



VZ Group

1H 2016

Results and Outlook

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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.

Agenda



1. Facts and figures

2. Financials

3. Outlook



Summary 1H16

Business development

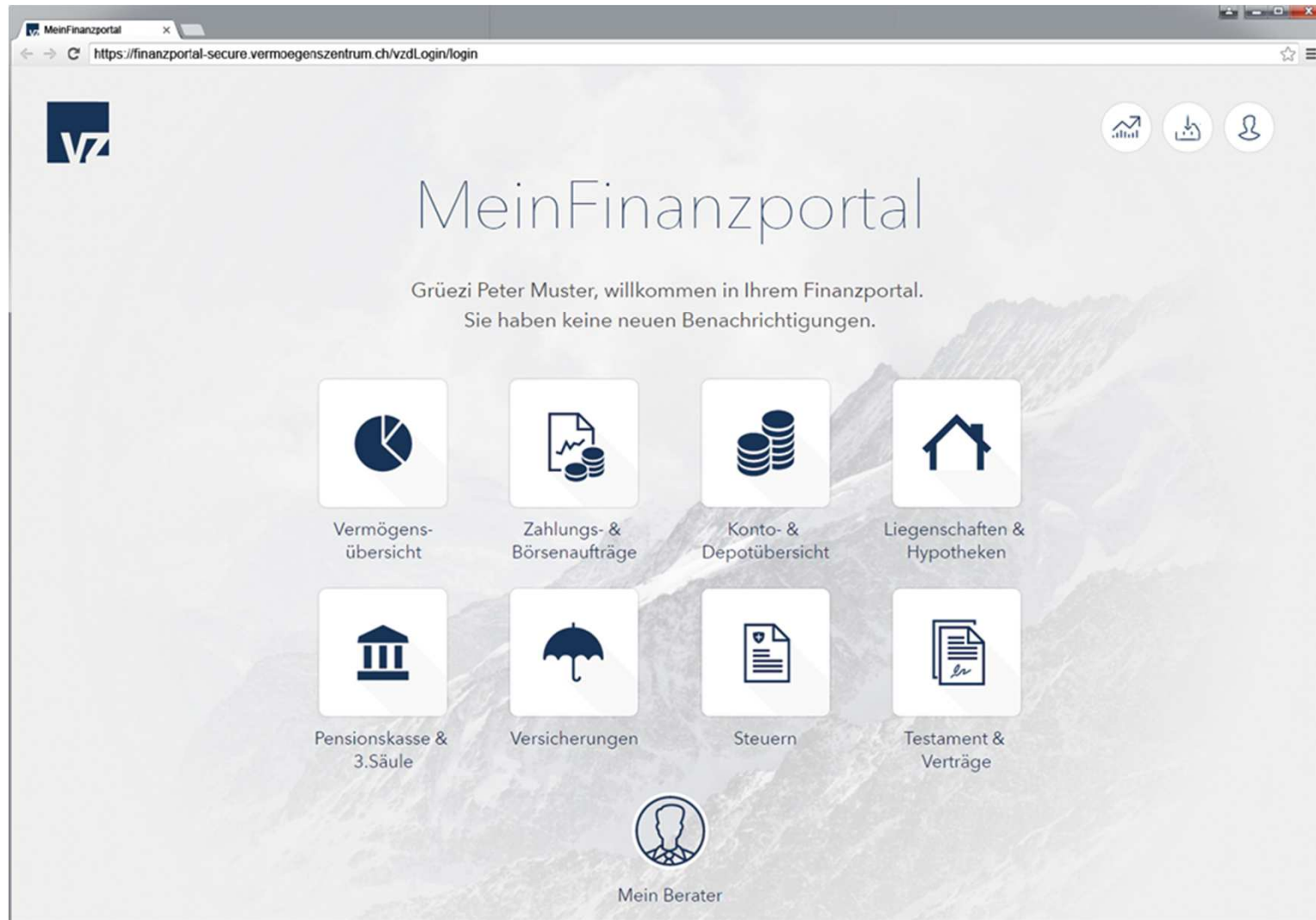
- Growth momentum temporarily restricted by external factors
 - 1H15: unusually high revenues (FX-one-off)
 - negative markets weigh on AuM in 1H16
 - reluctant client behaviour due to difficult environment
 - interest margin tends to zero (negative interest rates)
- Underlying operational key indicators on track
 - unchanged client inflow
 - outstanding consulting expertise
 - attractive financial services platforms
- Capacity increase as planned
 - consulting FTEs +11.6% to 125 FTE (average 2016)
 - mid-term target of 160 by the end of 2018 confirmed
- Annualized NNM inflow of CHF 16.1 million in 1H16 (target range: 17-20 million)
- Milestones / new initiatives
 - *MeinFinanzportal* successfully launched in August
 - 1 new branch office in CH in Q3/16
 - setting up VZ Bank in Germany for 2017 on track

