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VZ Group

1H 2012

Results and Outlook

Zurich, 16 August 2012

Disclaimer



Forward-looking statements

This presentation contains forward-looking statements that involve known and unknown risks, uncertainties or other factors that may cause the actual results to be materially different from any future results, performance, or achievements expressed or implied by such statements. Against the background of these uncertainties, readers should not rely on such forward-looking statements. The company assumes no responsibility to up-date forward-looking statements or to adapt them to future events or developments.

Content



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Summary 1H 2012



Economic environment/ milestones

- Persistently high market volatility due to debt crisis, clients still reluctant to take investment decisions
- Unchanged demand
 - more initial meetings
 - consistent number of consultancy projects
- Consulting capacities at 79 FTE (2011: 67 FTE)
- New branch offices planned for 2013
- www.vzfinanzportal.ch:
 - additional services launched
 - userfriendly redesign
 - positive response also with client segment <50 years

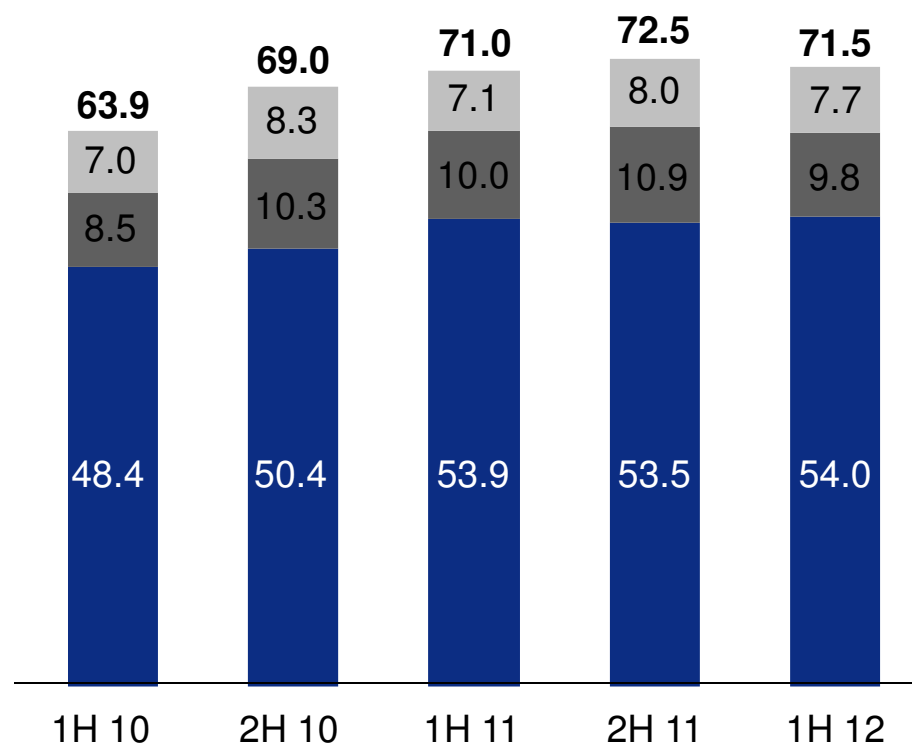
Financials

- Top line +0.7% to CHF 71.5 million
 - consulting fees +9.3%
 - management fees +0.2%
 - banking revenues -2.4%
- Operating expenses +5.5%
(forecast 2012: +10%)
- EBITDA margin 42.8% (2011: 46.0%)
- Bottom line -5.1% to CHF 23.8 million
- Solid balance sheet
 - equity ratio: 19.5%
 - BIS Tier I & II: 25.2%



