading income also increasing by 9.4%.

The group profit amounts to CHF 66 million, slightly below the 2010 figure for the same period, owing to the current difficult climate as compared to last year.

Change in client needs

Following from an analysis of its branch network, Valiant Bank decided to close a total of ten small, primarily transaction-oriented branches as of the end of November 2011, since other Valiant branches are located in their immediate vicinity, to wit the Bümpliz, Kirchenfeld, Lenk, Lützelflüh, Menziken, Muhen, Rain, Steinhölzli, Teufenthal and Trub branches.

The reason for this was a perceptible shift toward online banking and an associated drop in clients personally frequenting these branches. The staff of these branches will continue to be employed within Valiant, and hence their closure will not impact the size of Valiant's overall workforce.

CEO Michael Hobmeier: «Advising clients will remain our core business.»

«By consolidating the four subsidiaries we are simplifying our presence and in so doing strengthening the Valiant brand,» said Michael Hobmeier, CEO of Valiant Holding, on the topic of the simplification of the group's structure. «Streamlining structures also enables management to be simplified and costs to be cut as well.»

«Personal, individual client advice and service will continue to take front and center stage in the future. We will expand our range of advisory services and are still also able to visit our customers in the comfort of their own homes if they so desire,» said Michael Hobmeier.

Outlook

Valiant will continue to work on enhancing its cost management effectiveness, and this will be reflected in an improved earnings situation in the medium term. The pay-off of the cost efficiency enhancement measures announced today will be reflected in Valiant's bottom line starting next year. In light of the decidedly volatile environment, the current outlook is characterized by uncertainty. From the point of view of today, and assuming the market climate remains unchanged, Valiant is continuing to reckon with an annual showing in line with that of 2010.

Key balance sheet figures of Valiant Holding AG

	30.06.2011 in CHF million	31.12.2010 in CHF million	Variation
Total assets	24 658	24 394	+1,1 %
Client loans	21 254	21 110	+0,7 %
Client funds	16 994	16 827	+1,0 %

Key income statement figures of Valiant Holding AG

	30.06.2011 in CHF million	30.06.2010 in CHF million	Variation
Net interest income	153,4	166,5	-7,9 %
Net commission and fee income	36,1	35,1	+3,0 %
Net trading income	7,8	7,1	+9,4 %
Other ordinary income	10,2	2,0	+393,3 %
Operating expenses	-117,3	-110,6	+6,0 %
Gross profit	90,2	100,1	-9,9 %
Group profit	66,0	70,0	-5,8 %

For detailed information on the 2011 six-month financial statements (balance sheet and income statement), visit our website: www.valiant.ch.

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Valiant Holding AG

With total assets of 24.7 billion, a combined staff of 1,000, and a clientele of over 400,000, Valiant is Switzerland's largest regional bank today. Since its founding in 1997, Valiant has succeeded in transforming itself from a regional bank with a local focus into a Swiss bank with broad underpinnings. Its operating area extends from the cantons of Argovia, Basel Country, Basel City, Berne, Solothurn, Lucerne and Zoug to Fribourg, Jura, Neuchâtel and Vaud. Valiant offers a comprehensive range of products and services in retail, SME & private banking and asset management.

Diary of Valiant Holding AG

March 7, 2012 Results conference for media and analysts (Zurich)
May 24, 2012 Annual general meeting (Berne)