Financials

- Top line +1.2% yoy to CHF 113.8 million
- Operating expenses +8.0% yoy to CHF 63.0 million
 - personnel expenses +8.6% yoy
 - other operating expenses +6.5% yoy
- EBITDA margin: 44.6% (1H15: 48.1%)
- Bottom line -5.8% yoy to CHF 40.4 million
- Solid balance sheet
 - equity ratio: 16.5%
 - BIS CET 1: 26.5%
- NNM: 1'005 million (1H15: 1'124 million)
- Assets under management: CHF 17'272 million (30.6.2015: CHF 15'403 million)



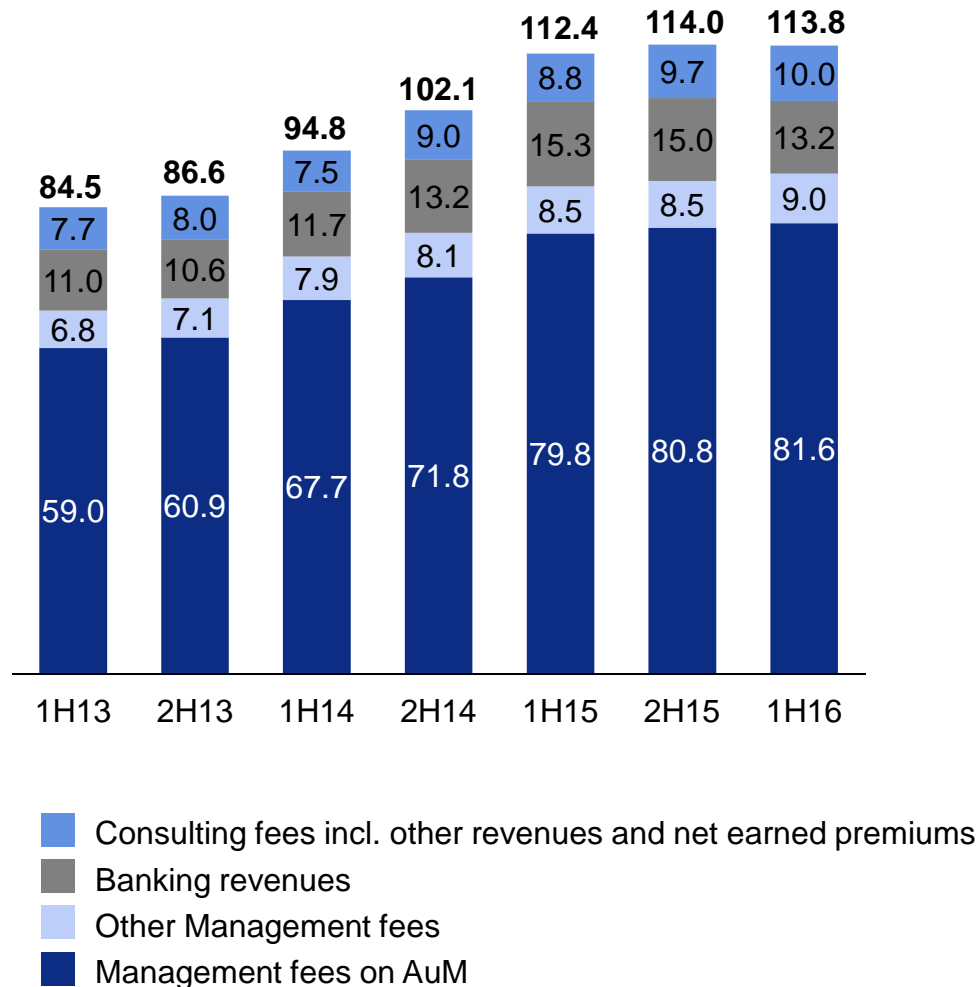
MeinFinanzportal: Online since 1 August 2016





