



VZ Group

1H 2023

Results and outlook

Appendix: company overview

Bad Ragaz, 10 January 2024

Forward-looking statements

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Roundings

Numbers may differ slightly from the published income statements due to rounding differences. All financial information in this presentation ended 30 June is unaudited and is prepared under the same recognition and measurement principles applied for the audited annual financial statements. For the adjustments of 2019-2021 figures, please see note below.

Alternative Performance Measures (APMs) and Restatements

The SIX Exchange Directive on the Use of Alternative Performance Measures does not apply on this investor presentation. IFRS 17 Insurance contracts was implemented in 1H 2023. 2022 figures are retrospectively restated due to the implementation of IFRS 17 Insurance contracts. 2019-2021 figures are approximated for comparability (the insurance result consists of the netted former net earned premiums and expenses related to insurance contracts).

The income from currency-swaps in 2020-2023 was reclassified: while it was previously reported in the trading result, it is now reported in the interest business.

Agenda

1. What does VZ do?

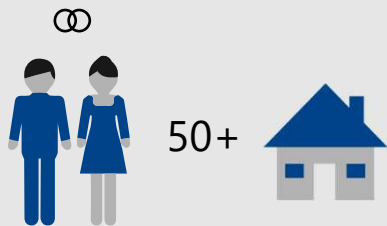
2. Facts and figures

3. Financials

4. Outlook

What does VZ do?

Target clients...



- Homeowners
- Employees on management level
- Entrepreneurs

... seek expert advice...

- Retirement planning (employees)/ succession planning (entrepreneurs)
- Estate planning
- Investment advice
- Real estate financing and development
- Tax planning
- Insurance optimisation

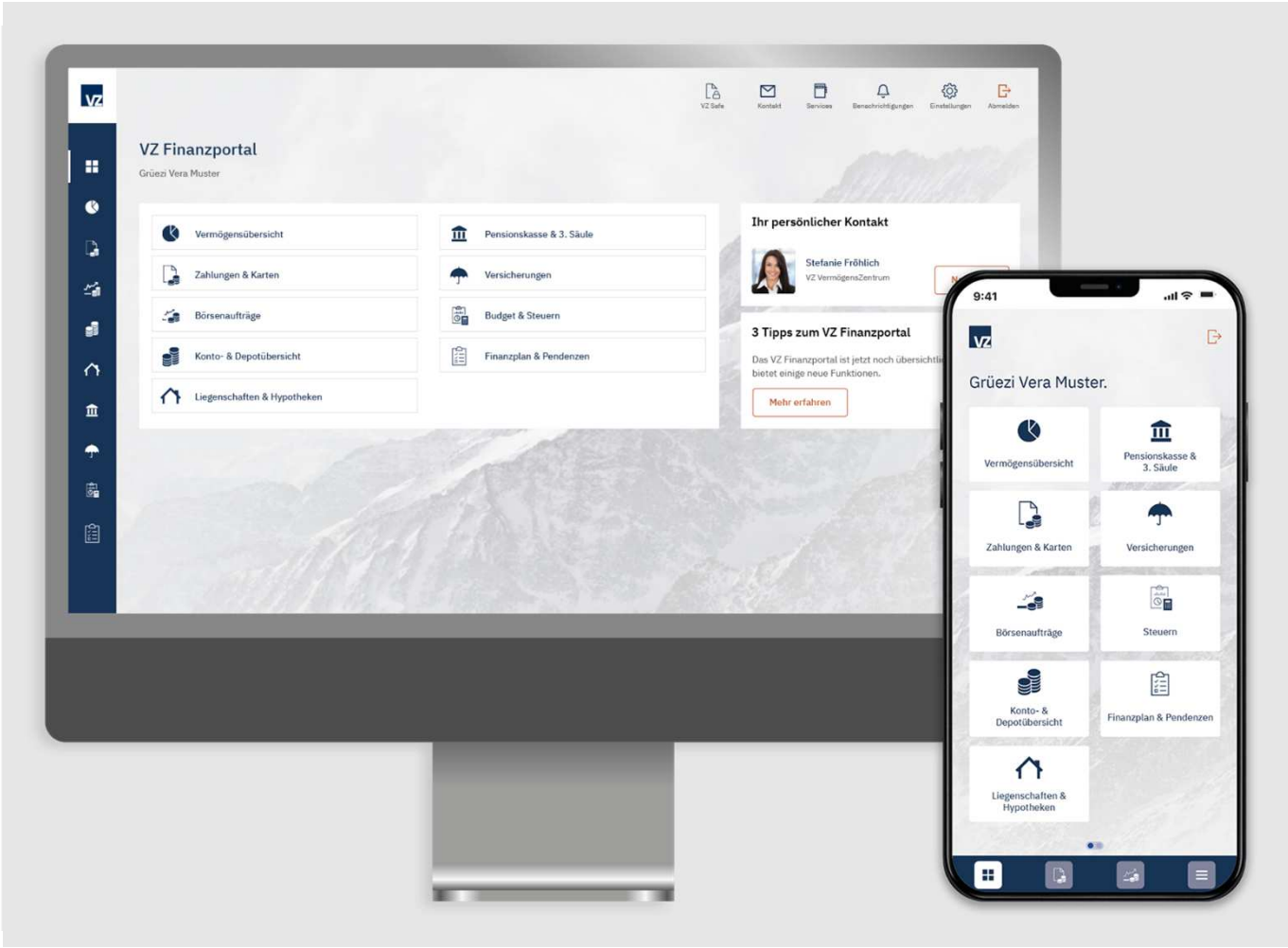
... and solid implementation

- ① Portfolio management
 - Discretionary mandates
 - Advisory mandates
- ② Banking services
 - Custody, TX/FX
 - Payment services online / offline
- ③ Mortgages
- ④ Pension fund and 3rd pillar solutions, individualised tax deferred provision schemes
- ⑤ Insurance coverage+ Digital cockpit VZ Finanzportal

