



VZ Group

2013

Results and Outlook

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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.

Agenda



- ▶ 1. Facts & figures
- 2. Financials
- 3. Outlook

Business development

- Continued growth
 - improved environment
 - more clients across the board
 - no legacy problems
- Capacity increase on track
 - consulting FTEs +13.9% to 90 FTEs (avg. 2013)
 - mid-term target of 120 FTEs by the end of 2015 realistic
- NNM inflow CHF 19.3 million per FTE (target range: CHF 17-20 million)
- Strong demand for rule-based portfolio management mandates
- Further development of VZ financial portal
 - broader services in Switzerland
 - launch in Germany in December 2013
 - pilot financial portal lounge in Zurich successful, additional lounges planned

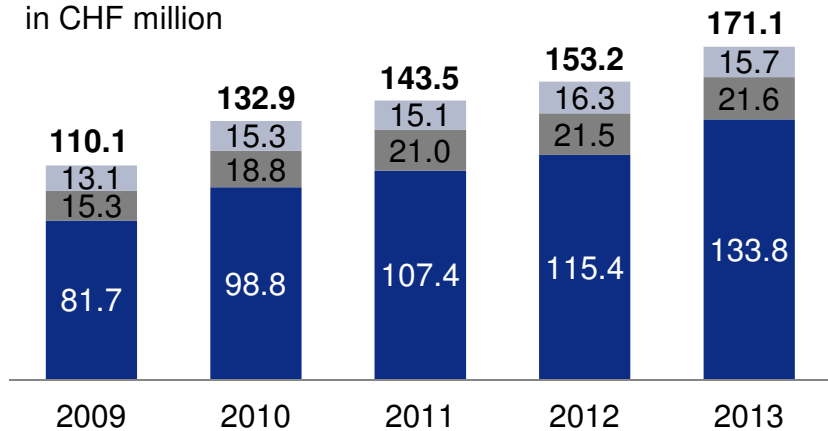
Financials

- Top line +11.7% to CHF 171.1 million
 - management fees +15.8%
 - banking revenues +0.7%
 - consulting fees –3.1%
- Costs +13.3% to CHF 94.4 million
 - personnel expenses +11.9%
 - other operating expenses +17.3%
- EBITDA margin: 44.9% (2012: 45.6%)
- Bottom line +10.6% to CHF 60.0 million
- Strong equity ratios
 - leverage ratio: 19.0%
 - BIS ratios: 28.9%
- Funds under management (31.12.2013)
 - AuM: CHF 12'114 million (31.12.2012: CHF 10'082 million)
 - insurance premium: CHF 289 million p.a. (31.12.2012: CHF 280 million)