Revenues: External factors temporarily restrict growth

in CHF million

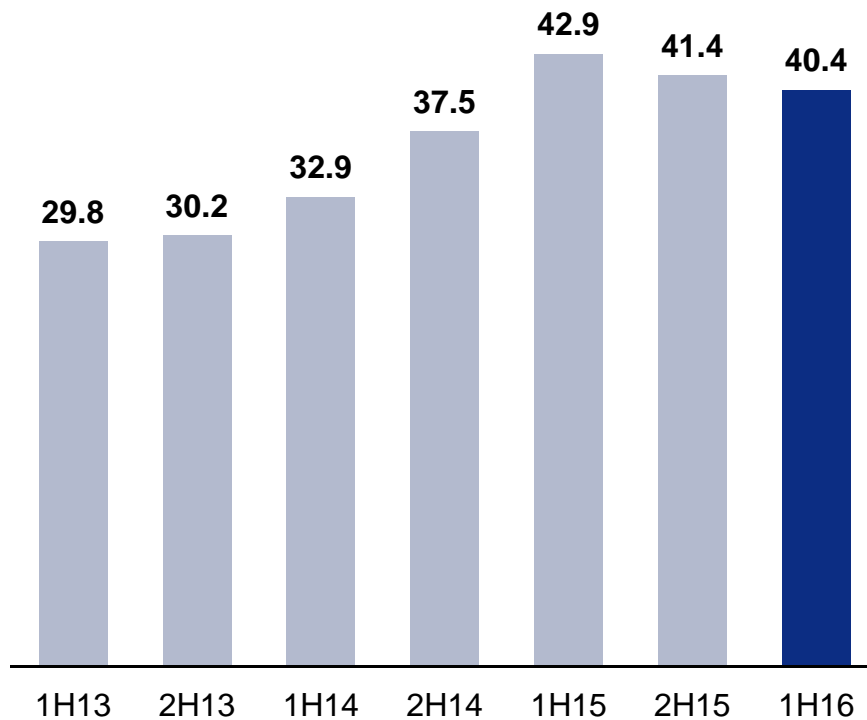


- Revenues +1.2% yoy
 - excl. FX-effect in 1H15 approx. +4% to +5%
- Management fees on AuM +2.2% yoy
 - AuM +12.1% yoy (as per 30.6.)
 - portfolio management mandates +8.3% yoy
 - other AuM +18.8% yoy
 - fee margin on AuM reduced
 - fewer PM-conversions due to market environment
 - other AuM growth above average
 - FX-effect in 1H15
- Other Management fees +6.1% yoy
- Banking revenues -14.1% yoy
 - FX-effect in 1H15, negative interest rates, low client activity
- Consulting fees +4.8% yoy



Net profit: Deleverage caused by external factors

in CHF million



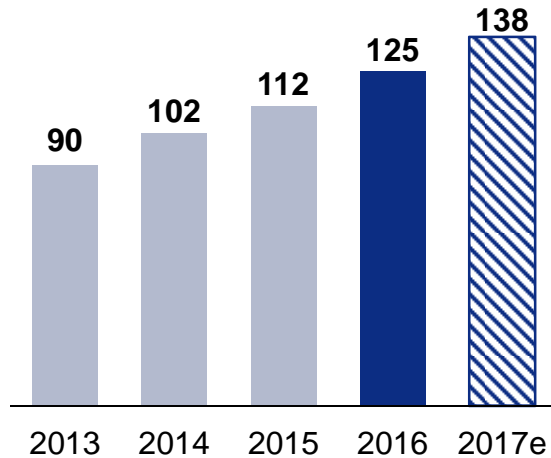
- Net profit -5.8% yoy
 - excl. FX-effect in 1H15 approx. +0.0% to 2.5%
- Operating margin (EBITDA) at 44.6% vs 48.1% yoy (long-term target: 45%)
 - revenues +1.2%
 - operating expenses +8.0%
- Net profit margin
 - 35.5% vs. 38.2% yoy
 - long-term target 35%



