



HALF-YEAR REPORT 2013
VZ GROUP

HALF-YEAR REPORT 2013

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KEY FIGURES

Income statements

CHF '000

| | 1H 2013 | 2H 2012 ² | 2H 2012 ² |
|-------------------------------|---------------|----------------------|----------------------|
| Operating revenues | 84'480 | 81'674 | 71'478 |
| Operating profit (EBITDA) | 37'945 | 39'214 | 30'606 |
| Net profit¹ | 29'777 | 30'498 | 23'782 |

1 Including minority interests.

2 2012 figures have been restated due to the retrospective application of the amended IAS 19 – Employee Benefits.

Balance sheets

CHF '000

| | 30.06.2013 | 31.12.2012 ² | 30.06.2012 ² |
|-----------------------|------------------|-------------------------|-------------------------|
| Total assets | 1'174'548 | 1'038'398 | 1'039'670 |
| Equity | 245'137 | 233'562 | 202'563 |
| Net cash ¹ | 219'378 | 215'549 | 176'414 |

1 Cash & cash equivalents, short-term investments, marketable securities, financial assets less current liabilities due to customers, long-term debts and due to banks.

2 2012 figures have been restated due to the retrospective application of the amended IAS 19 – Employee Benefits.

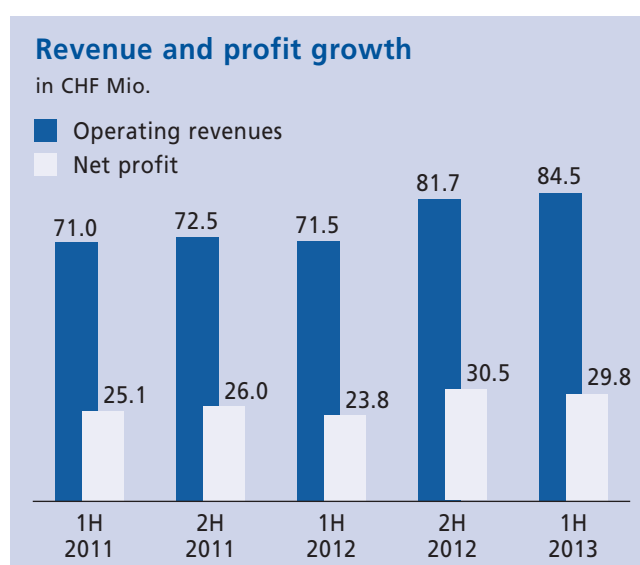
Funds under management

CHF million

| | 30.06.2013 | 31.12.2012 | 30.06.2012 |
|----------------------------------|------------|------------|------------|
| Assets under Management | 11'002 | 10'085 | 9'149 |
| Managed annual insurance premium | 284 | 280 | 275 |

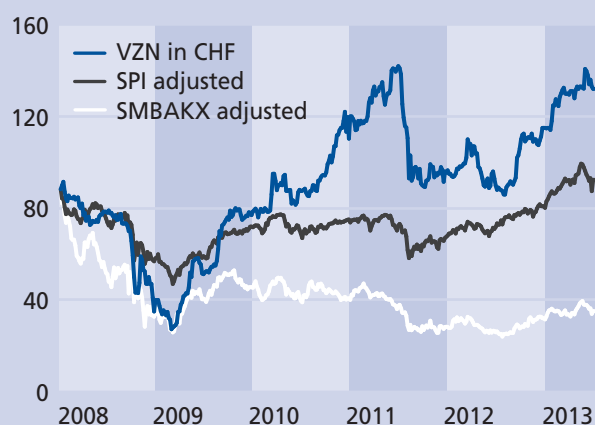
Employees

| | 30.06.2013 | 31.12.2012 | 30.06.2012 |
|-----------------------------|------------|------------|------------|
| Number of employees | 617 | 603 | 555 |
| Full-time equivalents (FTE) | 547.1 | 529.8 | 490.0 |



Share price VZ Holding N (VZN)

1.1.2008 to 30.6.2013



Share statistics

| | |
|--|----------------|
| Shares issued | 8'000'000 |
| Nominal value | CHF 0.25 |
| Registered shareholders as at 30.6.2013 | 1'236 |
| Share price as at 30.06.2013 | CHF 132.00 |
| Lowest price in the first half year 2013 (07.01.2013) | CHF 112.00 |
| Highest price in the first half year 2013 (28.05.2013) | CHF 141.00 |
| Market capitalisation as at 30.06.2013 | CHF 1'056 Mio. |

Ownership structure

| | 30.06.2013 | 31.12.2012 | 30.06.2012 |
|---|------------|------------|------------|
| Matthias Reinhart (direct and indirect) | 60.77% | 60.76% | 60.76% |
| Other members of the Board of Directors | 1.21% | 1.26% | 1.25% |
| Other members of the Executive Board | 3.64% | 3.59% | 3.65% |
| Employees | 0.51% | 0.53% | 0.53% |
| UBS Fund Management (Switzerland) GmbH | 3.33% | 3.33% | < 3% |
| DWS Investment GmbH | 3.06% | 3.06% | 3.06% |
| Capital Group Companies | 3.00% | 3.00% | < 3% |
| Migros-Genossenschafts-Bund | < 3% | 4.22% | 4.41% |

Equity key figures

| | 30.06.2013 | 31.12.2012 ¹ | 30.06.2012 ¹ |
|-------------------|------------|-------------------------|-------------------------|
| Equity ratio | 20.9% | 22.5% | 19.5% |
| BIS capital ratio | 27.1% | 29.3% | 25.1% |
| BIS equity ratio | 27.1% | 29.3% | 25.1% |

¹ 2012 figures have been restated due to the retrospective application of the amended IAS 19 – Employee Benefits.

