2nd Edition of Vallstein Benchmark™

"IMF and BIS studies in 2012 also concluded a financial sector that is too big will hurt economy"

"It is a concern to see that the regulatory level playing for banks has been eroded in less than two years"

"The fundamental reengineering of banking towards simpler and more transparent products and lower risk and operating costs is yet to begin in earnest"

"Clients can apply their own Vallstein Benchmark™ to enforce discipline in financial sector"

Hoofddorp, 3. January 2013 – **Vallstein**, the leading provider of Bank Relationship Management (BRM) solutions, published the second edition of the Vallstein Benchmark™ to enhance Market Discipline in Financial Sector. The Vallstein Benchmark™ compares the sales size (annual gross revenues in relevant areas only) of the world´s largest banks to world GDP. The data used in the benchmark has been aggregated and analyzed on an ongoing basis since 2000. First made public in January 2012, Vallstein is now making results of the benchmark available to the public for the latest year.

"Since 2000 we have worked with this Vallstein Benchmark™ to enable our corporate clients to successfully impose a constructive discipline on a client-by-client basis to their individual banking relationships, creating a true win-win for client and bank alike", said **Hugo van Wijk, Founder and CEO of Vallstein. "**In January 2012 we published the Vallstein Benchmark™ for the banking sector as a whole for the first time. We concluded back then that the banking sector should be considered out of balance with the real economy. We have now released the results for the latest year. With a Vallstein Benchmark 7.3% the financial section still represents too large a portion of the real economy. The only positive point perhaps is that the Vallstein Benchmark™ is virtually unchanged compared to previous year and that the year-on-year increase since 2007 seems to have stopped."

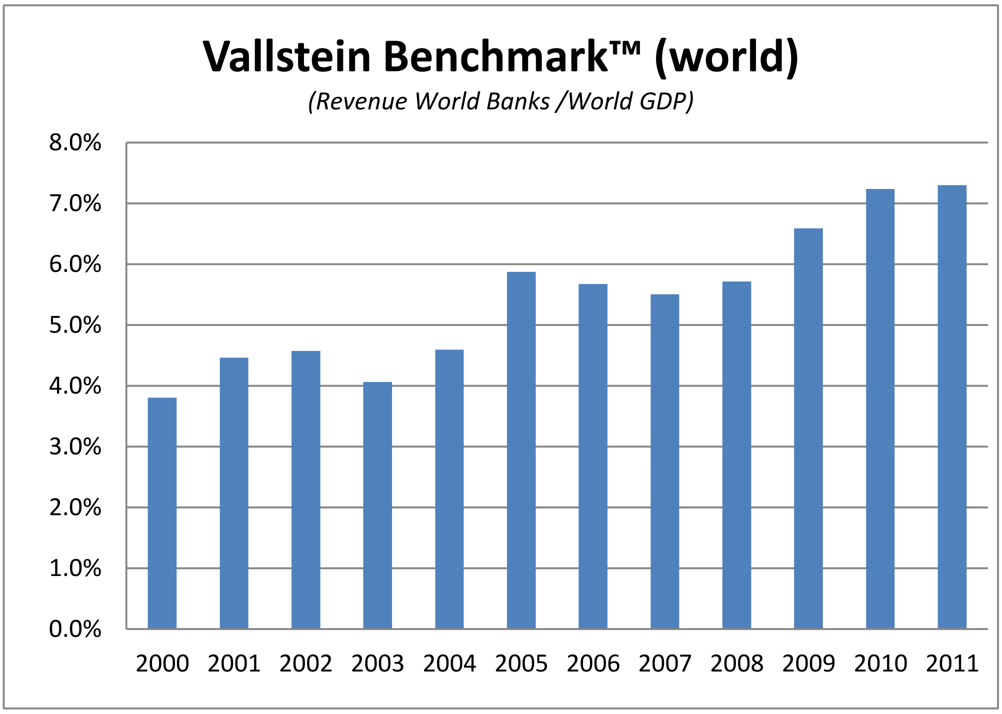
In June and July 2012 the IMF and the Bank for International Settlements both published studies confirming Vallstein´s initial observations of January 2012 that a financial sector that is too big has a negative impact on the economy.

In the past a high ratio of the financial sector to a nation´s GDP was regarded as positive as it was taken as a sign that the financial industry of this country was an important source of employment and economic growth. According to Hugo van Wijk, this isolated in-country view obviously fails to assess the broader picture which for the period under review continues to be disturbing.

He outlined: "At the aggregate level for the banking sector, there is every indication that a Vallstein Benchmark™ below 4% is healthy, and above that a dangerous imbalances exist. The imbalances result from too much of one product, too much unnecessary products and/or excessive pricing, all of which are perhaps good for an individual bank in the short run but ultimately bad for the real economy."

In an article about the IMF and BIS reports in the Dutch financial newspaper, Het Financieele Dagblad, on December 28, 2012 it was likewise concluded that if more than 3.5% of the labor force is employed in the financial sector this may negatively impact on economic growth since i.a. such resources would be better employed elsewhere in the economy where talent is scarce.

From 2000 to 2011, the Vallstein Benchmark™ rose from 3.9% to close to 7.3% in 2011 – almost more a doubling of the share of the world banking sector in World GDP.



"The additional attention by both the IMF and BIS for the optimal size of financial sector compared to GDP is surely a positive point of 2012 and provides welcome underpinning. However, the fundamental adjustment of the banking sector that is required to address the imbalances was in 2012 not always helped by proposed further new regulation but perhaps rather the opposite. The past 20 years saw a steady movement towards somewhat a level playing field. It is a concern to see that that has been eroded in less than two years as national governments and various international standard setting bodies often proposed their own rules on top off, or as amendments to Basel III. For example, just on something which should be highly controversial in itself anyway, namely separating certain banking activities from each other, the US (Volcker), the UK (Vickers) and the EU (Liikanen) have proposed fundamentally different approaches", observed Hugo van Wijk.

"Seeing the level playing field being eroded obviously does make it even more challenging for banks to optimize their businesses as they already struggle with new solvency rules. Having said that, it is all the same also true that banks so far have squarely passed on the additional costs of new regulations to clients, who pay higher pricing and to shareholders, who are promised lower returns, but that operating costs of banks themselves in absolute terms have not really decreased at all. In that sense banks still must make their equal contribution. This in turn may provide room for reduction in pricing, and thus a reduction in Vallstein Benchmark™. The fundamental reengineering of banking towards simpler and more transparent products and lower risk and operating costs is yet to begin in earnest", concluded Hugo van Wijk.

The latest Vallstein Benchmark™ has been previewed in Het Financieele Dagblad, a Dutch financial newspaper in December 2012, and will continue to be published at regular intervals by Vallstein in future.

Information for editors:

All quotes in the header, sub-header and body of this release are attributable to Hugo van Wijk, CEO and Founder of Vallstein.

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Information about Vallstein
Vallstein is the leading provider of Bank Relationship Management (BRM) solutions. The company was founded in the year 2000 following a vision to create a breakthrough in the way corporations manage a core component of their business, the banking business. Core to Vallstein's solutions is the WalletSizing® concept, which provides a fundamental innovation in BRM. Delivered as software on demand (SaaS), Vallstein´s solutions empower large and medium sized companies to gain full insight, control and compliance to their banking business, resulting in an information lead and significantly improved conditions. www.vallstein.com