

MEDIA RELEASE

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Valartis Group opens a bank subsidiary in Lugano and optimises its organisational structure

Valartis Group is taking the next important step in the development of its "Private Banking Plus" strategy by opening a subsidiary of Valartis Bank AG, Switzerland, in Lugano and by further optimising its organisational structures to ensure good corporate governance. Initiated in 2008, the "Private Banking Plus" strategy focuses business activities on wealth management for wealthy private clients and institutional investors.

Closer to clients due to a third location in Switzerland

Based on the current changes in the Swiss banking environment, Valartis Group was able to strengthen its private banking teams in Zurich and Geneva during the last months by hiring additional experienced client advisors and to broaden the client base in its core markets. With the appointment of Vincenzo Di Pierri, an Italian-Swiss dual citizen, as CEO of Valartis Bank AG in Switzerland, the Italian market has grown in importance. In order to keep pace with the expected growth of Italian client assets under management and ensure the best possible service to its clients, Valartis Bank AG has decided to establish a bank subsidiary in the Italian speaking part of Switzerland. As of November, a small private banking team will personally take care of the financial needs of this sophisticated clientele.

Further measures introduced to optimise organisation

Alongside the targeted client acquisition, the Valartis Group has also put in place further measures to optimise its organisation in order to meet the increasing regulatory challenges in international private banking more efficiently and more effectively and to use the synergy potential within the Valartis Group more systematically. One example is the gradual introduction of a group-wide matrix organisation for finance, risk management, and compliance.

In the course of the group-wide optimisation of organisational structures and processes, Ernst Traun, long-standing CEO of Valartis Bank (Austria) AG, has decided to step back from his position in Vienna and from his role in Group Executive Management at the end of October in order to once again dedicate his efforts to client business and front office activity. As a General Representative, he will continue to make a valuable contribution to the expansion of the Group-wide private banking business and help to drive forward the exploitation of Group synergies in global marketing. The Managing Board of Valartis Bank (Austria) AG will then consist of the two other current members Monika Jung and Andrew Hartnett. For the time being, Monika Jung will take on the role of Spokeswoman for the Managing Board.

As of 1 November 2012, Valartis Group Executive Management will be reduced from five to four members. For the time being, it will consist of: Gustav Stenbolt (Group CEO), George M. Isliker (Chief Financial Officer and Chief Risk Officer), Vincenzo Di Pierri (CEO of Valartis Bank AG, Switzerland) and Dr Andreas Insam (CEO of Valartis Bank (Liechtenstein) AG).

Additional measures decided upon to promote good corporate governance

In the past year, Valartis widened and strengthened its management at the Group level. In this respect, it was also decided to expand the Supervisory Board of the Austrian subsidiary from three to five members.

Furthermore, as reported in May, it was decided at the Valartis Group AG 2012 Shareholders' Meeting that the term of office served by the members of the Board of Directors should be lowered from three years to one year, subject to approval by the Swiss Financial Market Supervisory Authority (FINMA). This would better accommodate the international trends in contemporary corporate governance.

Accordingly, FINMA evaluated such a change to the Articles of Association. It concluded that, given the increasingly high demands made of Board members at Swiss private banks, the challenges of good corporate governance would be better met by the current term of office than by a one-year term. The reason for this is the relatively recent formation of the Board and the specific shareholder structure of Valartis Group AG. For this reason, Article 13 (1) of the Articles of Association will not be amended.

If you have any questions, please contact:

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Valartis Group – Private Banking Plus

Valartis Group is an internationally active banking and finance group with offices in Zurich, Geneva, Lugano, Vienna, Liechtenstein, Luxembourg, Moscow, and Singapore. The Group's holding company, Valartis Group AG, is domiciled in Baar, canton of Zug, and is listed on the Swiss stock exchange SIX Swiss Exchange.

Valartis Group focuses on the wealth management business for wealthy private clients and institutional investors: "Private Banking Plus". In addition to traditional wealth management and investment advisory, Valartis Group develops, manages and markets innovative niche investment products and provides specialised advisory and banking services within corporate and structured finance. The Group's core markets include Central and Eastern Europe, the Middle East and selected countries in North and South America as well as Asia.