VZ GROUP: FIRST HALF YEAR 2013

Dear Shareholder

- Solid results** VZ Group's financials grew further in the first half of 2013: Relative to the first half of 2012, operating revenues rose 18.2 percent to reach CHF 84.5 million, while operating expenses were 13.9 percent higher at CHF 46.5 million. Net profit increased 25.2 percent to reach CHF 29.8 million. However, one of the reasons growth was so strong is that the first half of 2012 was relatively weak. When the income figures are compared over several periods, the current interim results are in line with VZ's long-term growth trend.
- Successful wealth management** Wealth management is the most important part of our business. During the first half of the year more clients expressed interest in these services, and many of them issued a mandate to manage their portfolios. In particular, new services such as the rule-based portfolio management mandate have proved very popular. During the first half, the net inflow of new money amounted to CHF 840 million, and assets under management grew to reach CHF 11.0 billion. What makes this development particularly welcome is the fact that the rising business volume represents the basis for future revenues.
- Above-average equity capital** At the end of June the balance sheet total was CHF 1.2 billion. The equity ratio reached 20.9 percent, while the core capital ratio was 27.1 percent. Together with the low balance sheet risks, the above-average equity capital gives our clients security. At the same time, the generous level of equity capital provides VZ with the scope to continue growing organically.
- Further investments for future growth** Our training and development programmes have been expanded, and we have been hiring additional personnel since mid-2012. At the same time, we are continuing to invest in new services, above all in portfolio management as well as in our online services, for example our financial portal and the first financial portal lounge. While these investments are resulting in higher operating expenses, they lay the basis for continued revenue growth in the medium term.
- Outlook** VZ's business model has proven itself, and it creates excellent preconditions for the future. We are expecting revenues and profits to continue growing. For this reason we assume that we will once again be able to propose a higher dividend at the shareholders' meeting in April 2014.

We thank all those who are involved with VZ, help shape its development and encourage its fortunes.

Zurich, 15 August 2013



Matthias Reinhart
Chairman of the Board of Directors
and Chief Executive Officer



Philipp Marti
Member of the Executive Board
and Chief Financial Officer

«THIS ALLOWS US TO REMAIN SUCCESSFUL IN THE FUTURE»

Nicola Waldmeier, Head of Media, discusses the results and outlook for VZ Group with Matthias Reinhart, Chairman of the Executive Board.

Mr Reinhart, are you happy with VZ's results in the first half of the year?

The stockmarket environment was difficult during the second quarter. For this reason I am satisfied with the results. We were able to acquire a large number of new clients. Clients have also been more willing to assign consultancies or to issue portfolio management mandates. This has a positive impact on revenue growth and the net inflow of new money.

Is the group affected by the controversies surrounding untaxed assets?

VZ has always focused on onshore business, both in Switzerland and in Germany. We serve clients from Germany exclusively at our German branch offices. Tougher bank regulation does affect us, however. Nevertheless, its impact on our development is minimal.

«Since we do not have to deal with legacy issues, we are able to focus on the future»

Does VZ benefit from the fact that it has practically no cross-border client relationships?

At any rate, this does not harm us. Unlike many of our competitors, we do not have to deal with legacy issues, and are therefore able to focus on projects that will drive our future growth.

In which areas are you aiming to develop your business in the coming years?

Above all in the field of portfolio management. We have been offering rule-based investment concepts for almost two years now. Those who invest their money in accordance with fixed rules rather than allowing themselves to be guided by emotions, are discernibly more successful. We are keen to expand this service, along with our online services. VZ's financial portal already offers a «3a pillar» scheme, with rule-based saving and investment opportunities based on ETF, as well as mort-



gages. Furthermore, VZ clients can now also optimise their private insurance policies online, enabling them to save up to 40 percent on their premiums.

Are you also planning innovations for corporate clients?

We are working on solutions that will enable companies and pension funds to administer the «2nd pillar» schemes more simply and more cost-effectively, or – and this is a real innovation in Switzerland – to administer these financial resources themselves online. In addition to our familiar topics, we are also keen to advise entrepreneurs more closely on succession planning.

Which projects, in your view, offer the greatest potential?

Online and offline financial services are increasingly merging. With our financial portal, we will be able to profit greatly from this development. Conventional online banks and financial portals are keen to minimise personal contacts. By contrast, we deliberately encourage personal contacts with our clients. At the beginning of the year we opened the first financial portal lounge in Zurich. Here investors can learn in one-hour work-

shops how to invest their money intelligently and cost-effectively. Demand for these workshops has been so strong that we will be opening further lounges next year.