VZ advantage

profound expertise,
no conflicts of interest

competitively priced, transparent,
comprehensive



Strong brand recognition

Brand associated with expertise, quality and independence

Periodical



Books



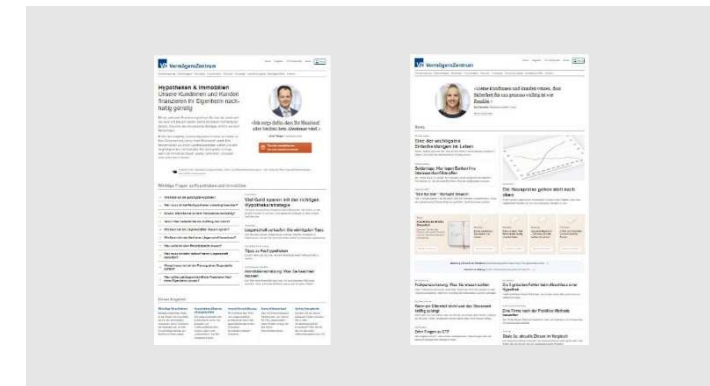
Seminars



Media coverage



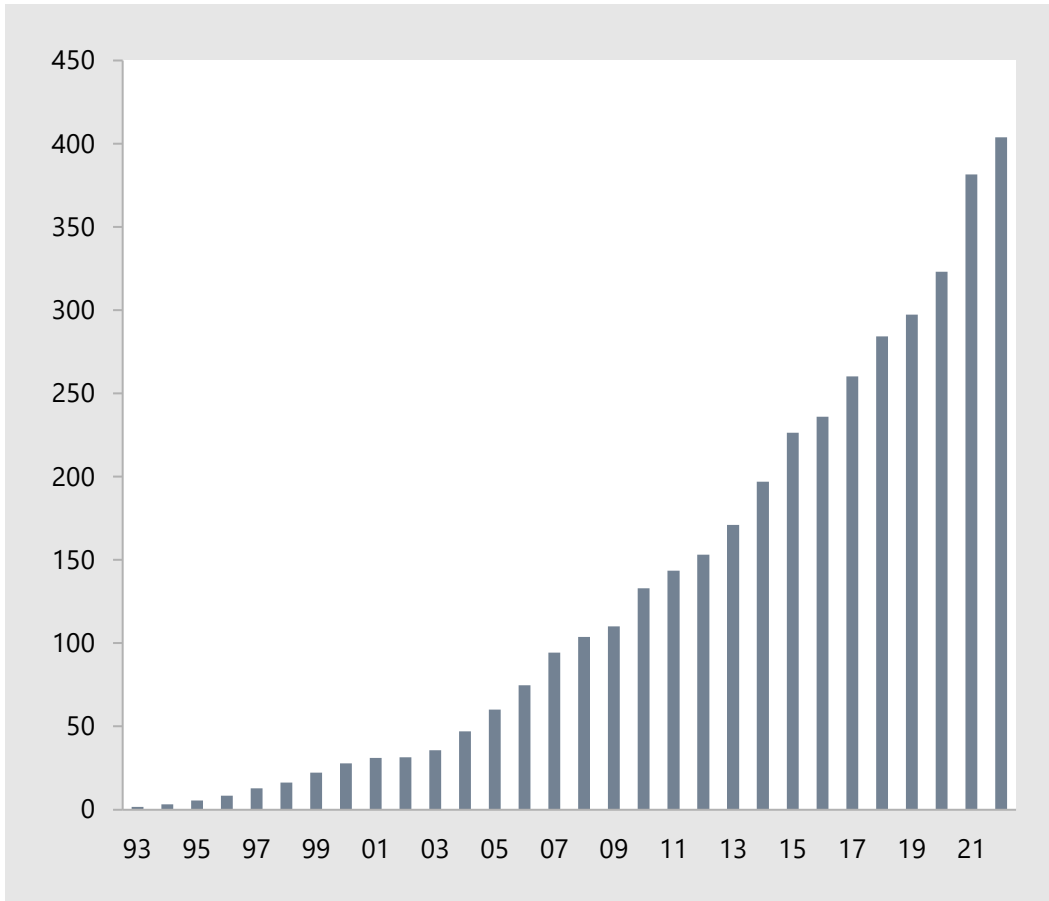
Online/Newsletters



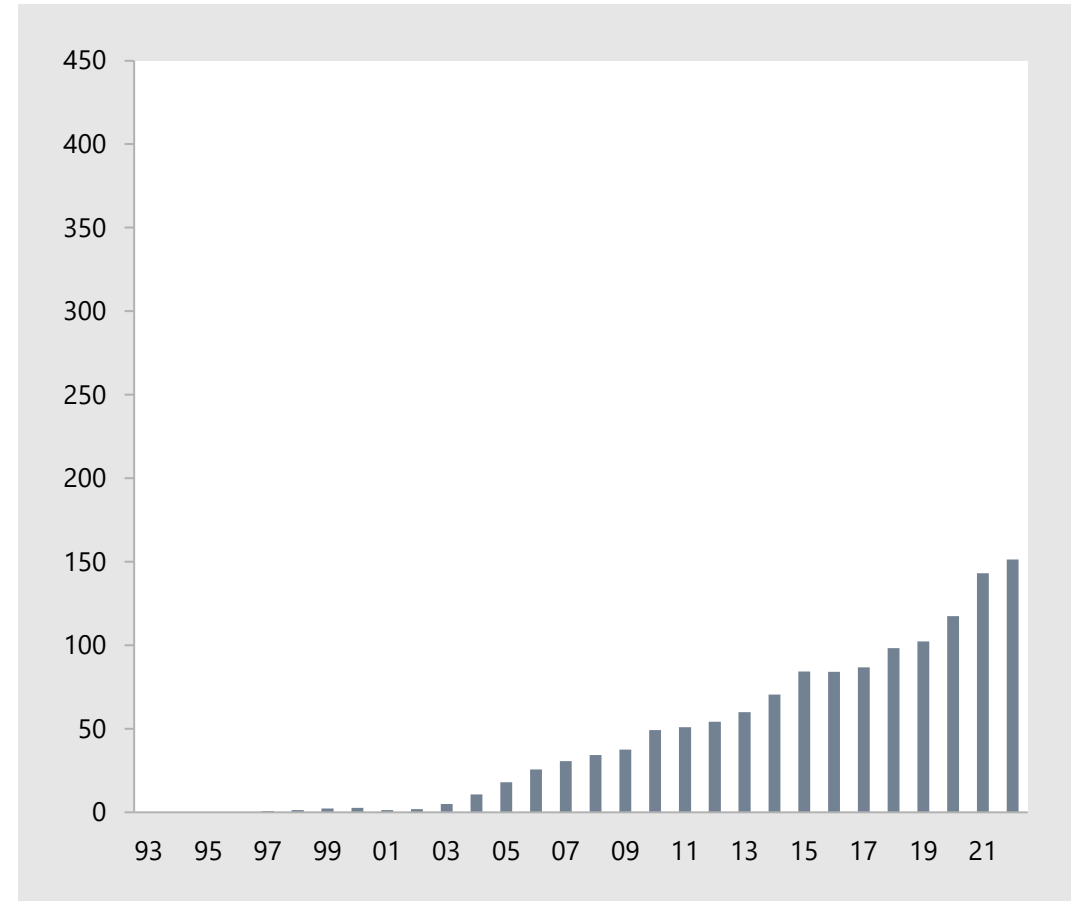
Long track record of organic growth and profitability

in CHF million

Total revenues¹



Net profit¹



¹ 1993–2003 according to SWISS GAAP; 2004–2022 according to IFRS; 2019-2022 Implementation of IFRS 17 incl. retrospective restatements