Financial Consulting: NNM below target corridor

Capacity growth

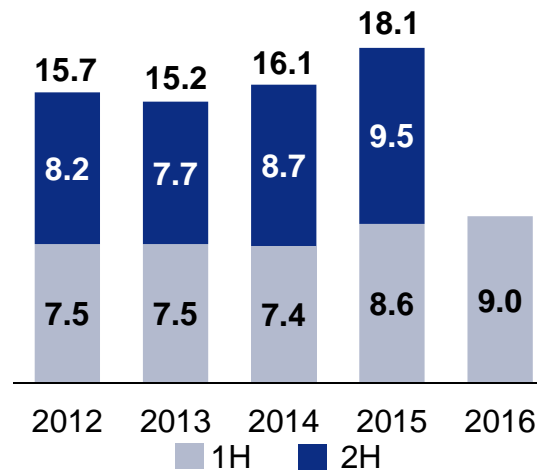
in FTE (average per calendar year)



- Full-time equivalents (FTE) with client and budget responsibility
- Wealth managers not included
- Target per year-end 2018: 160

Consulting revenues

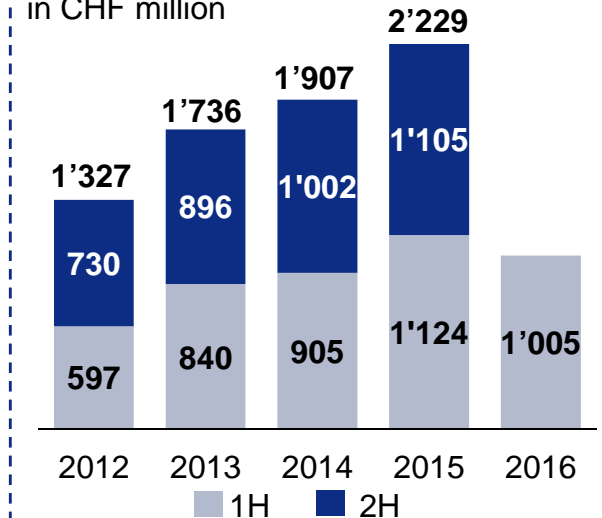
in CHF million



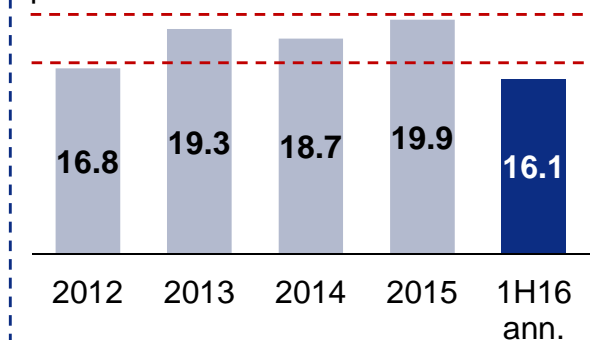
- Consulting projects enable introduction to wealth management services

Net new money (NNM)

in CHF million



per FTE in CHF million



--- target corridor 17-20 million per FTE



Wealth Management: More clients

in CHF million

	30.06.14	31.12.14	30.06.15	31.12.15	30.06.16	yoy
AuM total	13'290	14'549	15'403	16'495	17'272	+12.1%
• PM mandates	8'483	9'319	9'814	10'277	10'632	+8.3%
<i>Share of total AuM</i>	63.8%	64.1%	63.7%	62.3%	61.6%	
• Others ¹	4'807	5'230	5'589	6'218	6'640	+18.8%
<i>Share of total AuM</i>	36.2%	35.9%	36.3%	37.7%	38.4%	
NNM total (6 month)	905	1'002	1'124	1'105	1'005	-10.6%
# Wealth management clients	21'318	22'973	24'503	26'438	27'877	+13.8%