Who do these services cater to?

VZ clients are typically aged over 50. Our online services are attractive for them as well as for a younger clientele. This is why we are increasingly acquiring clients aged below 50 too.

«VZ makes models for rule-based financial investments accessible to private individuals»

Over the past 12 months the rule-based investment services for private clients have been expanded. How are these coming along?

There is a great deal of interest: In the interim, two out of three clients who issue a portfolio management mandate opt for a rule-based mandate. What they value in particular is the fact that these concepts are easy to understand, and that they are implemented with passive investment instruments such as ETF, which are far more cost-effective. Many clients appreciate that it is sensible to have a mechanism that masks emotions when making financial investments.



Rule-based investment concepts are no novelty in the world of finance.

That's correct. To date, however, such concepts were reserved almost exclusively for institutional investors. What marks our innovation out is the fact that private investors can now use these for their own portfolios; this is unique in Switzerland.

How is the business developing in Germany?

During the first half of the year we were able to attract significantly more clients than last year. We have invested a great deal in marketing, and these efforts are now bearing fruit. Our financial portal will also be going online in Germany this autumn. We are confident that we will be able to clearly differentiate ourselves with our rule-based investment concepts and cost-effective services in Germany as well. Of course, the market is much bigger. For this reason the challenge will be to market our services at reasonable cost.

VZ celebrated its 20th anniversary in March. What is the secret of the company's success?

Every single one of our services generates a tangible added value for our clients, and we distinguish ourselves clearly from the competition: Firstly, we focus on a limited number of topics, and build up as much expertise as possible in this field. Secondly, we find ways to implement the solutions we develop in a cost-effective way. And thirdly, we place great emphasis on transparency.

A further decisive criterion is the fact that our business model enables us to grow organically. This means we avoid countless risks, as we do not need to acquire and integrate any other companies in order to grow. VZ is certainly no longer a small company. Yet we have preserved our unique culture. This all suggests that we shall continue to be successful in future.

FINANCIAL STATEMENTS

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| Consolidated statements of cash flows | Page 11 |
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CONSOLIDATED INCOME STATEMENTS

CHF '000

| | 1H 2013 | 2H 2012 | 1H 2012 |
|-----------------------------------|-----------------|-----------------------|-----------------------|
| | | restated ¹ | restated ¹ |
| Consulting fees | 7'528 | 8'199 | 7'519 |
| Management fees | 65'767 | 61'423 | 54'026 |
| Banking revenues | 11'018 | 11'725 | 9'761 |
| Other operating revenues | 167 | 327 | 172 |
| Total operating revenues | 84'480 | 81'674 | 71'478 |
| Personnel expenses | (34'252) | (31'708) | (30'523) |
| Other operating expenses | (12'283) | (10'752) | (10'349) |
| Total operating expenses | (46'535) | (42'460) | (40'872) |
| EBITDA | 37'945 | 39'214 | 30'606 |
| Depreciation and amortisation | (1'939) | (1'692) | (1'682) |
| EBIT | 36'006 | 37'522 | 28'924 |
| Interest expense | (93) | (59) | (64) |
| Interest income | 119 | 332 | 146 |
| Net finance income | 26 | 273 | 82 |
| Profit before income taxes | 36'032 | 37'795 | 29'006 |
| Income taxes | (6'255) | (7'297) | (5'224) |
| Net profit | 29'777 | 30'498 | 23'782 |
| Attributable to: | | | |
| Shareholders of VZ Holding Ltd | 29'777 | 30'520 | 23'782 |
| Non-controlling interests | 0 | (22) | 0 |
| Basic earnings per share (CHF) | 3.79 | 3.89 | 3.03 |
| Diluted earnings per share (CHF) | 3.77 | 3.88 | 3.01 |

¹ 2012 figures have been restated due to the retrospective application of the amended IAS 19 – Employee Benefits.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CHF '000

| | 1H 2013 | 2H 2012 restated ² | 1H 2012 restated ² |
|--|---------------|----------------------------------|----------------------------------|
| Net profit recognised in the income statement | 29'777 | 30'498 | 23'782 |
| Other comprehensive income ¹ : | | | |
| Items that may be reclassified subsequently to the income statement | | | |
| Cumulative translation adjustments | 70 | 0 | (34) |
| Items that will not be reclassified to the income statement | | | |
| Remeasurement of defined benefit obligation | 0 | (979) | (979) |
| Total comprehensive income | 29'847 | 29'519 | 22'769 |
| Attributable to: | | | |
| Shareholders of VZ Holding Ltd. | 29'847 | 29'545 | 22'769 |
| Non-controlling interests | 0 | (26) | 0 |

1 Revenues and expenses recorded directly in equity.

2 2012 figures have been restated due to the retrospective application of the amended IAS 19 – Employee Benefits.