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Business development

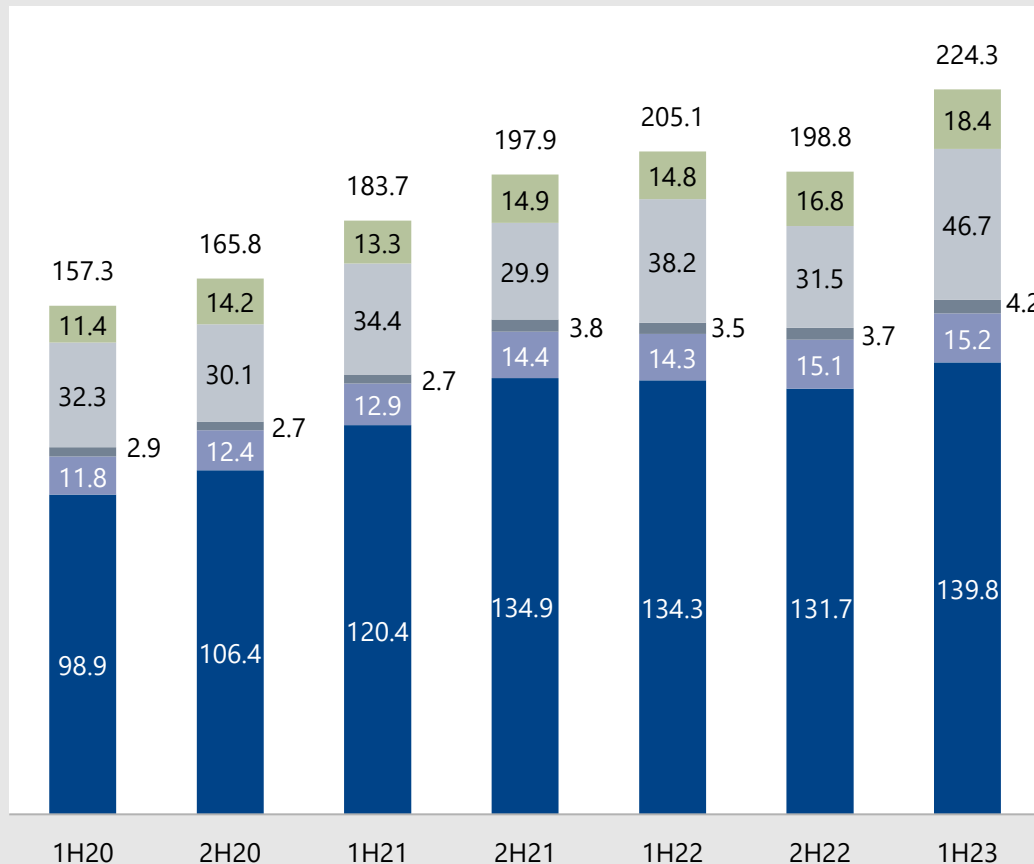
- Continued growth in all business lines as expected:
 - Unchanged strong marketing response and new client inflow for consulting services due to uncertainties
 - AuM related revenues increased 4.1%, whereas banking income grew with 22.2%
- 4041 consulting clients converted to platform services
- Steady improvement of platform usage per WM client, 24.5% of all WM clients use 3+ platforms
- Growth of front-end consulting capacity +7.3% to 220 FTEs
- Annualised NNM inflow per consulting FTE at CHF 21.9 million
- VZ BVG Rück Ltd: operational since 1.1.2023