1 Incl. mortgages under management and portfolios under client management

Branch offices

Switzerland

#: 27



- branch office
- satellite
- new branch office planned in 2H16

Germany

#: 4



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Income statements – unaudited (1)

in CHF million¹

	1H 14	2H 14	1H 15	2H 15	1H 16	yoy
Consulting fees	7.4	8.7	8.6	9.4	9.0	+4.8%
Management fees: on AuM	67.7	71.8	79.8	80.8	81.6	+2.2%
others	7.9	8.1	8.5	8.5	9.0	+6.1%
Banking revenues	11.7	13.2	15.3	15.0	13.2	-14.1%
Net earned insurance premiums	-	-	-	-	0.8	-
Other operating revenues	0.1	0.3	0.2	0.3	0.2	-
Total operating revenues	94.8	102.1	112.4	114.0	113.8	+1.2%
Personnel expenses	38.3	39.3	42.8	44.0	46.5	+8.6%
Other operating expenses ²	14.2	13.8	15.5	17.5	16.5	+6.5%
Total operating expenses	52.5	53.1	58.3	61.5	63.0	+8.0%
EBITDA	42.3	49.0	54.1	52.5	50.8	-6.1%

1 Numbers may differ from the published income statements due to rounding differences

2 Incl. insurance claims expenses



Income statements – unaudited (2)