Revenues: management fees drive growth

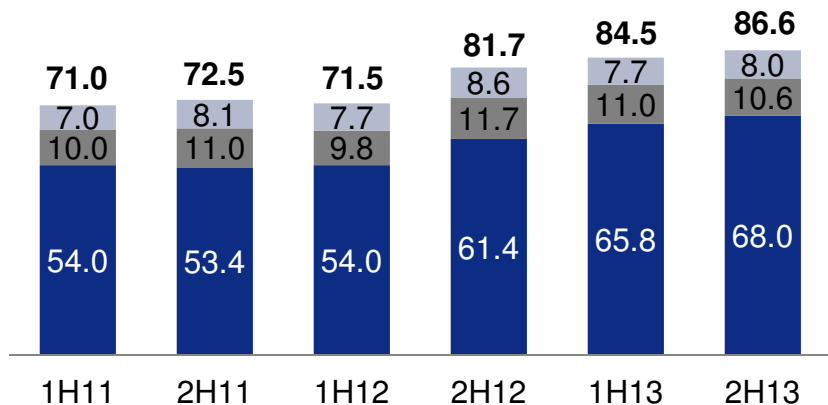
Full years

in CHF million



Half years

in CHF million

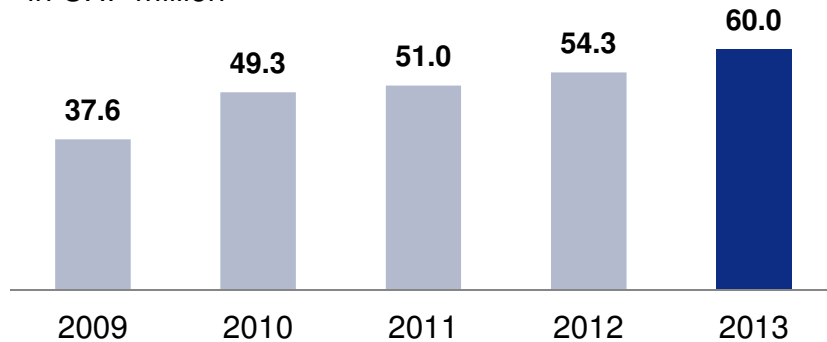


- Total revenues +11.7%
 - 1H13: +18.2% yoy
 - 2H13: +6.1% yoy
- Management fees +15.8%
 - 1H13: +21.7% yoy
 - 2H13: +10.7% yoy
- Banking revenues +0.7%
 - more clients on banking platform
 - persistently low interest margin
 - unchanged transaction commissions due to all-in-fee schemes
- Consulting fees –3.1%
 - slight shift in the mix of consultancy topics towards investment issues
 - as a consequence, direct introduction to wealth management services becomes more frequent

Net profit: margin in line with long-term target

Full years

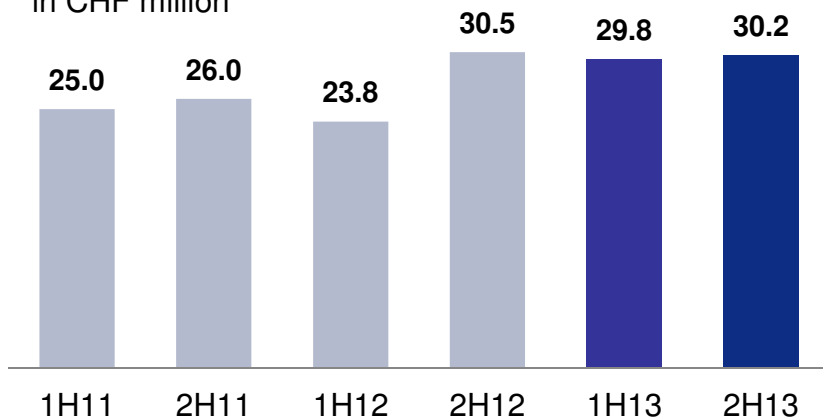
in CHF million



- Net profit +10.6%
 - 1H13: +25.2% yoy
 - 2H13: -0.9% yoy
- Net profit margin 35.1% vs. 35.4% in 2012 (long-term target: 35%)