Financials

- Top line +9.4% yoy to CHF 224.3 million
- Expenses +6.9% to CHF 123.2 million
 - Personnel expenses +8.3% yoy
 - Other operating expenses +3.4% yoy
- EBIT margin: 45.1% vs. 43.8% in 1H 2022
- Bottom line +12.1% yoy to CHF 86.3 million, Net profit margin: 38.5% vs. 37.5% in 1H 2022
- Implementation of IFRS 17 standard Insurance Contracts led to restatements and to adjustments of profitability targets
- Solid balance sheet
 - Equity ratio: 12.8%
 - BIS CET 1: 24.1%
- NNM: CHF 2'414 million vs. CHF 2'510 million in 1H 2022
- Assets under management: CHF 42.6 billion vs. 31.12.2022: +8.9% and vs. 30.06.2022: +13.1%

Revenues: +9.4% yoy

in CHF million



Total revenues +9.4% yoy

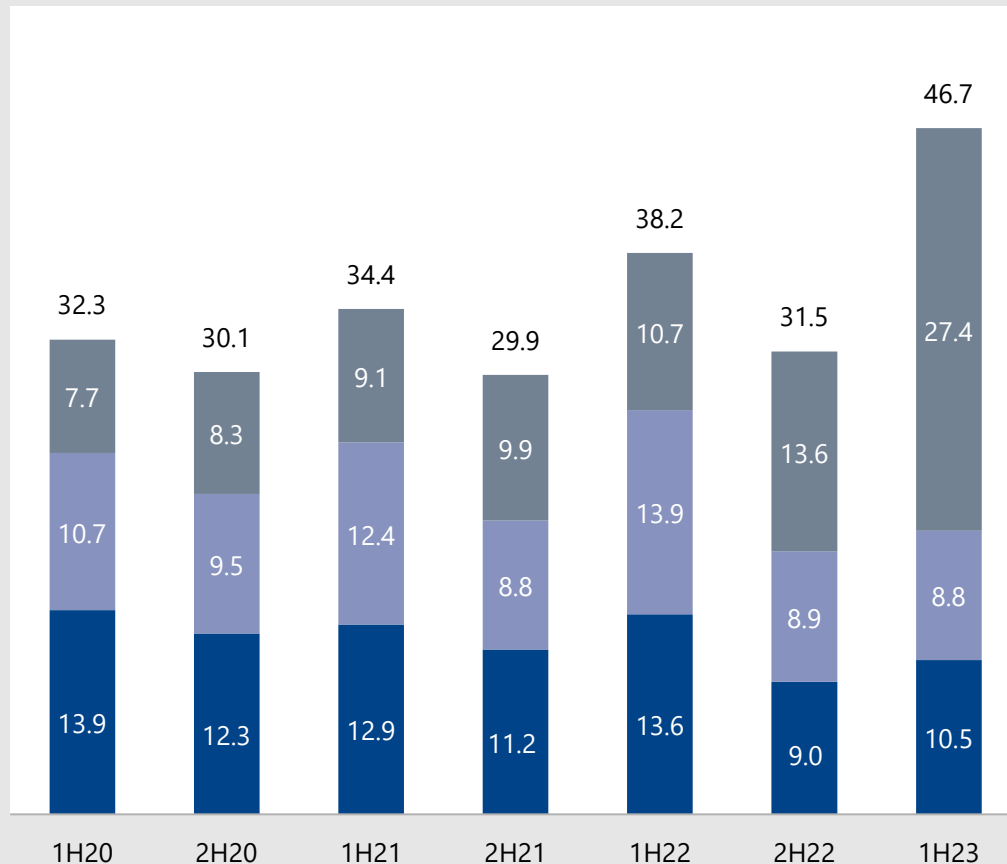
- Consulting fees¹ +24.3% yoy
- Banking income from interest business, commissions and trading activities +22.3% yoy
- Insurance result² +20.0% yoy
- Other management fees +6.3% yoy
- Management fees on AuM +4.1% yoy