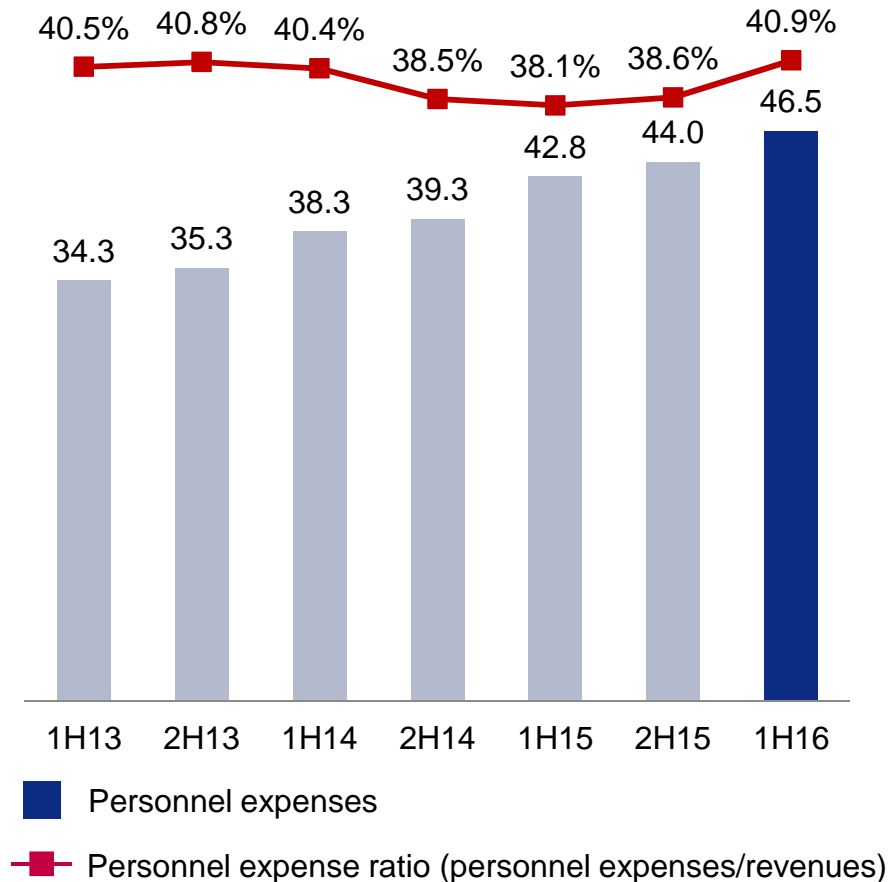
in CHF million¹

	1H 14	2H 14	1H 15	2H 15	1H 16	yoy
EBITDA	42.3	49.0	54.1	52.5	50.8	-6.1%
Depreciation and amortisation	2.5	2.6	2.9	3.0	3.2	+9.9%
EBIT	39.8	46.4	51.2	49.5	47.6	-7.0%
Net finance income	0.0	0.1	-0.2	0.0	0.0	-
Profit before income tax	39.8	46.5	51.0	49.5	47.6	-6.7%
Income tax	6.9	9.0	8.1	8.1	7.2	-12.0%
Net profit	32.9	37.5	42.9	41.4	40.4	-5.8%

¹ numbers may differ slightly from the published income statements due to rounding differences

Personnel expenses

in CHF million¹



- +8.6% yoy
- Personnel development

	30.06.15	31.12.15	30.06.16
HC ²	773	812	830
FTE ²	666.5	702.9	718.3

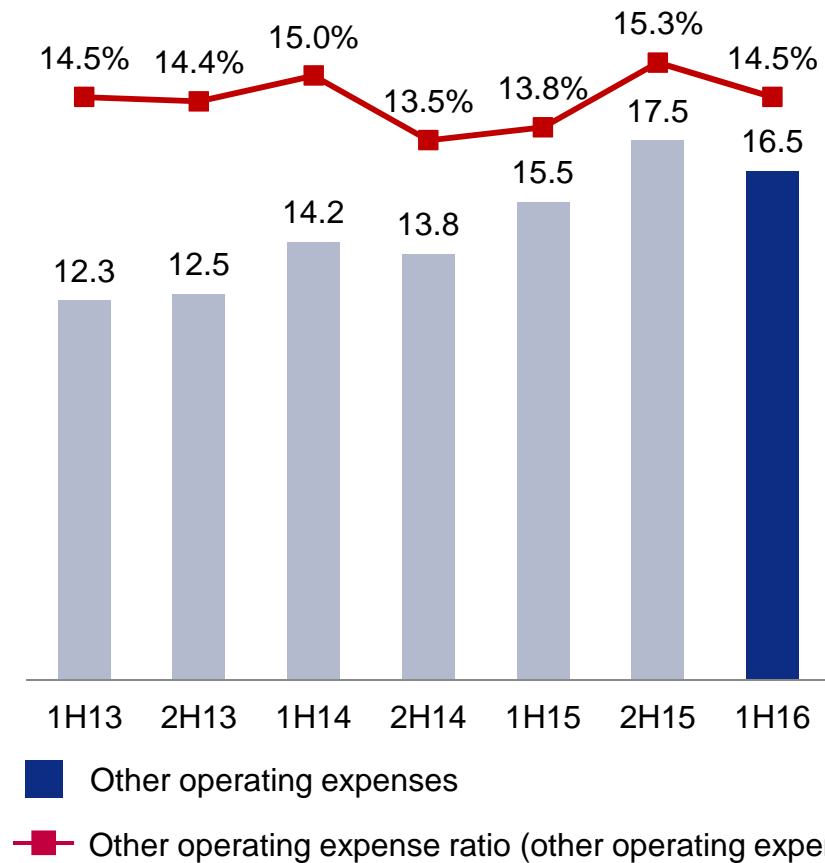
- 2H15: +36.4 FTE
1H16: +15.4 FTE
- Personnel expense ratio
 - 40.9% vs. 38.1% yoy
 - long-term target 40%

¹ numbers may differ slightly from the published income statements due to rounding differences