Half years

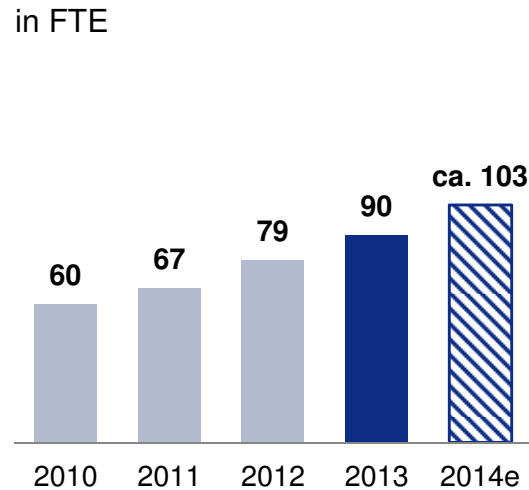
in CHF million





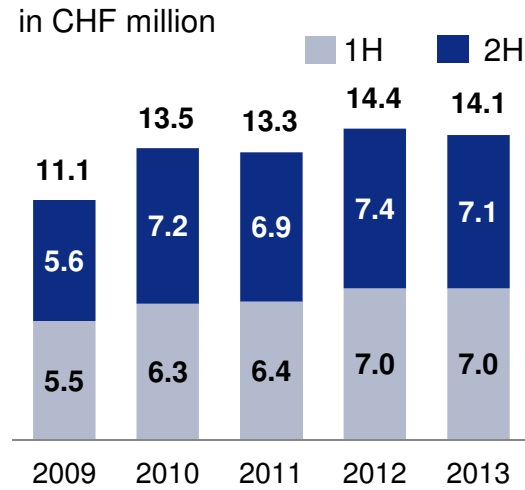
Financial Consulting: strong NNM inflow

Capacity growth



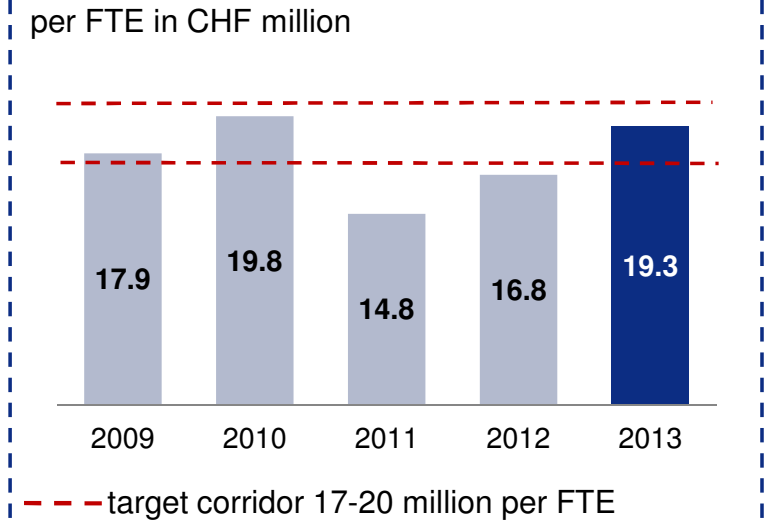
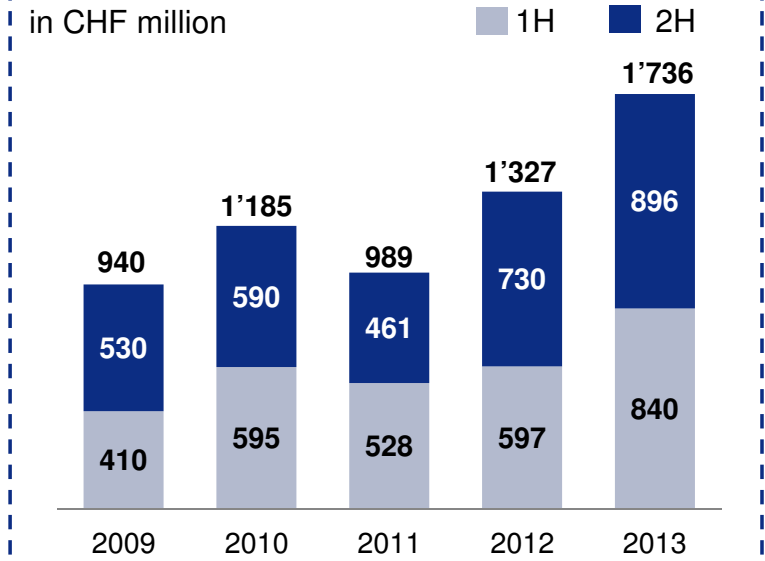
- Full-time equivalents (FTE) with client and budget responsibility (average per calendar year)
- Wealth managers not included

Consulting revenues



- Consulting projects enable introduction to wealth management services
- Initial meetings +10%

Net new money (NNM)