Revenues: lower growth in 2011 affects 1H12

in CHF million



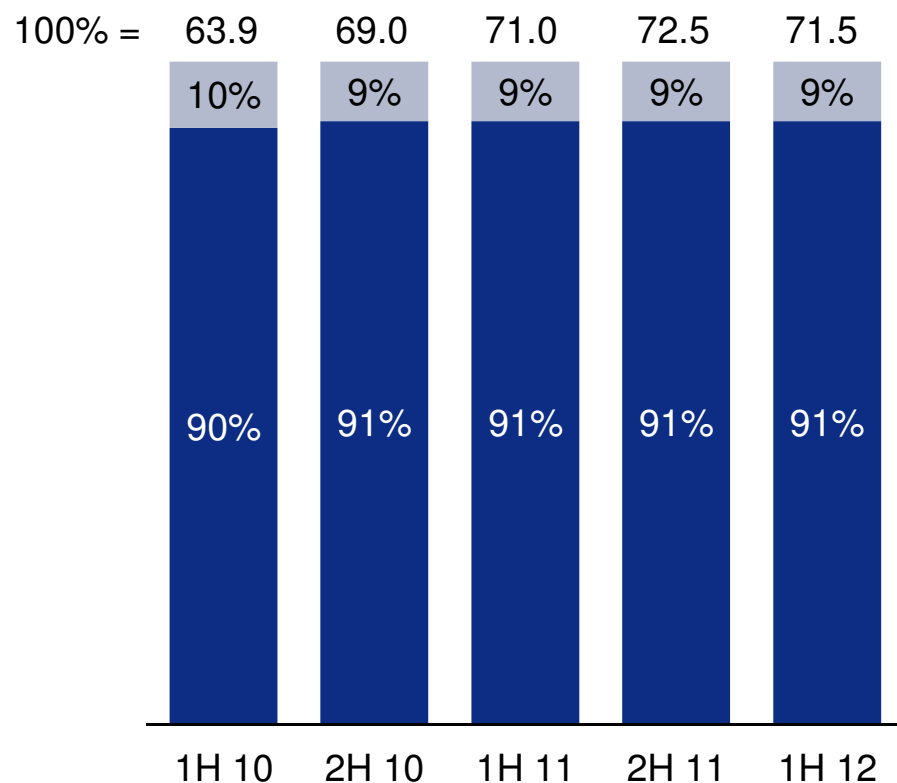
- Consulting fees and other revenues
- Banking revenues
- Management fees

- Overall +0.7% yoy
- Consulting fees +9.3% yoy
 - increased capacity
 - stable number but more comprehensive projects
- Management fees +0.2% yoy
 - AuM +8.5% (average value)
 - premiums under management -0.4%
 - no performance fees in 1H12
- Banking revenues -2.4% yoy
 - increased number of clients
 - persistently low interest margin
 - less client activity



Revenues: 91% from private client segment

in CHF million



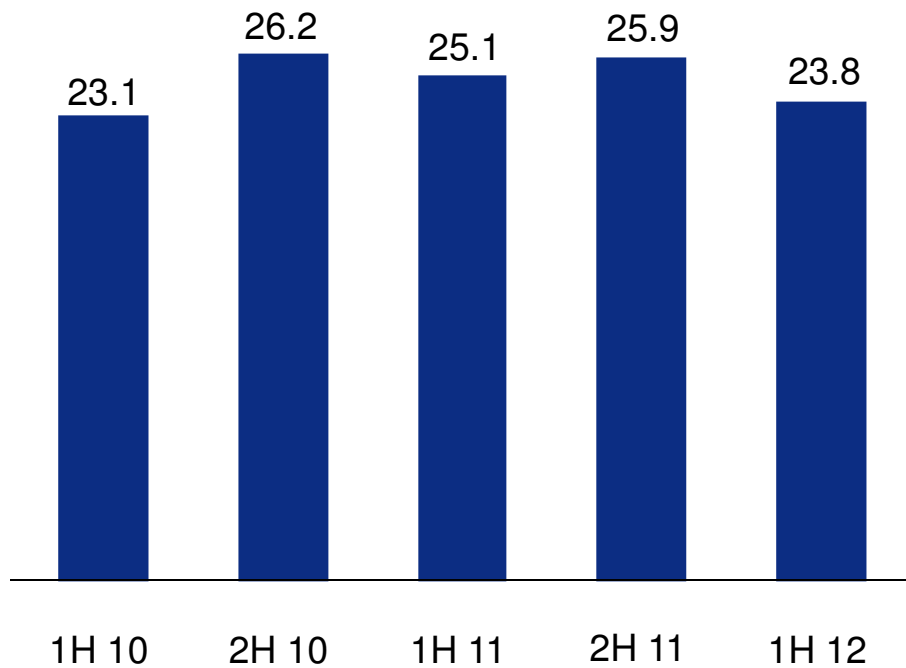
- Corporate client segment
- Private client segment