CONSOLIDATED BALANCE SHEETS

CHF '000

| | Note | 30.06.2013 | 31.12.2012 restated ¹ | 30.06.2012 restated ¹ |
|--|------|------------------|-------------------------------------|-------------------------------------|
| Assets | | | | |
| Cash & cash equivalents | | 268'003 | 233'244 | 235'793 |
| Short term investments | | 243'402 | 219'195 | 275'364 |
| Marketable securities at fair value | | 881 | 832 | 815 |
| Trade receivables | | 3'846 | 3'358 | 3'858 |
| Other receivables | | 7'624 | 1'499 | 8'713 |
| Accrued income | | 26'614 | 24'234 | 24'252 |
| Other current assets | | 1'079 | 1'703 | 696 |
| Current assets | | 551'449 | 484'065 | 549'491 |
| Financial assets | | 612'451 | 544'728 | 481'050 |
| Property and equipment | | 6'961 | 6'250 | 6'006 |
| Intangible assets | | 3'196 | 2'853 | 2'673 |
| Deferred tax assets | | 491 | 502 | 450 |
| Non-current assets | | 623'099 | 554'333 | 490'179 |
| Total assets | | 1'174'548 | 1'038'398 | 1'039'670 |
| Liabilities and equity | | | | |
| Trade payables | | 1'875 | 839 | 2'072 |
| Other current liabilities | | 8'331 | 5'346 | 6'336 |
| Due to banks | | 21'119 | 0 | 2'283 |
| Due to customers | | 836'093 | 752'579 | 812'179 |
| Income tax payables | | 2'483 | 6'152 | 2'326 |
| Accrued expenses | | 8'016 | 6'631 | 7'221 |
| Current liabilities | | 877'917 | 771'547 | 832'417 |
| Long-term debts | | 48'147 | 29'871 | 2'146 |
| Other non-current liabilities | | 2'939 | 2'995 | 2'139 |
| Deferred tax liabilities | | 408 | 423 | 405 |
| Non-current liabilities | | 51'494 | 33'288 | 4'690 |
| Total liabilities | | 929'411 | 804'836 | 837'107 |
| Share capital | | 2'000 | 2'000 | 2'000 |
| Treasury shares | 8 | (10'926) | (14'117) | (14'268) |
| Retained earnings | | 224'829 | 191'990 | 191'636 |
| Net profit | | 29'777 | 54'302 | 23'782 |
| Cumulative translation adjustments | | (667) | (737) | (737) |
| Equity attributable to shareholders of VZ Holding Ltd | | 245'013 | 233'438 | 202'413 |
| Non-controlling interests | | 124 | 124 | 150 |
| Total equity | | 245'137 | 233'562 | 202'563 |
| Total liabilities and equity | | 1'174'548 | 1'038'398 | 1'039'670 |

1 2012 figures have been restated due to the retrospective application of the amended IAS 19 – Employee Benefits.

CONSOLIDATED STATEMENTS OF CASH FLOWS

CHF '000

| | Note | 1H 2013 | 2H 2012 restated ¹ | 1H 2012 restated ¹ |
|--|------|-----------------|----------------------------------|----------------------------------|
| Operating activities | | | | |
| Net profit | | 29'777 | 30'520 | 23'782 |
| Depreciation of fixed assets and intangible assets | | 1'939 | 1'692 | 1'682 |
| Net capital (gains)/losses and impairments on financial assets | | 234 | 244 | 188 |
| (Increase)/decrease in dues from short term investments | | (24'207) | 56'169 | (55'613) |
| (Increase)/decrease in market value of marketable securities at fair value | | (49) | (16) | (40) |
| (Increase)/decrease in trade receivables | | (488) | 500 | (93) |
| (Increase)/decrease in financial assets | | (54'112) | (20'735) | (33'816) |
| (Increase)/decrease in other operational assets | | (7'870) | 6'172 | (6'800) |
| Increase/(decrease) in trade payables | | 1'036 | (1'232) | 1'042 |
| Increase/(decrease) in other operational liabilities | | 629 | 3'120 | (2'224) |
| Increase/(decrease) in due to banks | | 21'119 | (2'283) | 2'283 |
| Increase/(decrease) in due to customers | | 83'514 | (59'601) | (22'049) |
| Non cash share-based payment transactions | | (698) | 341 | 607 |
| Other non-cash items | | 0 | (979) | (979) |
| Net cash flows (used in)/provided by operating activities | | 50'824 | 13'912 | (92'030) |
| Investing activities | | | | |
| Purchase of property and equipment | | (1'702) | (1'157) | (646) |
| Proceeds from sale of property and equipment | | 2 | 0 | 0 |
| Purchase of financial assets held to maturity | | (22'096) | (51'237) | (28'638) |
| Proceeds from financial assets held to maturity | | 8'250 | 8'050 | 18'500 |
| Purchase of intangible assets | | (1'290) | (955) | (1'295) |
| Cash flow (used in)/provided by investing activities | | (16'836) | (45'299) | (12'079) |
| Financing activities | | | | |
| Purchase of treasury shares | | (3'645) | (1'233) | (4'718) |
| Proceeds of treasury shares | | 6'918 | 2'319 | 1'425 |
| Proceeds from long-term debts | | 18'276 | 27'725 | 780 |
| Dividends paid to shareholders | 11 | (20'846) | 0 | (18'874) |
| Change in non-controlling interests | | 0 | 0 | 150 |
| Cash flow (used in)/provided by financing activities | | 703 | 28'811 | (21'237) |
| Effect of foreign exchange rate changes | | 68 | 27 | (32) |
| Net increase/(decrease) in cash and cash equivalents | | 34'759 | (2'549) | (125'378) |
| Cash and cash equivalents at beginning of the period | | 233'244 | 235'793 | 361'171 |
| Cash and cash equivalents at the end of the period | | 268'003 | 233'244 | 235'793 |
| thereof | | | | |
| Cash at banks and in hand | | 169'035 | 192'184 | 112'421 |
| Short term deposits less than 90 days | | 98'968 | 41'060 | 123'372 |
| Other supplementary cash flow disclosures | | | | |
| Interest paid | | (1) | (11) | (5) |
| Interest received | | 46 | 249 | 72 |
| Income tax paid | | (12'175) | 1'228 | (12'420) |