Wealth Management: AuM +20%

in CHF million

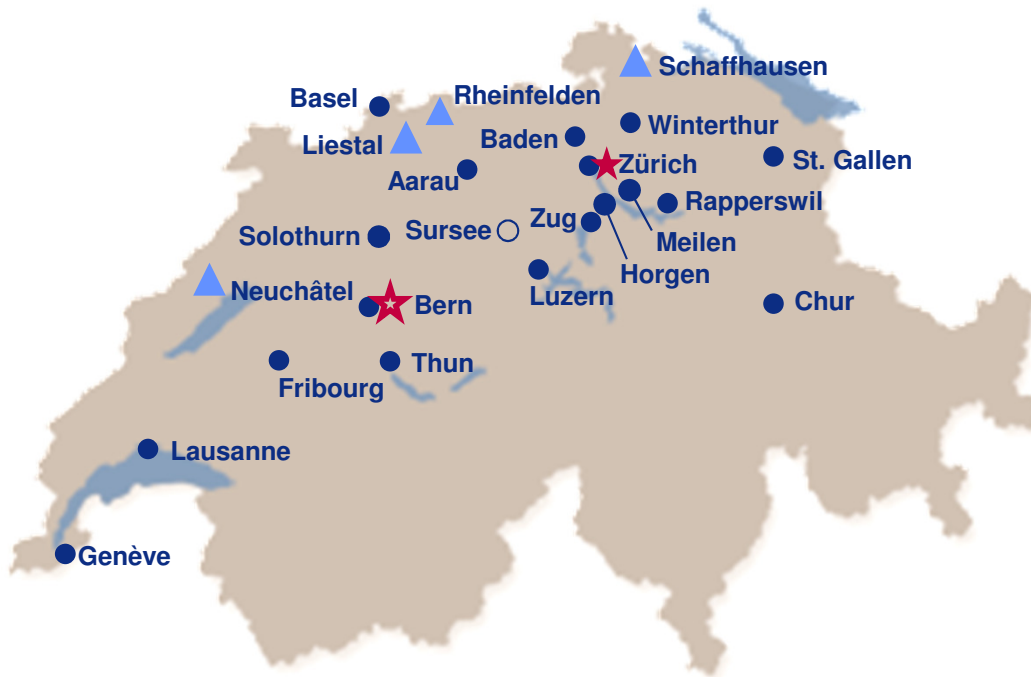
	31.12.09	31.12.10	31.12.11	31.12.12	31.12.13	△	yoy
AuM total	6'717	7'758	8'432	10'082	12'114	+2'032	+20.2%
- PM mandates	4'752	5'413	5'595	6'531	7'813	+1'282	+19.6%
<i>Share of total AuM</i>	70.7%	69.8%	66.4%	64.8%	64.5%		
- Others*	1'965	2'344	2'837	3'551	4'301	+750	+21.1%
<i>Share of total AuM</i>	29.3%	30.2%	33.6%	35.2%	35.5%		
NNM total	940	1'185	989	1'327	1'736	+409	+30.8%
Wealth management clients	10'801	12'612	14'785	16'991	19'949	+2'958	+17.4%
VZ financial portal clients**	-	498	1'817	4'124	6'759	+2'635	+63.9%

* Incl. mortgages under management and portfolios under client management

** Double counts may occur (WM clients/VZ financial portal clients)

Branch office network

Switzerland



- branches
- new branch in 2014
- ▲ satellites
- ★ VZ financial portal lounge
- ★ new VZ financial portal lounge in 2014

Germany



Agenda



1. Facts & figures

▶ 2. Financials

3. Outlook



Income statements (1)

in CHF million*

	2010	2011	2012	2013	yoy
Consulting fees	14.8	14.6	15.7	15.2	-3.1%
Banking revenues	18.8	21.0	21.5	21.6	+0.7%
Management fees	98.8	107.4	115.5	133.8	+15.8%
Other operating revenues	0.5	0.5	0.5	0.5	-
Total operating revenues	132.9	143.5	153.2	171.1	+11.7%
Personnel expenses	51.6	57.9	62.2	69.6	+11.9%
Other operating expenses	17.6	19.6	21.2	24.8	+17.3%
Total operating expenses	69.2	77.5	83.4	94.4	+13.3%
EBITDA	63.7	66.0	69.8	76.7	+9.9%