- Corporate client segment's share at 9%
 - private client segment +0.2% yoy
 - corporate client segment +5.3% yoy
- Banking revenues reported in private client segment

Net profit: challenging environment weighs on margin



in CHF million



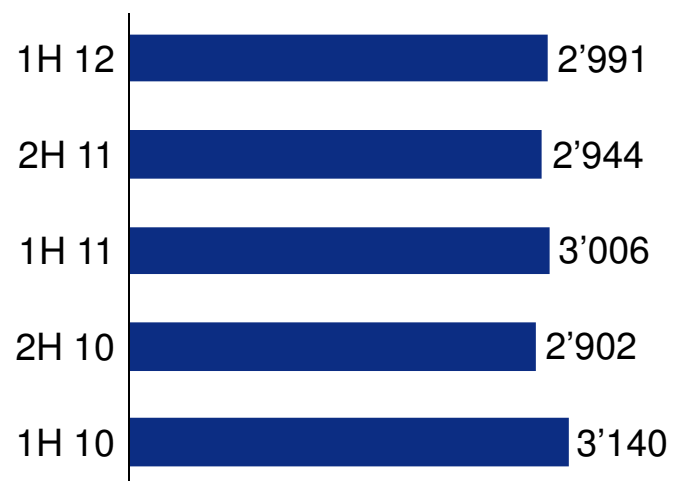
- Operating margin (EBITDA) at 42.8% from 45.5% yoy
 - revenues +0.7% yoy
 - operating expenses +5.5% yoy
- Net profit -5.1% yoy
- Net profit margin at 33.3% from 35.3% yoy



Private client segment: more clients

Financial consulting (FC)

of consultancy projects



- initial meetings +10.9% yoy
- consultancy projects -0.5% yoy
- consulting fees +8.7% yoy

Wealth management (WM)

in CHF million

| | 30.6.10 | 31.12.10 | 30.6.11 | 31.12.11 | 30.6.12 |
|-------------------------------|---------|----------|---------|----------|---------|
| AuM total | 7'205 | 7'758 | 8'117 | 8'432 | 9'149 |
| - PM mandates | 5'097 | 5'413 | 5'585 | 5'595 | 6'000 |
| - Other* | 2'108 | 2'344 | 2'532 | 2'837 | 3'149 |
| NNM total (6 months)** | 595 | 590 | 528 | 461 | 597 |
| Number of WM clients total | 11'797 | 12'612 | 13'734 | 14'785 | 15'531 |

* Incl. mortgages under management and portfolios under client management

** Net new money for the 6 months preceding the reporting date

Private client segment: consulting capacity as main driver



Capacity growth

Full-time equivalents (FTE) with client and budget responsibility (yearly average)

| | 2010 | 2011 | 2012 | 2015e |
|-----------------------------|------|------|------|-------|
| Financial consulting | 60.0 | 67.0 | 79.0 | 120 |
| Wealth management | 34.9 | 36.0 | 38.0 | |

Performance per financial consultant

NNM per financial consultant (FTE)

| | 2009 | 2010 | 2011 | 1H12 |
|--|-----------|-----------|-----------|----------------------|
| | 17.9 mio. | 19.9 mio. | 14.8 mio. | 15.1 mio. annualised |