¹ 2012 figures have been restated due to the retrospective application of the amended IAS 19 – Employee Benefits.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

CHF '000

| | Share capital | Treasury shares | Cumulative translation adjustment | Retained earnings | Equity to shareholders of VZ Holding Ltd | Non-controlling interests | Total equity |
|--|---------------|-----------------|-----------------------------------|-------------------|--|---------------------------|---------------|
| As at 1 January 2012 | 2'000 | (10'878) | (703) | 210'266 | 200'685 | 0 | 200'685 |
| Restatement ¹ | | | | 519 | 519 | | 519 |
| As at 1 January 2012 restated¹ | 2'000 | (10'878) | (703) | 210'785 | 201'204 | 0 | 201'204 |
| Net profit | | | | 23'782 | 23'782 | | 23'782 |
| Other comprehensive income | | | (34) | (979) | (1'013) | | (1'013) |
| Total comprehensive income for the period | | | (34) | 22'803 | 22'769 | 0 | 22'769 |
| Participation plans | | | | (1'682) | (1'682) | | (1'682) |
| Change in treasury shares | | (3'390) | | 2'386 | (1'004) | | 1'004 |
| Dividends | | | | (18'874) | (18'874) | | (18'874) |
| Change in non-controlling interests | | | | | 0 | 150 | 150 |
| As at 30 June 2012 | 2'000 | (14'268) | (737) | 215'418 | 202'413 | 150 | 202'563 |
| As at 1 July 2012 restated¹ | 2'000 | (14'268) | (737) | 215'418 | 202'413 | 150 | 202'563 |
| Net profit | | | | 30'520 | 30'520 | (22) | 30'498 |
| Other comprehensive income | | | | (975) | (975) | (4) | (979) |
| Total comprehensive income for the period | | | | 29'545 | 29'545 | (26) | 29'519 |
| Participation plans | | 151 | | 342 | 342 | | 342 |
| Change in treasury shares | | | | 987 | 1'138 | | 1'138 |
| As at 31 December 2012 | 2'000 | (14'117) | (737) | 246'292 | 233'438 | 124 | 233'562 |
| As at 1 January 2013 restated¹ | 2'000 | (14'117) | (737) | 246'292 | 233'438 | 124 | 233'562 |
| Net profit | | | | 29'777 | 29'777 | | 29'777 |
| Other comprehensive income | | | 70 | 0 | 70 | | 70 |
| Total comprehensive income for the period | | | 70 | 29'777 | 29'847 | 0 | 29'847 |
| Participation plans | | 3'191 | | (3'414) | (3'414) | | (3'414) |
| Change in treasury shares | | | | 2'797 | 5'988 | | 5'988 |
| Dividends | | | | (20'846) | (20'846) | | (20'846) |
| As at 30 June 2013 | 2'000 | (10'926) | (667) | 254'606 | 245'013 | 124 | 245'137 |

1 2012 figures have been restated due to the retrospective application of the amended IAS 19 – Employee Benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation and accounting principles

VZ Group's unaudited consolidated half-year financial statements have been prepared in accordance with IAS 34 "Interim financial reporting". The half-year financial statements should be read in conjunction with the 2012 consolidated annual financial statements which were published on 5 March 2013. The accounting policies used comply with International Financial Reporting Standards (IFRS), and are consistent with those followed in the preparation of VZ Group's annual financial statements for the year ended 31 December 2012 except for new accounting policies changes made after the date of the annual financial statements.