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



Income statements (2)

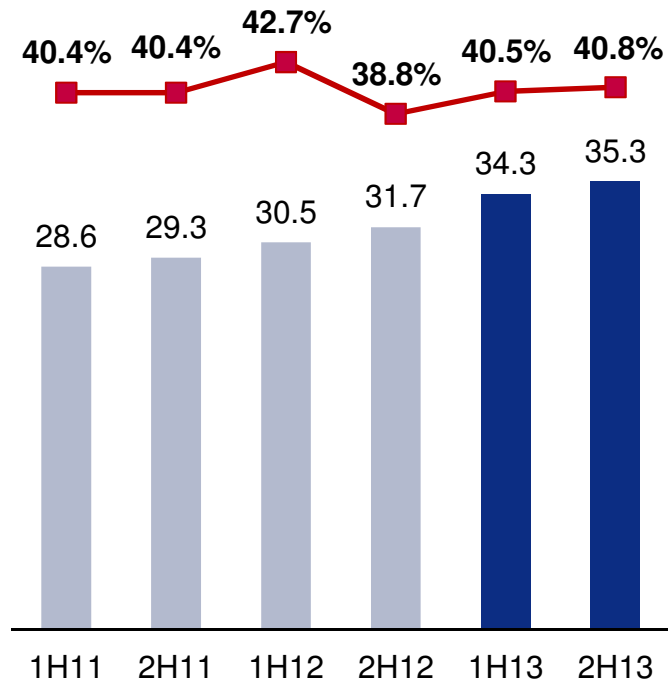
in CHF million*

	2010	2011	2012	2013	yoy
EBITDA	63.7	66.0	69.8	76.7	+9.9%
Depreciation and amortisation	2.3	2.9	3.3	4.0	+20.3%
EBIT	61.4	63.1	66.5	72.7	+9.4%
Net finance income	-0.4	0.0	0.3	0.2	-
Profit before income tax	61.0	6.1	66.8	72.9	+9.1%
Income tax	11.7	12.1	12.5	12.9	+2.6%
Net profit	49.3	51.0	54.3	60.0	+10.6%

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

Personnel expenses

in CHF million*



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

- +11.9% yoy

- Personnel development

	31.12.11	31.12.12	31.12.13
HC**	542	603	674
FTE**	481.4	529.8	586.0

- 1H13: +17.3 FTE

- 2H13: +38.9 FTE

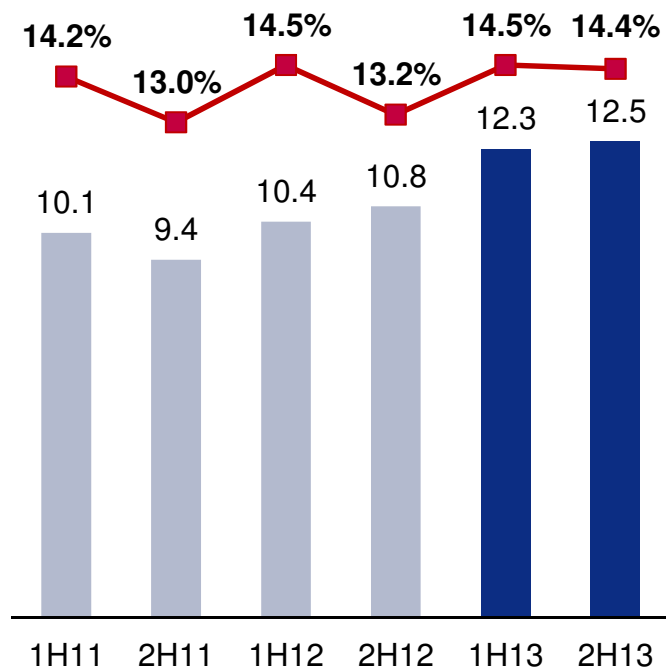
- Personnel expense ratio stable at around 40%

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** HC: Headcount, FTE: Full-time equivalent