▶ Long-term target corridor: 17-20 mio. per FTE

Branch offices

Switzerland



- branch offices
- ▲ satellites

Germany



VZ Financial Portal: tapping into new demographic



VZ Finanzportal

Home Über uns Kontakt | Français Anmelden

Kurse & Märkte Anlegen Säule 3a Sparen Hypotheken Wissen

Top 10 Aktien Schweiz:
Investieren Sie in die jeweils zehnten besten Schweizer Aktien

August 2012

Mehrendite der zehnten besten Schweizer Aktien zum SMI seit 2002 **+ 38.16 %**

→ Mehr erfahren

| | |
|--------------------------------|---------------------------------|
| Bachem AG LOW RISK ★★ | Geberit AG MEDIUM RISK ★★★ |
| Tecan Group AG LOW RISK ★★★ | Dufry AG MEDIUM RISK ★★★ |
| Syngenta LOW RISK ★★★ | Nestlé N LOW RISK ★★★★★ |
| Roche GS LOW RISK ★★★★★ | EMS-Chemie AG LOW RISK ★★★★★ |
| Publigrup AG LOW RISK ★★ | Orior N LOW RISK ★★★ |

Aktuelle Meldungen

25.07.2012
Deutschland: Konjunkturelle Abkühlung hält an

25.07.2012
Lagebeurteilung von Rolf Biland, Chief Investment Officer beim VZ

Newsletter abonnieren

Video

Überzeugen Sie sich von den Vorteilen der Säule 3a beim VZ.

Video starten

Kontakt

Kontaktieren Sie uns, wir beraten Sie gern.
Tel. 044 207 28 28 (8 bis 18 Uhr)

Zum Kontaktformular

Säule 3a

Investieren Sie Ihr Säule-3a-Guthaben in die besten ETF.

Hypotheken

Sparen Sie Zinsen mit einer VZ Online-Hypothek.

Anlegen

Anlegen mit ETF: Für kostenbewussteste Investoren.

- Existing in 2011
 - 3rd pillar platform
 - saving and investing with ETF
 - real-time data/news on financial markets
- New in 2012
 - redesign
 - online mortgage
 - Top 10 Swiss stocks based on «the screener»
- Next steps
 - more rule based investment solutions
 - personal mortgage administration tool
 - insurances for private clients
 - additional features (e.g. info & analysis tools) and interactivity
 - «VZ Financial Lounge»: client training and education for online services, pilot lounge in Zurich

Content



1. Facts & figures

▶ 2. Financials

3. Outlook



Income statements – unaudited (1)

| in CHF million* | 1H 10 | | 2H 10 | | 1H 11 | | 2H 11 | | 1H 12 | yoy 1H 12 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|-------|--|-------|--------------|
| Consulting fees | 6.8 | 8.0 | 6.9 | 7.7 | 7.5 | +9.3% | | | | |
| Management fees | 48.4 | 50.4 | 53.9 | 53.5 | 54.0 | +0.2% | | | | |
| Banking revenues | 8.5 | 10.3 | 10.0 | 10.9 | 9.8 | -2.4% | | | | |
| Other operating revenues | 0.2 | 0.3 | 0.2 | 0.3 | 0.2 | – | | | | |
| Total operating revenues | 63.9 | 69.0 | 71.0 | 72.5 | 71.5 | +0.7% | | | | |
| Personnel expenses | 24.9 | 26.6 | 28.6 | 29.3 | 30.5 | +6.5% | | | | |
| Other operating expenses | 9.0 | 8.6 | 10.1 | 9.5 | 10.4 | +2.8% | | | | |
| Total operating expenses | 33.9 | 35.2 | 38.7 | 38.8 | 40.9 | +5.5% | | | | |
| EBITDA | 30.0 | 33.7 | 32.3 | 33.7 | 30.6 | -5.1% | | | | |

* numbers may differ slightly from the published income statements due to rounding differences