1 Incl. other revenues

2 Implementation of IFRS 17 incl. retrospective restatements (see Disclaimer p.1).

Banking income: interest business grows disproportionately

in CHF million

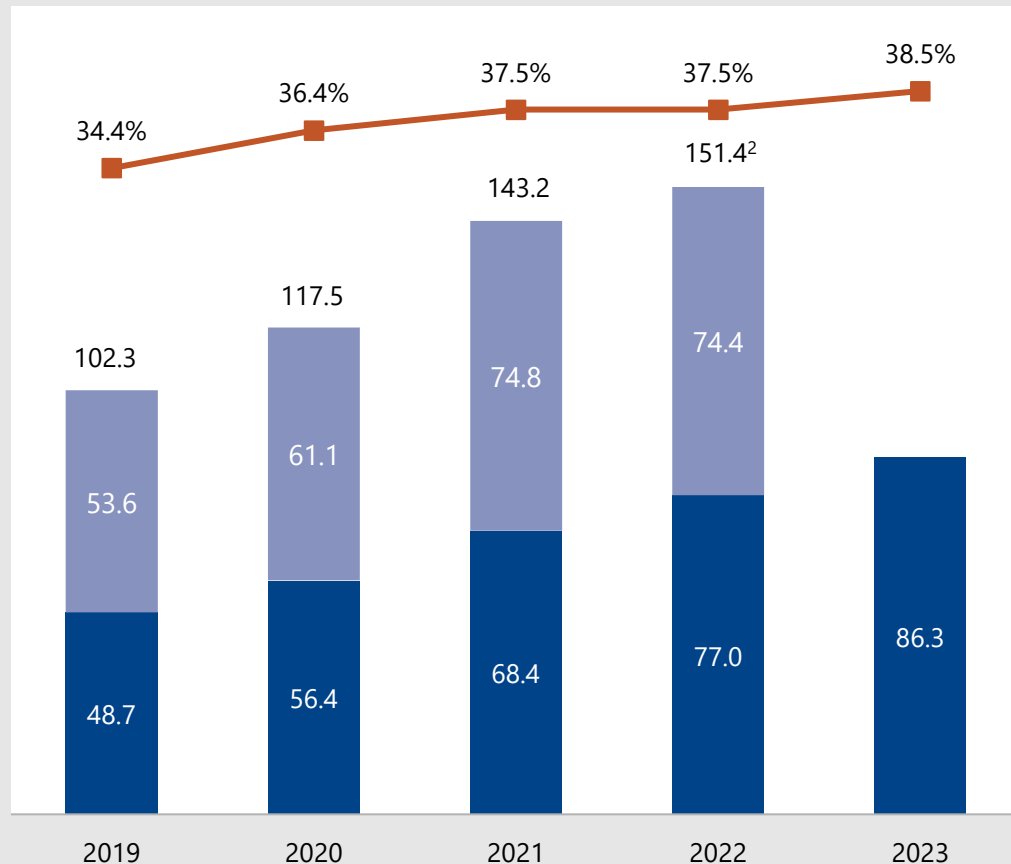


- Interest business¹
Disproportionate growth due to higher interest rates and balance sheet growth
- Trading result¹
Generally random development driven by financial markets
- Transaction fees
Downward trend due to strong demand for all-in fee models and index-oriented investment styles

¹ 2020-2023 reclassification of income from currency-swaps: previously reported in the trading result, now in the interest business.

Net profit: +12.1% yoy

in CHF million



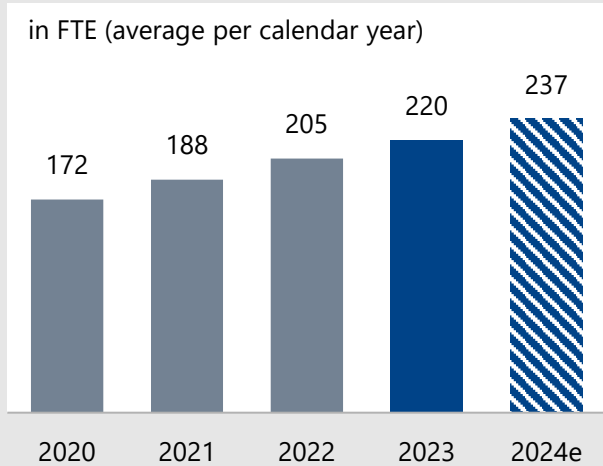
- Net profit margin at 38.5% vs. 37.5% yoy
- New long-term net profit margin target: 38%, revised up from 36% due to IFRS 17 implementation

¹ Net profit margins were restated retrospectively due to implementation of IFRS 17 (see Disclaimer p.1).

² Implementing IFRS 17 for 2022 resulted in a retrospective increased net profit of +0.1mio.

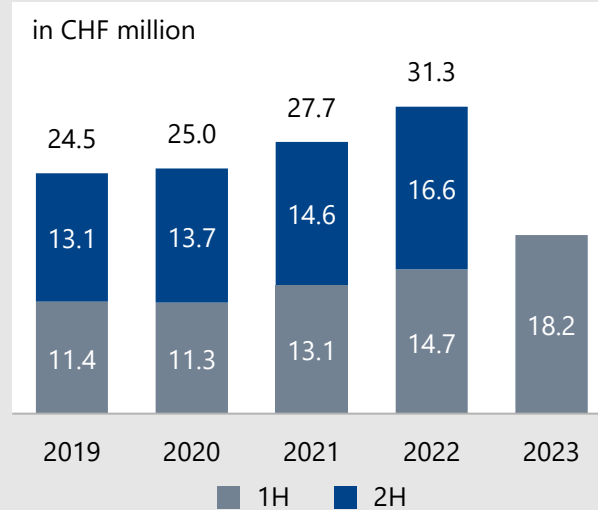
Financial Consulting: NNM above target corridor

Capacity growth



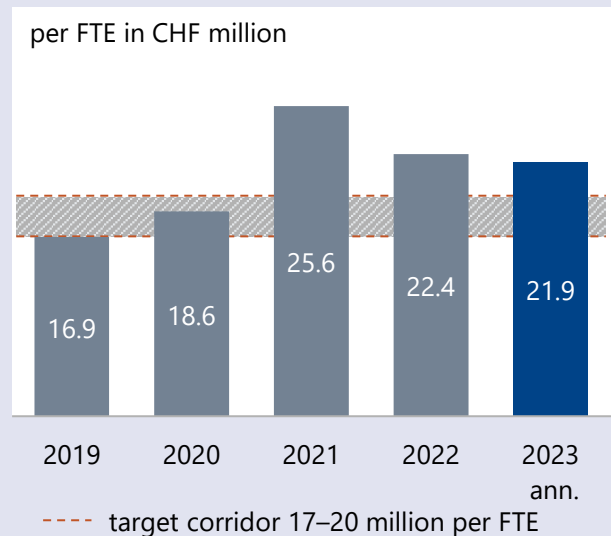
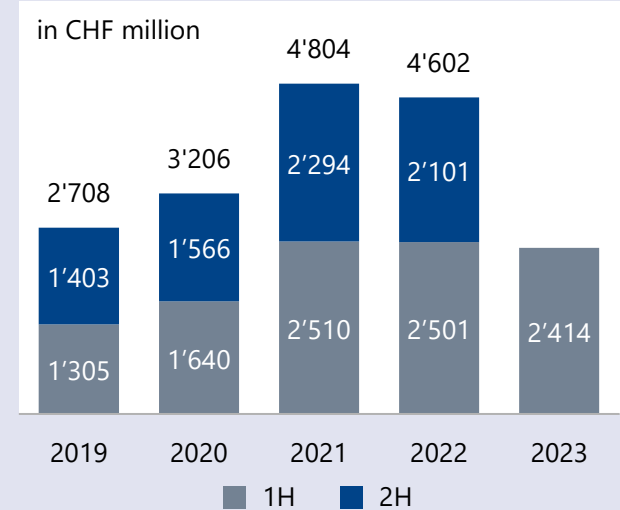
- FC full-time equivalents (FTE) with client and budget responsibility
- PCC profile equals 50% FC profile
- Wealth managers and UK consultants not included
- Further capacity increase planned