Other operating expenses

in CHF million*



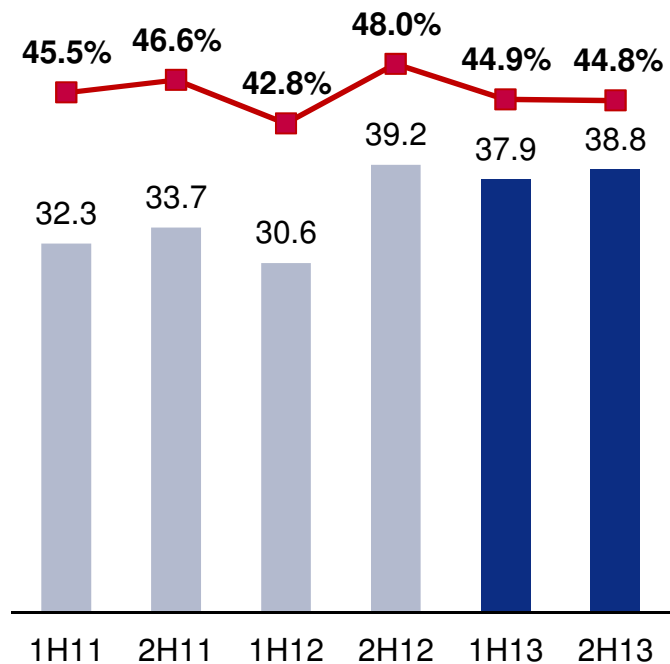
- +17.3% yoy
 - increased capacity
 - new branch offices
 - investments in online platform
- Other operating expense ratio stable at around 13% to 15%

- 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*



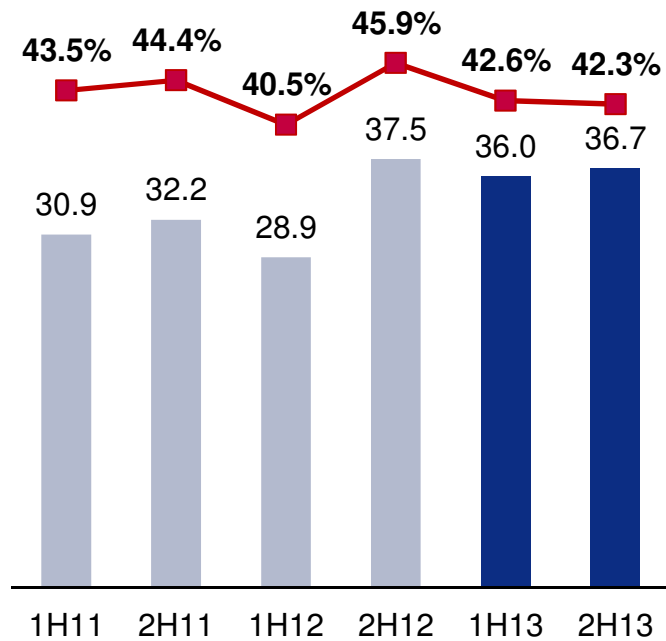
- EBITDA +9.9% yoy
 - 1H13: +23.9% yoy
 - 2H13: –1.1% yoy
- Margin in line with long-term expectation (45%)

■ EBITDA
 ■ EBITDA margin (EBITDA/revenues)