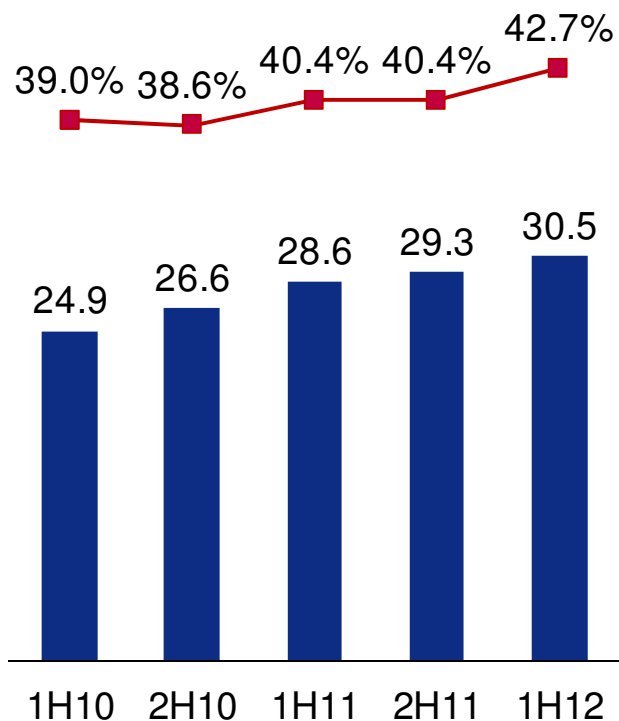
Income statements – unaudited (2)

| in CHF million* | 1H 10 | 2H 10 | 1H 11 | 2H 11 | 1H 12 | yoy 1H 12 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| EBITDA | 30.0 | 33.7 | 32.3 | 33.7 | 30.6 | -5.1% |
| Depreciation and amortisation | 1.2 | 1.2 | 1.4 | 1.5 | 1.7 | +20.2% |
| EBIT | 28.9 | 32.5 | 30.9 | 32.2 | 28.9 | -6.3% |
| Net finance income | -0.3 | 0.0 | -0.1 | +0.1 | +0.1 | – |
| Profit before income tax | 28.6 | 32.4 | 30.8 | 32.3 | 29.0 | -5.7% |
| Income tax | 5.4 | 6.2 | 5.7 | 6.4 | 5.2 | -8.4% |
| Net profit | 23.1 | 26.2 | 25.1 | 25.9 | 23.8 | -5.1% |

* numbers may differ slightly from the published income statements due to rounding differences

Personnel expenses

in CHF million*



- Personnel expenses
- Personnel expense ratio (personnel expenses / revenues)

- +6.5% yoy
- Personnel development

| | 30.06.11 | 31.12.11 | 30.06.12 |
|-------|----------|----------|----------|
| HC** | 522 | 542 | 555 |
| FTE** | 457.5 | 481.4 | 490.0 |

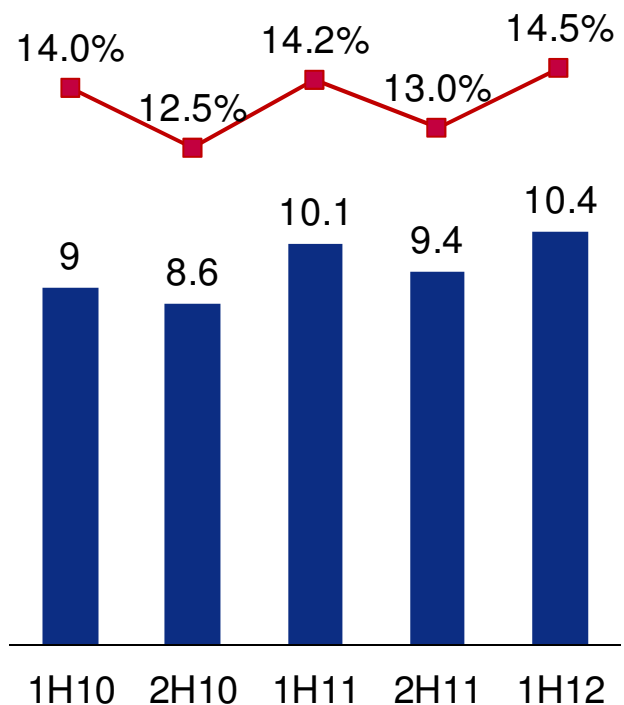
- since 30.06.11: + 32.5 FTE
- since 31.12.11: + 8.6 FTE