2 New accounting policies

The following new standards and amendments to existing standards have been adopted with a date of initial application as of 1 January 2013:

- IAS 1 – Changes to the Presentation of Other Comprehensive Income
- IAS 19 (revised) – Employee Benefits
- IAS 27 (revised) – Separate Financial Statements
- IAS 28 (revised) – Investments in Associates and Joint Ventures
- IFRS 7 – Disclosures – Offsetting financial assets and financial liabilities
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement

These new or revised IFRS Standards and Interpretations have no impact on the group result or the equity capital of VZ Group, except for the changes due to the amended IAS 19 standard, the impact of which is outlined below:

IAS 19 (revised) – Employee Benefits

The revised standard requires the immediate recognition of actuarial gains and losses in other comprehensive income and eliminates the corridor approach previously used by the VZ Group, which recorded such gains and losses time-delayed. In addition, the determination of personnel expenses for defined benefit plans has been essentially altered. Instead of the interest expense on pension liabilities and the expected return on plan assets, now the net interest expense respectively net interest income is recognised. This is calculated on the basis of the interest on the net assets or net liabilities of a defined benefit plan using the same rate as the discount rate for pension liabilities.

The IAS 19 standard requires retrospective application. As a result, all prior-year information has been restated. Further details are shown on the following page.

IASB and IFRIC have passed a number of new Standards and Interpretations that must be applied from 1 January 2014 or later. VZ Group has not used the possibility of early adoption of these changes and is currently analysing their implications.

Restatements because of IAS 19 (revised)

CHF '000

| | 31.12.2012 | 30.06.2012 | 01.01.2012 |
|-------------------------------------|----------------|--------------|--------------|
| Consolidated balance sheets | | | |
| Assets | | | |
| Deferred tax assets | 92 | 30 | (33) |
| Total assets | 92 | 30 | (33) |
| Liabilities and equity | | | |
| Other non-current liabilities | 1'808 | 578 | (653) |
| Deferred tax liabilities | (278) | (88) | 101 |
| Total liabilities | 1'530 | 490 | (552) |
| Retained earnings | (1'434) | (460) | 519 |
| Non-controlling interests | (4) | 0 | 0 |
| Total equity | (1'438) | (460) | 519 |
| Total liabilities and equity | 92 | 30 | (33) |

CHF '000

| | 2H 2012 | 1H 2012 |
|---------------------------------------|----------|----------|
| Consolidated income statements | | |
| Personnel expenses | 10 | 10 |
| Interest income | 10 | 10 |
| Total net profit¹ | 0 | 0 |

¹ The net profit of VZ Group remained unaffected because the discount rate was the same as the expected return on the assets and there were no (delayed) recognition of actuarial gains and losses in the financial year.

CHF '000

| | 2H 2012 | 1H 2012 |
|---|--------------|--------------|
| Consolidated statements of comprehensive income | | |
| Remeasurement of defined benefit obligation (after tax) | (979) | (979) |
| Total comprehensive income | (979) | (979) |

- 3 Risk management VZ Group's risk management monitors default and credit risks, market, liquidity and refinancing risks, operational, regulatory and legal risks as well as reputation risks. The risk management described in the annual report 2012 has not changed materially in the first half-year 2013.
- 4 Estimates, assumptions and management's discretionary power VZ Group makes estimates and assumptions concerning the future and exercises judgment in applying the effective accounting policies. Changes in estimates and assumptions with a material impact on the first half-year 2013 results are discussed below.
- Benefit plans*
The actuarial calculation for the benefit plans were carried forward to 30 June 2013. These projections did not result in any significant changes in the actuarial gains and losses. The next actuarial calculation for these benefit plans will be carried out by the expert for the next accounting date as per 31 December 2013.
- Provisions for operational risks*
The management of the VZ Group does not see any needs for new provisions for operational risks as per 30 June 2013.
- Impairments of financial assets*
As of the reporting date, there was no need for impairments on financial assets.
- 5 Changes in the group structure VZ Vorsorge Ltd, Zurich, was founded on 24 June 2013. VZ Holding Ltd is the sole shareholder of the fully paid-up share capital of TCHF 100. This unit provides services related to consulting, administration and the management of investment foundations, pension funds and other foundations related to occupational benefits.