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

EBIT and margin

in CHF million*



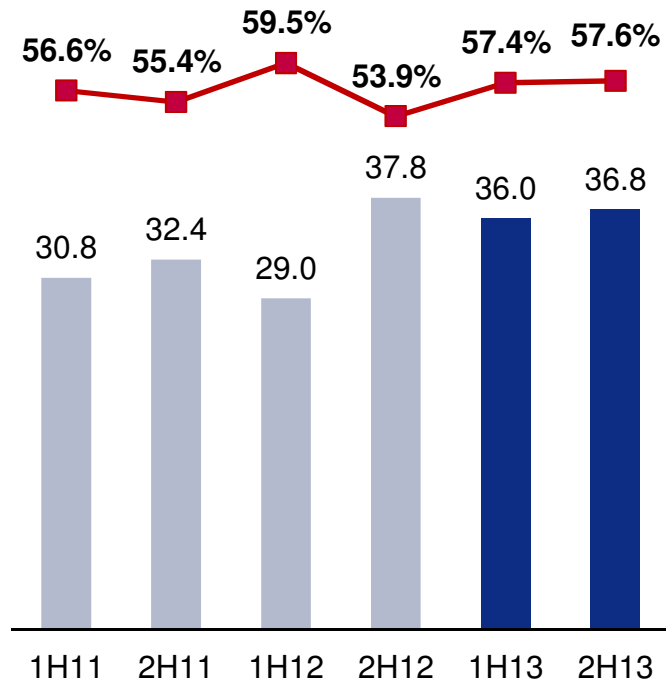
- EBIT
- EBIT margin (EBIT/revenues)

- EBIT +9.4%
 - 1H13: +24.4% yoy
 - 2H13: –2.3% yoy
- Margin in line with long-term expectation (43%)

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

Profit before income taxes, C/I ratio

in CHF million*



- Cost/income ratio according to financial industry standards (IFRS)
- Long-term target 56%

- Profit before income taxes
- cost/income ratio (expenses + depreciation and amortisation/revenues + net finance income)

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



Balance sheets

in CHF million*

	31.12.12**	31.12.13
Cash & cash equivalents	233.2	410.3
Short-term investments	219.2	287.9
Swiss prime residential mortgages	401.7	546.0
CHF bonds, marketable securities	143.5	166.0
Subtotal financial investments	997.6	1'410.2
Property, equipment and intangibles	9.1	12.7
Other assets	31.7	38.0
Total assets	1'038.4	1'460.9
Customer deposits	752.6	1'080.4
Other liabilities	52.2	102.5
Total liabilities	804.8	1'183.0
Total equity	233.6	278.0

- Balance sheet growth due to high customer deposits inflow
- Financial investments:
 - low risk profile
 - average time to maturity 1.5 years as at 31.12.13 (previous year: 1.6 years)
- Net cash position of CHF 255m whereof CHF 176m vested with VZ Depository Bank

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

** restatement due to the retrospective application of the amended IAS 19 – Employee Benefits.



Equity & payout ratios

Payout ratios	2011	2012	2013	Equity ratios	31.12.11*	31.12.12*	31.12.13
in CHF million							
Net profit	51.0	54.3	60.0	Total equity (in CHF million)	201.2	233.6	278.0
Retained earnings	32.1	33.5	36.3	Leverage ratio	19.0%	22.5%	19.0%
Dividend total	18.9	20.8	23.7 ^{1,2}	BIS ratios:			
<i>Dividend per share</i>	<i>2.40</i>	<i>2.65</i>	<i>3.00¹</i>	CET 1	26.1%	29.3%	28.9%
Payout ratios	38%	39%	40%	CET 1 & AT 1	26.1%	29.3%	28.9%

Treasury shares	31.12.11	31.12.12	31.12.13
Number (in '000)	152	153	86
Book value (in CHF million)	10.9	14.1	9.4

¹ Subject to the General Assembly's approval (4.4.2014)

² Subject to the number of treasury shares as per dividend payment date

* restatement due to the retrospective application of the amended IAS 19 – Employee Benefits.

The impact on the income statements in this document does not exceed the existing rounding differences.

Agenda



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2. Financials
- ▶ 3. Outlook



- Well positioned in the financial services market
 - steady inflow of new clients
 - no off-shore client exposure
 - attractive new wealth management services
- Business development
 - increase front-end consulting capacities
 - roll-out financial portal lounge concept
 - broaden portfolio management services
 - market all-in-one solution for occupational benefits
- Financials
 - sustain NNM inflow per consultant FTE within target corridor (17-20 million)
 - develop existing client pipeline
 - growth on top and bottom line expected in 2014
 - targeted operational margins at 2013 level