² HC: Headcount, FTE: Full-time equivalent

Other operating expenses

in CHF million¹

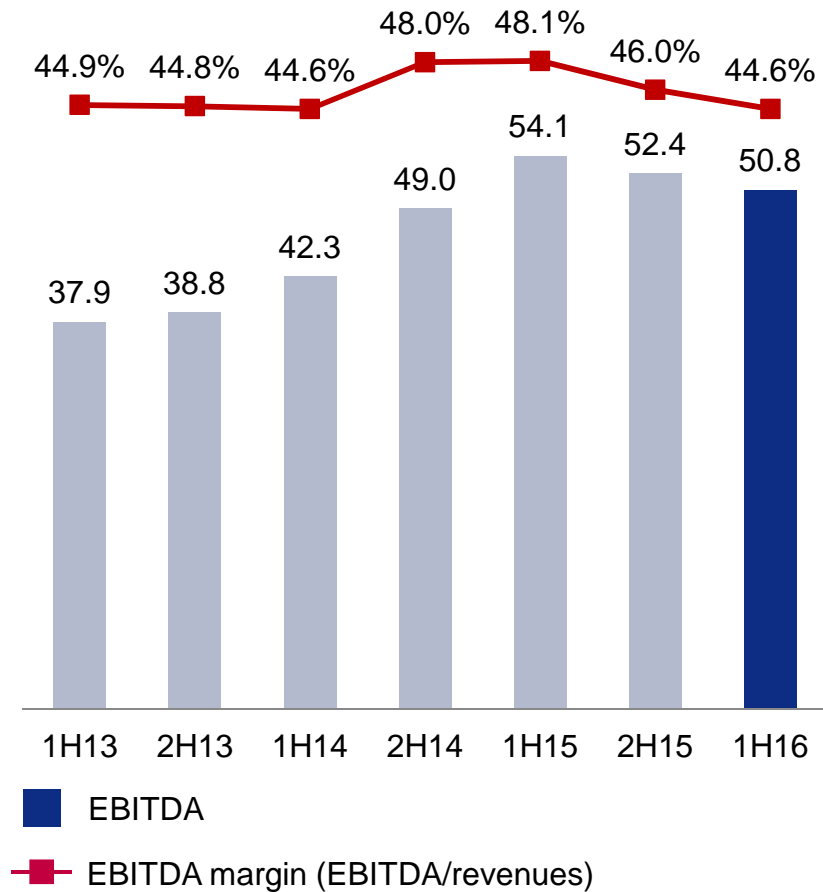


- +6.5% yoy
 - increased capacity
 - investments in IT infrastructure
 - online platform and other new initiatives
- Other operating expense ratio stable at around 13 to 15%

¹ numbers may differ slightly from the published income statements due to rounding differences