6 Fair value
of financial
instruments

CHF '000

| | Book value | Fair Value | Divergence |
|--|------------------|------------------|---------------|
| as at 30.06.2013 | | | |
| Assets | | | |
| Cash & cash equivalents | 268'003 | 268'003 | 0 |
| Short term investments | 243'402 | 243'402 | 0 |
| Marketable securities at fair value | 881 | 881 | 0 |
| Trade receivables | 3'846 | 3'846 | 0 |
| Other receivables | 7'624 | 7'624 | 0 |
| Other current assets | 1'079 | 1'079 | 0 |
| Financial assets | | | |
| Mortgages | 449'652 | 457'227 | 7'575 |
| Bonds | 118'654 | 120'122 | 1'468 |
| Time deposits | 43'834 | 43'834 | 0 |
| Other financial assets | 311 | 311 | 0 |
| Subtotal | 1'137'286 | 1'146'329 | 9'043 |
| Liabilities | | | |
| Trade payables | 1'875 | 1'875 | 0 |
| Other current liabilities | 8'331 | 8'331 | 0 |
| Due to banks | 21'119 | 21'119 | 0 |
| Due to customers | 836'093 | 836'093 | 0 |
| Long-term debts | | | |
| Medium-term notes | 2'296 | 2'340 | (44) |
| Loans from central mortgage institutions | 45'851 | 45'161 | 690 |
| Other non-current liabilities | 2'939 | 1'187 | 1'752 |
| Subtotal | 918'504 | 916'106 | 2'398 |
| Total of divergence | | | 11'441 |
| as at 31.12.2012 | | | |
| Assets | | | |
| Cash & cash equivalents | 233'244 | 233'244 | 0 |
| Short term investments | 219'195 | 219'195 | 0 |
| Marketable securities at fair value | 832 | 832 | 0 |
| Trade receivables | 3'358 | 3'358 | 0 |
| Other receivables | 1'499 | 1'499 | 0 |
| Other current assets | 1'703 | 1'703 | 0 |
| Financial assets | | | |
| Mortgages | 401'729 | 414'360 | 12'631 |
| Bonds | 104'930 | 107'578 | 2'648 |
| Time deposits | 37'746 | 37'746 | 0 |
| Other financial assets | 323 | 323 | 0 |
| Subtotal | 1'004'559 | 1'019'838 | 15'279 |
| Liabilities | | | |
| Trade payables | 839 | 839 | 0 |
| Other current liabilities | 5'346 | 5'346 | 0 |
| Due to customers | 752'579 | 752'579 | 0 |
| Long-term debts | | | |
| Medium-term notes | 2'206 | 2'262 | (56) |
| Loans from central mortgage institutions | 27'665 | 27'647 | 18 |
| Other non-current liabilities | 2'995 | 2'995 | 0 |
| Subtotal | 791'630 | 791'668 | (38) |
| Total of divergence | | | 15'241 |

7 Valuation methods for financial instruments

CHF '000

| | Listed market prices (Level 1) | Valuation methods based on market data (Level 2) | Valuation methods based not on market data (Level 3) | Total |
|-------------------------------------|-----------------------------------|---|---|-------|
| as at 30.06.2013 | | | | |
| Assets | | | | |
| Marketable securities at fair value | 161 | 720 | 0 | 881 |
| Liabilities | | | | |
| Derivative financial instruments | 0 | 247 | 0 | 247 |
| as at 31.12.2012 | | | | |
| Assets | | | | |
| Marketable securities at fair value | 102 | 730 | 0 | 832 |
| Liabilities | | | | |
| Derivative financial instruments | 0 | 389 | 0 | 389 |

After the initial recognition, the fair value determination of financial instruments (level 1) is based on listed market prices or prices cited by traders, insofar as the financial instruments are traded on an active market.

The fair value of financial instruments (level 2) is determined by generally accepted valuation techniques which are based on observable market prices.

VZ Group does not have any financial instruments (level 3) whose fair value is determined using a valuation method which is not based on market data.

There were no transfers of financial instruments in the first half-year 2013.

8 Treasury shares

| Number | | | in '000 CHF | | |
|----------|----------|----------|-------------|----------|----------|
| 30.06.13 | 31.12.12 | 30.06.12 | 30.06.13 | 31.12.12 | 30.06.12 |
| 106'974 | 153'158 | 162'382 | 10'926 | 14'117 | 14'268 |

9 Off-balance sheet information

| CHF '000 | | | |
|--|----------|----------|----------|
| | 30.06.13 | 31.12.12 | 30.06.12 |
| Contingencies | 875 | 775 | 0 |
| Irrevocable residential mortgages granted, payment obligations and loans to public corporation | 23'801 | 25'876 | 10'598 |
| Payment obligation regarding depositor protection measures | 7'244 | 7'244 | 5'558 |

10 Foreign currency translation

| Foreign currency unit | Exchange rates for balance sheets as of | | | Average exchange rates for income and cash flow statements | | |
|-----------------------|---|----------|----------|--|--------|--------|
| | 30.06.13 | 31.12.12 | 30.06.12 | 1H 13 | 2H 12 | 1H 12 |
| USD | 0.9447 | 0.9152 | 0.9485 | 0.9363 | 0.9375 | 0.9291 |
| EUR | 1.2297 | 1.2074 | 1.2024 | 1.2293 | 1.2052 | 1.2047 |

- 11 Dividend The dividend of CHF 2.65 per share for 2012 was distributed on 12 April 2013. The total of dividend pay out was TCHF 20'846.
- 12 Subsequent events No events took place between 30 June 2013 and 15 August 2013 that would require adjustments to the amounts recognised in these consolidated financial statements or would need to be disclosed under this heading.
- 13 Approval At its meeting held on 12 August 2013, the Board of Directors discussed and approved the unaudited consolidated half-year financial statements.

SEGMENT-REPORTING

In accordance with the requirements of IFRS 8, segment reporting reflects the internal management information to assess the financial performance of the segments. VZ Group reports two segments, private clients and corporate clients.

The private client segment focuses on consulting services such as retirement, estate and tax planning, as well as investment advisory and real estate financing. It also encompasses integrated wealth management services, financial consulting, depository bank services such as custody services, cash accounts, securities and foreign exchange transactions as well as allowing mortgage loans.

