

Press release

Bern, 3 November 2016

Valiant remains on track

The positive trend seen in H1 2016 continued into Q3 2016, with Valiant posting solid 9M results. Group profit increased by 5.6% to CHF 81.4 million. Net interest income rose by 1.2% but continued to be weighed down by negative interest rates. As expected, full-year 2016 results look set to come in slightly higher than last year.

Valiant confirms that business continued to progress well in the third quarter. Although the strong trend seen in the first half of the year lost some momentum, it nevertheless remained positive. Group profit rose to CHF 81.4 million, gaining 5.6% on the year-earlier period.

Interest margin steady

Valiant's main revenue stream is interest income, which continued to be weighed down by persistently negative interest rates. Nevertheless, Valiant succeeded in raising net interest income by 1.2% to CHF 215.8 million. The 1.07% operating interest margin achieved in the first half of the year remained steady in the third quarter.

New jobs added

With clients investing cautiously due to adverse market conditions, commission and service fee income continued to fall (down 6.7%), while trading income also dropped, by 2.4%. Operating expenses increased slightly. Although general and administrative expenses declined by 0.7%, personnel expenses were up 2.9% on the year-earlier period. This was partly due to the larger workforce, which was increased by 10 to 843 full-time equivalents year on year, in line with Valiant's strategy.

Steady growth achieved

Valiant once again managed to maintain its interest margin while also achieving steady growth. Client loans increased by 0.7% over the first nine months to over CHF 22.2 billion, while mortgage lending volumes stood at CHF 20.7 billion (up 1.2%). Client deposits also rose, by 1.1% to CHF 18.3 billion.

New reserve set aside

The operating result increased by 15.4% to CHF 108.3 million. This increase was due to reversals of value adjustments amounting to CHF 10.1 million, as announced at the time of the half-year results. Valiant used the amount to set aside a reserve of CHF 8 million for general banking risks as a precautionary measure.

Key balance sheet figures

	30.09.2016* in CHF millions	31.12.2015 in CHF millions	Change in %
Total assets	25,847	25,449	1.6
Client loans	22,232	22,085	0.7
- of which mortgages	20,675	20,428	1.2
Client deposits	18,287	18,084	1.1

Key income statement figures*

	30.09.2016 in CHF thousands	30.09.2015 in CHF thousands	Change in %
Net interest income	215,753	213,113	1.2
Net commission and service fee income	43,607	46,729	-6.7
Net trading income	8,495	8,703	-2.4
Other ordinary income	12,807	9,680	32.3
Operating income**	280,662	278,225	0.9
Operating expenses	164,363	162,415	1.2
Operating result	108,274	93,855	15.4
Group profit	81,378	77,051	5.6

* Unaudited figures

** Before value adjustments and losses from interest operations

Documents and information on the 9M results are available at

www.valiant.ch/ergebnisse and

www.valiant.ch/de/aktionaere-und-analysten/info-kit-in-english

Media contact

Marc Andrey, Head of Media Relations, +41 (0)31 320 96 01, marc.andrey@valiant.ch

Analyst contact

Marcus Händel, Investor Relations, +41 (0)31 310 77 44, ir@valiant.ch

About Valiant

Valiant is an independent bank for retail clients and SMEs that operates exclusively within Switzerland. It offers private clients and SMEs a comprehensive, easy-to-understand range of products and services to meet all their financial needs. With its 84 branches, Valiant has strong local roots in 11 cantons – Aargau, Basel-Landschaft, Basel-Stadt, Bern, Fribourg, Jura, Lucerne, Neuchâtel, Solothurn, Vaud and Zug – while its innovative digital services give the bank a presence across the whole of Switzerland. Valiant has total assets of CHF 25.8 billion and employs more than 900 staff.

Valiant calendar

15 February 2017

3 May 2017

18 May 2017

10 August 2017

FY 2016 results media and analysts conference

Q1 2017 results

Annual General Meeting of Valiant Holding AG in Lucerne

H1 2017 results