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** HC: Headcount, FTE: Full time equivalent

Other operating expenses

in CHF million*



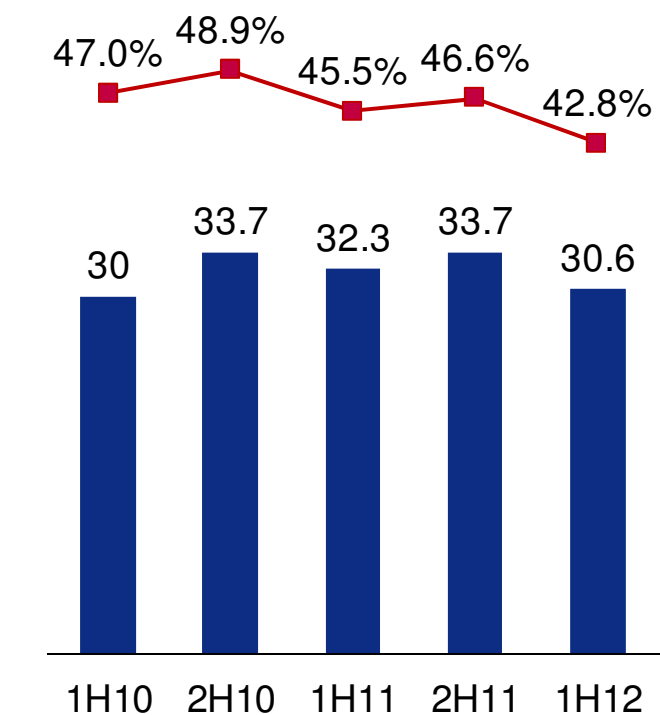
- +2.8% yoy
- increased capacity
- new branch offices opened in 2011
- investments in online platform

- Other operating expenses
- Other operating expense ratio (other operating expenses / revenues)

* numbers may differ slightly from the published income statements due to rounding differences

EBITDA and margin

in CHF million*



- EBITDA
- EBITDA margin (EBITDA / revenues)

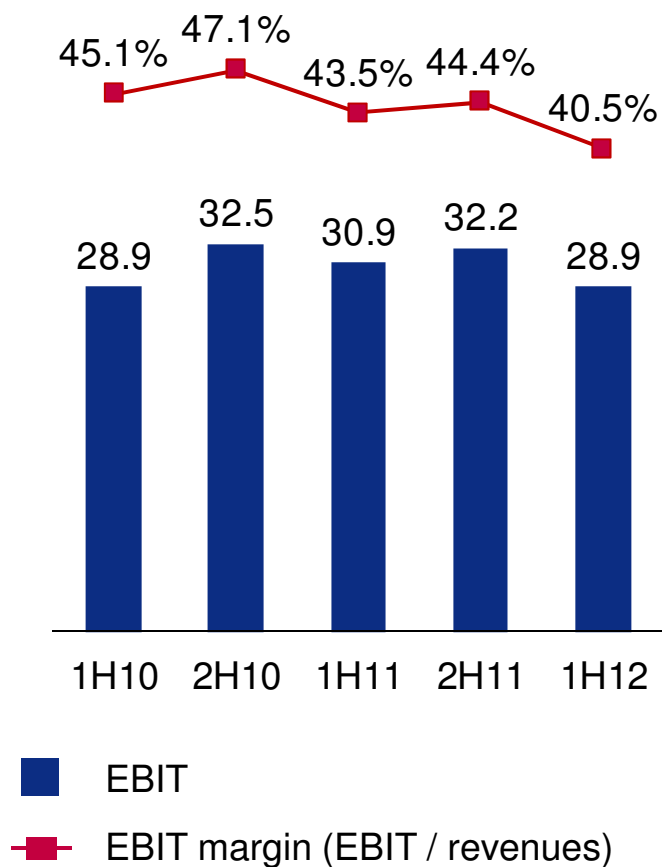
- EBITDA –5.1% yoy
- EBITDA margin at 42.8%
- Long-term target at 45%