Consulting revenues



- Consulting projects enable introduction to wealth management services ("platforms")

Net new money (NNM)



Wealth Management: AuM+13.1%

in CHF million

	30.06.21	31.12.21	30.06.22	31.12.22	30.06.23	yoy
AuM total	36'354	39'002	37'646	39'108	42'580	+13.1%
• PM mandates <i>Share of total AuM</i>	22'975 63.2%	24'818 63.6%	23'238 61.7%	23'881 61.1%	26'386 62.0%	+13.5%
• Others ¹ <i>Share of total AuM</i>	13'379 36.8%	14'184 36.4%	14'408 38.3%	15'227 38.9%	16'194 38.0%	+12.4%
NNM total	2'510	2'294	2'501	2'101	2'414	-3.5%
# WM clients²	53'222	57'373	61'461	65'247	69'288	+12.7%
Δ WM clients	+4'028	+4'151	+4'088	+3'786	+4'041	-1.1%

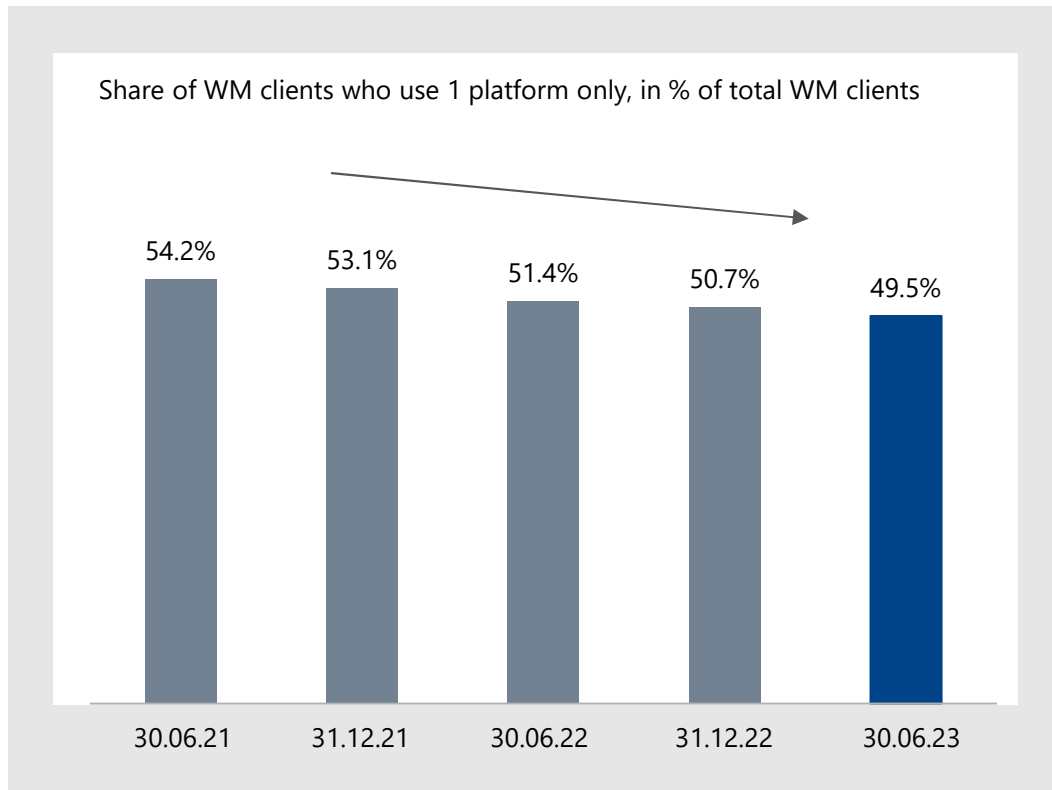
1 Incl. mortgages under management and portfolios under client management