The corporate client segment focuses on risk management consulting and services relating to pension fund solutions for domestic and international clients. It also includes management services for insurance portfolios and pension funds. To a great extent revenues and expenses are allocated directly to the segments. Items of corporate services and consolidated entries that can not be allocated directly are allotted to the segments based on specific allocation principles.

| CHF '000 | Private clients | | | Corporate clients | | | Total | | |
|---------------------------------|-----------------|--------------------|--------------------|-------------------|--------------------|--------------------|-----------------|--------------------|--------------------|
| | 1H 13 | 2H 12 ¹ | 1H 12 ¹ | 1H 13 | 2H 12 ¹ | 1H 12 ¹ | 1H 13 | 2H 12 ¹ | 1H 12 ¹ |
| Consulting fees | 6'980 | 7'364 | 7'012 | 548 | 835 | 507 | 7'528 | 8'199 | 7'519 |
| Management fees | 58'996 | 54'852 | 47'903 | 6'771 | 6'571 | 6'123 | 65'767 | 61'423 | 54'026 |
| Banking revenues | 11'018 | 11'725 | 9'761 | n/a | n/a | n/a | 11'018 | 11'725 | 9'761 |
| Other operating revenues | 166 | 326 | 172 | 1 | 1 | 0 | 167 | 327 | 172 |
| Total operating revenues | 77'160 | 74'267 | 64'848 | 7'320 | 7'407 | 6'630 | 84'480 | 81'674 | 71'478 |
| Personnel expenses | (29'529) | (27'292) | (26'267) | (4'723) | (4'416) | (4'256) | (34'252) | (31'708) | (30'523) |
| Other operating expenses | (11'368) | (9'821) | (9'556) | (915) | (931) | (793) | (12'283) | (10'752) | (10'349) |
| Total operating expenses | (40'897) | (37'113) | (35'823) | (5'638) | (5'347) | (5'049) | (46'535) | (42'460) | (40'872) |
| EBITDA | 36'263 | 37'154 | 29'025 | 1'682 | 2'060 | 1'581 | 37'945 | 39'214 | 30'606 |
| Depreciation and amortization | (1'762) | (1'526) | (1'514) | (177) | (166) | (168) | (1'939) | (1'692) | (1'682) |
| EBIT | 34'501 | 35'628 | 27'511 | 1'505 | 1'894 | 1'413 | 36'006 | 37'522 | 28'924 |

1 2012 figures have been restated due to the retrospective application of the amended IAS 19 – Employee Benefits.

Additional informations

| CHF '000 | Private clients | | | Corporate clients | | | Total | | |
|--|-----------------|----------|----------|-------------------|----------|----------|----------|----------|----------|
| | 30.06.13 | 31.12.12 | 30.06.12 | 30.06.13 | 31.12.12 | 30.06.12 | 30.06.13 | 31.12.12 | 30.06.12 |
| Additions in fixed and intangible assets | 2'748 | 1'935 | 1'630 | 246 | 176 | 312 | 2'994 | 2'111 | 1'942 |
| Fixed and intangible assets per segment | 9'064 | 8'070 | 7'655 | 1'093 | 1'033 | 1'024 | 10'157 | 9'103 | 8'679 |
| CHF mio. | | | | | | | | | |
| Assets under Management | 11'002 | 10'082 | 9'149 | | | | 11'002 | 10'082 | 9'149 |
| Insurance premium volume p.a. | | | | 284 | 280 | 275 | 284 | 280 | 275 |

Assets under Management comprise: Assets that we manage under fully discretionary portfolio management mandates with private clients, portfolio advisory mandates, portfolios without mandate, cash deposits with VZ Depository Bank and mortgages that we service under a mortgage management mandate, including mortgages which have been contractually agreed but not yet funded. The fully discretionary portfolio management mandates with private clients amount for CHF 7'169 mio. (31.12.12: CHF 6'531 mio., 30.6.12: CHF 6'000 mio.). The premium volume encompasses the total of the annual insurance premiums of our clients we are mandated to manage.

INFORMATION FOR SHAREHOLDERS

Information about the VZ Holding Ltd registered share

| | |
|-------------------|--------------|
| ISIN number | CH0028200837 |
| Securities number | 2820083 |

Ticker symbols

| | | | |
|--------------------|-----------|---------|----------|
| Listing | Bloomberg | Reuters | Telekurs |
| SIX Swiss Exchange | VZN SW | VZN.S | VZN |

Important dates

| | |
|--|----------------|
| Publication of the annual report 2013 | 4 March 2014 |
| General meeting 2014 | 4 April 2014 |
| Publication of the half-year report 2014 | 14 August 2014 |

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The half-year report for shareholders is available in German and English. The German version prevails.

Electronic information

Additional information on VZ Holding Ltd can be found on our website: www.vzch.ch.

Disclaimer

All statements in this report, if they are not based on historical facts, relate to the future and do not provide any guarantee regarding future benefits. They include risks and uncertainties comprising, but not limited to future global economic conditions, exchange rates, legal provisions, market conditions, activities of competitors as well as other factors that are outside the company's control.

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