* numbers may differ slightly from the published income statements due to rounding differences



EBIT and margin

in CHF million*



- EBIT -6.3% yoy
- EBIT margin at 40.5%
- Long-term target at 43%

* numbers may differ slightly from the published income statements due to rounding differences



Balance sheets

| in CHF million* | 30.6.11 | 31.12.11 | 30.6.12 |
|---------------------------------------|--------------|----------------|----------------|
| Cash & cash equivalents | 325.2 | 361.2 | 235.8 |
| Short-term investments | 109.0 | 219.8 | 275.4 |
| Swiss prime residential mortgages | 331.9 | 347.3 | 381.1 |
| CHF bonds, marketable securities | 98.0 | 90.6 | 100.5 |
| Subtotal financial investments | 864.1 | 1'018.9 | 992.8 |
| Property, equipment and intangibles | 8.0 | 8.4 | 8.7 |
| Other assets | 37.1 | 31.2 | 38.1 |
| Total assets | 909.2 | 1'058.5 | 1'039.6 |
| Customer deposits | 696.4 | 835.6 | 812.2 |
| Other liabilities | 36.2 | 22.2 | 24.4 |
| Total liabilities | 732.6 | 857.8 | 836.6 |
| Total equity | 176.6 | 200.7 | 203.0 |

- Financial investments:
 - low risk profile
 - average time to maturity of 1.4 years (31.12.11 : 1.2 years)
- Net cash position of CHF 176 m whereof CHF 108 m vested with VZ Depository Bank
- Excellent equity ratio: Key to enable future growth

* numbers may differ slightly from the published balance sheets due to rounding differences



Equity & payout ratios

| Payout ratios | 2009 | 2010 | 2011 | Equity ratios | 30.06.10 | 30.06.11 | 30.06.12 |
|---------------------------|-------------|-------------|-------------|----------------------------------|-----------------|-----------------|-----------------|
| in CHF million | | | | | | | |
| Net profit | 37.6 | 49.3 | 51.0 | Total equity (in CHF million) | 133.3 | 176.6 | 203.0 |
| Retained earnings | 24.2 | 31.2 | 32.1 | Equity ratio | 14.1% | 19.4 % | 19.5% |
| Dividend total | 13.4 | 18.1 | 18.9 | BIS Tier I | 19.2% | 24.6 % | 25.2% |
| <i>Dividend per share</i> | <i>1.70</i> | <i>2.30</i> | <i>2.40</i> | BIS Tier II | 19.2% | 24.6 % | 25.2% |
| Payout ratios | 36% | 37% | 38% | | | | |

| Treasury shares | 30.06.11 | 31.12.11 | 30.06.12 |
|--------------------------------|-----------------|-----------------|-----------------|
| Number (in '000) | 119 | 152 | 162 |
| Book value (in CHF million) | 7.6 | 10.9 | 14.3 |

Content



1. Facts & figures

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▶ 3. Outlook



- Well positioned in current market environment
 - no cross-border business
 - no conflict of interests with own financial products
- Business development on track
 - strong market response on consulting topics
 - successful launch of online services
 - increase of consulting capacities as targeted (2015: 120 FTE)
- Financials: more promising 2H12
 - higher AuM
 - large client pipeline
 - expected profit 2012 on previous year level
 - return to long-term growth target (+15% top line) realistic for 2013