2 Excl. UK WM clients

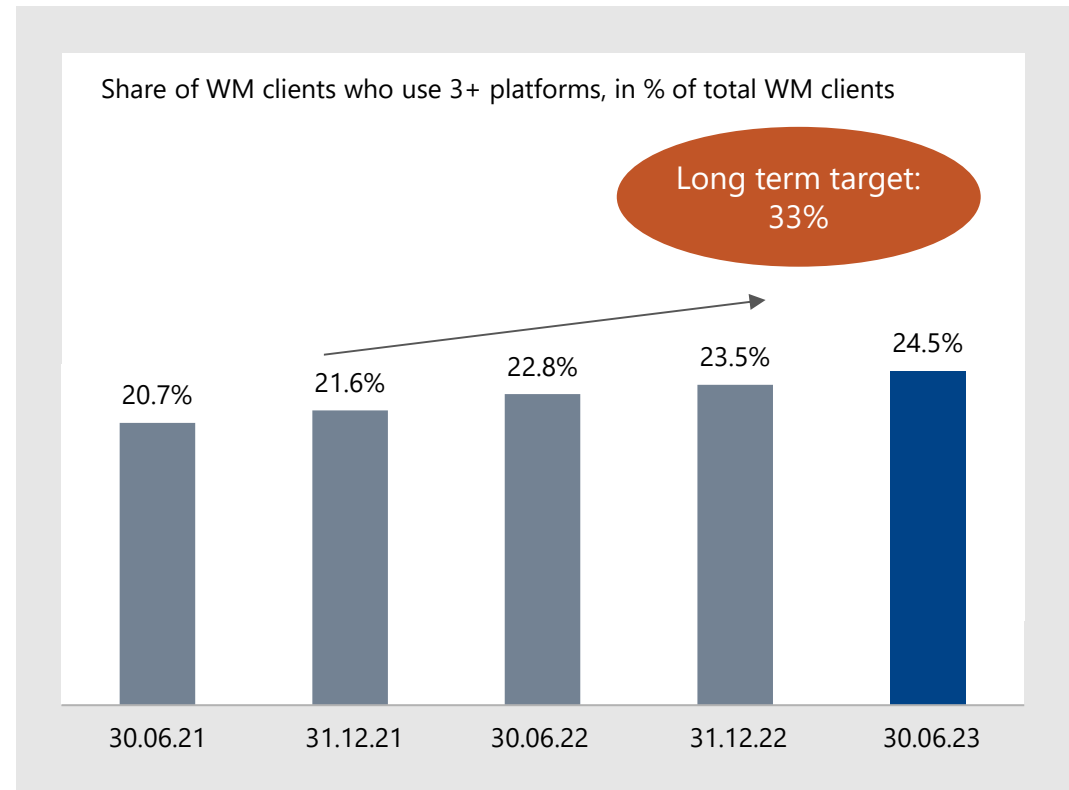
Platform usage among WM clients

CH clients only

1 platform per client



3+ platforms per client

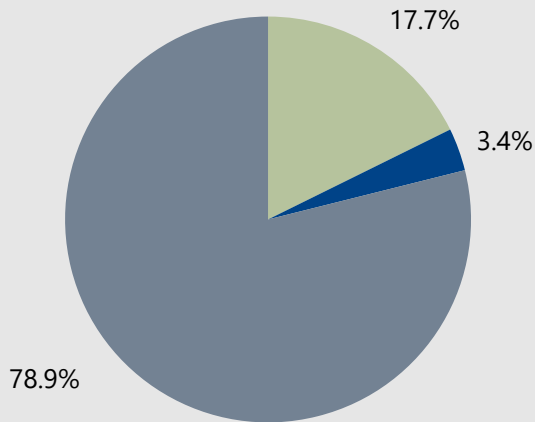


Client Satisfaction: Net Promoter Score (NPS)

Client feedbacks 01.01.-30.06.2023

Consulting clients

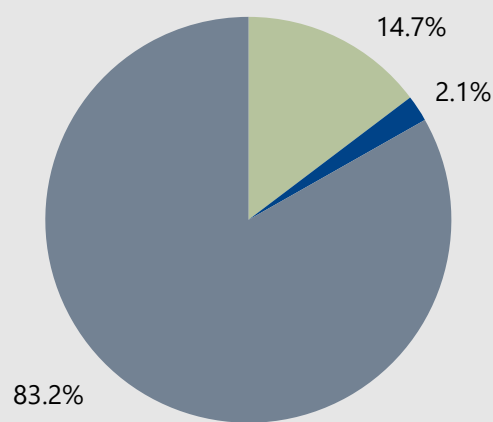
NPS: 75.5



- Promoters (9, 10)
- Passives (7, 8)
- Detractors (0-6)

Wealth management clients

NPS: 81.1



- Promoters (9, 10)
- Passives (7, 8)
- Detractors (0-6)

NPS methodology¹

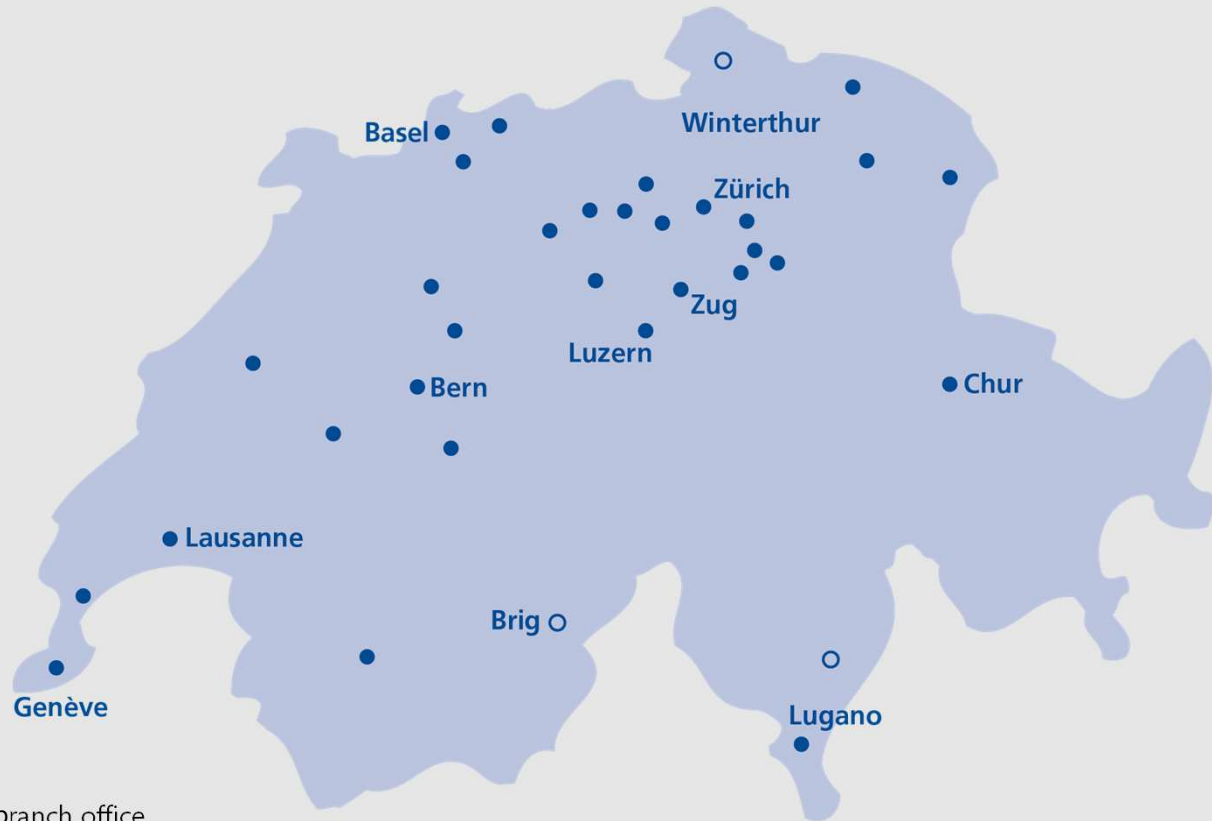
- Score based on a 0-10 scale answering the question 'how likely is it that you would recommend VZ?' (10 = extremely likely, 0 = not at all likely)
- Consulting clients survey: after completion of consulting project
- WM clients survey: every 4 years
- NPS VZ Finanzportal integrated in WM clients survey