EBITDA and margin

in CHF million¹

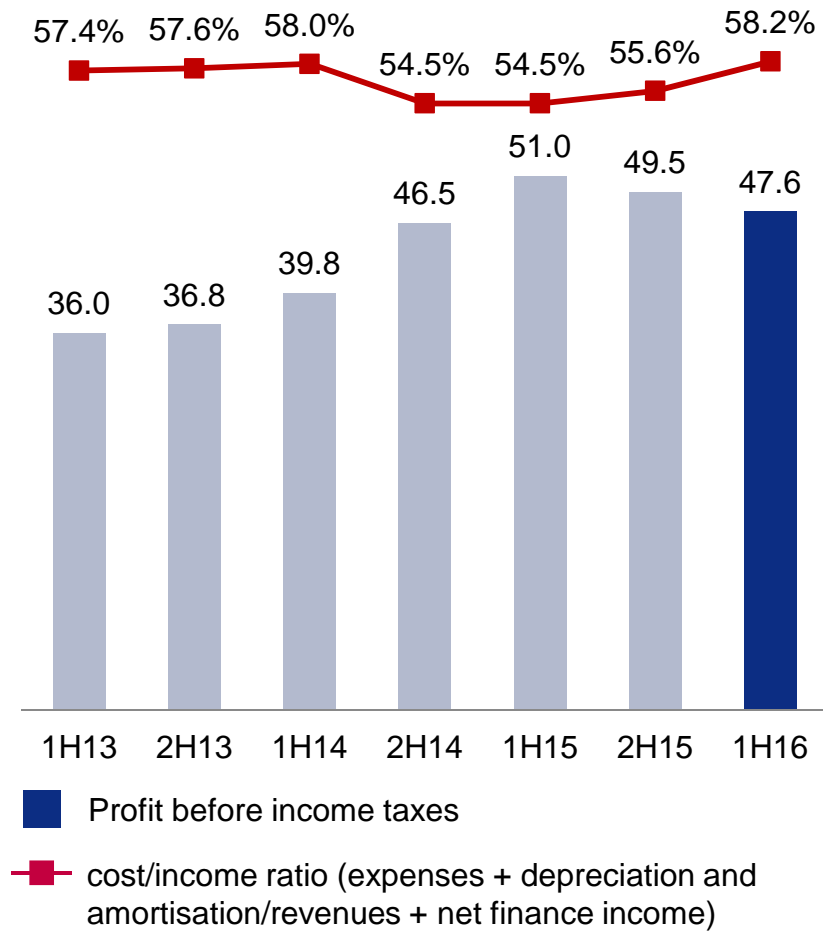


- EBITDA
 - -6.1% yoy
 - excl. FX-effect in 1H15 approx. -0.5% to +1.5% yoy
- EBITDA-margin
 - 44.6%
 - long-term target 45%

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Profit before income taxes and C/I ratio

in CHF million¹



- C/I ratio excl. FX-effect: approx. 56%

¹ numbers may differ slightly from the published income statements due to rounding differences



Balance sheets

in CHF million¹

	30.06.15	31.12.15	30.06.16
Cash & cash equivalents	596.6	493.7	694.9
Short-term investments	297.6	197.0	207.5
Swiss prime residential mortgages	691.0	892.1	1'001.6
CHF bonds, marketable securities	299.5	353.5	341.1
Subtotal financial investments	1'884.7	1'936.3	2'245.1
Property, equipment and intangibles	17.9	20.4	21.2
Other assets	65.6	51.0	66.5
Total assets	1'968.2	2'007.7	2'332.8
Customer deposits	1'484.2	1'478.1	1'793.5
Long-term debts	114.7	114.1	113.0
Other liabilities	31.8	38.3	42.7
Total liabilities	1'630.7	1'630.5	1'949.2
Total equity	337.5	377.2	383.6

- Financial investments:
 - low risk profile
 - average time to maturity 1.5 years (30.6.15: 1.8 years)
- Net cash position of CHF 334m whereof CHF 273m vested with VZ Depository Bank
- Customer deposits and cash equivalents can fluctuate substantially due to shifts in the allocations of managed assets

¹ numbers may differ slightly from the published balance sheets due to rounding differences



Equity and payout ratios

Payout ratios	2013	2014	2015	Equity ratios	30.06.15	31.12.15	30.06.16
in CHF million							
Net profit	60.0	70.4	84.3	Total equity in CHF million	337.5	377.2	383.6
Retained earnings	36.3	42.8	50.9				
Dividend total	23.7	27.6	33.4	Equity ratio ¹	17.2%	18.8%	16.5%
<i>Dividend per share</i>	<i>3.00</i>	<i>3.50</i>	<i>4.20</i>	BIS CET 1	26.8%	28.7%	26.5%
Payout ratios	40%	39%	40%	BIS CET 1 & AT 1	26.8%	28.7%	26.5%

Treasury shares	30.06.15	31.12.15	30.06.16
Number (in '000)	52	46	24
Book value in CHF million	8.1	9.3	6.5

¹ Equity compared to balance sheets' total

Agenda



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- Concise and proven strategy
 - focus on 50+, wealthy, on-shore
 - continued investment in consulting expertise and talents
 - attractive wealth management services covering all financial needs for a post-retirement private household
 - new: comprehensive online platform to conveniently oversee and manage all financial matters
- Business development
 - further increase front-end consulting capacities
 - go back to target range of NNM inflow per consultant FTE
 - build up VZ Depository Bank in Germany (target: mid 2017)
 - market *MeinFinanzportal* among existing clients
- Financials
 - return to growth path expected in 2H16
 - profit for 2016 anticipated to be similar as for 2015
 - business growth to be reflected in the financial figures again from 2017