¹ VZ internal inquiries.

Branch offices

Switzerland

#: 35



- branch office
- satellite
- ★ new branch/satellite office planned

Germany

#: 5



England/United Kingdom

#: 3



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Income statement

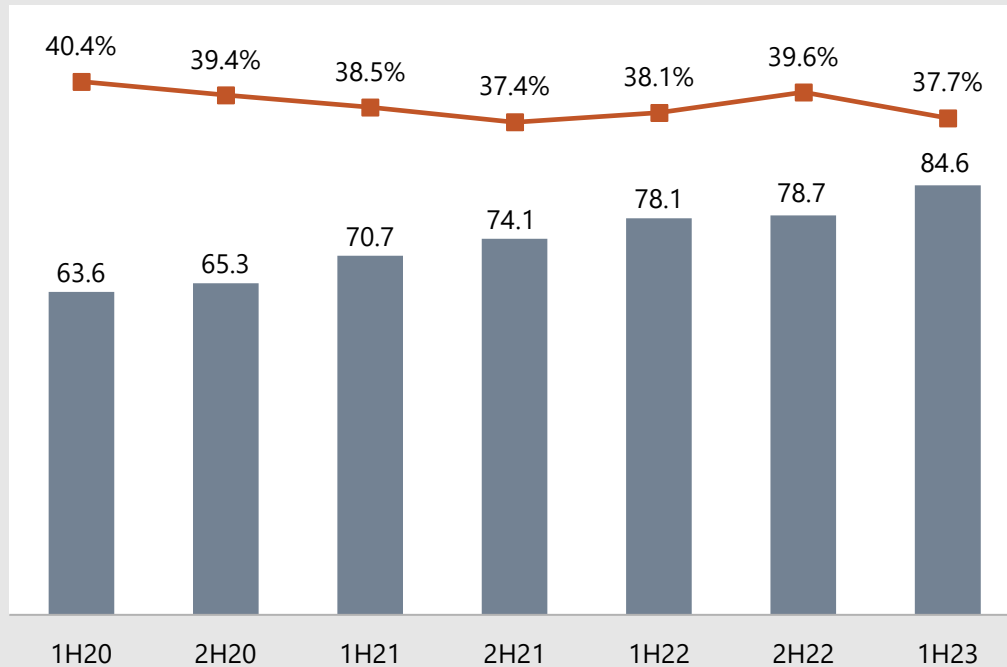
in CHF million	1H 21	2H 21	1H 22	2H 22	1H 23	yoy
Consulting fees	13.1	14.6	14.7	16.6	18.2	+23.8%
Management fees: on AuM	120.4	134.9	134.3	131.7	139.8	+4.1%
other	12.9	14.4	14.3	15.1	15.2	+6.3%
Banking income	34.4	29.9	38.2	31.5	46.7	+22.3%
Insurance result ¹	2.7	3.8	3.5	3.7	4.2	+20.0%
Other revenues	0.2	0.3	0.1	0.2	0.2	n.m.
Total revenues	183.7	197.9	205.1	198.8	224.3	+9.4%
Personnel expenses	70.7	74.1	78.1	78.7	84.6	+8.3%
Other operating expenses	23.0	25.9	26.4	22.7	27.3	+3.4%
Depreciation and amortisation	9.9	10.5	10.7	11.0	11.3	+5.6%
Total expenses	103.6	110.5	115.2	112.4	123.2	+6.9%
EBIT	80.1	87.4	89.9	86.4	101.1	+12.5%
Net finance income	-0.2	-0.4	-0.4	-0.3	-0.2	n.m.
Income taxes	11.5	12.2	12.5	11.7	14.6	+16.8%
Net profit	68.4	74.8	77.0²	74.4²	86.3	+12.1%

¹ Implementation of IFRS 17 incl. retrospective restatements (see Disclaimer p.1).

² Implementing IFRS 17 for 2022 resulted in a retrospective increased net profit of +0.1mio.

Personnel expenses

in CHF million



■ Personnel expenses
 ■ Personnel expense ratio (personnel expenses/revenues)²

- Personnel expenses +8.3% yoy
- Personnel development

	30.06.22	31.12.22	30.06.23
FTE ¹	1'186.2	1'247.4	1'299.3

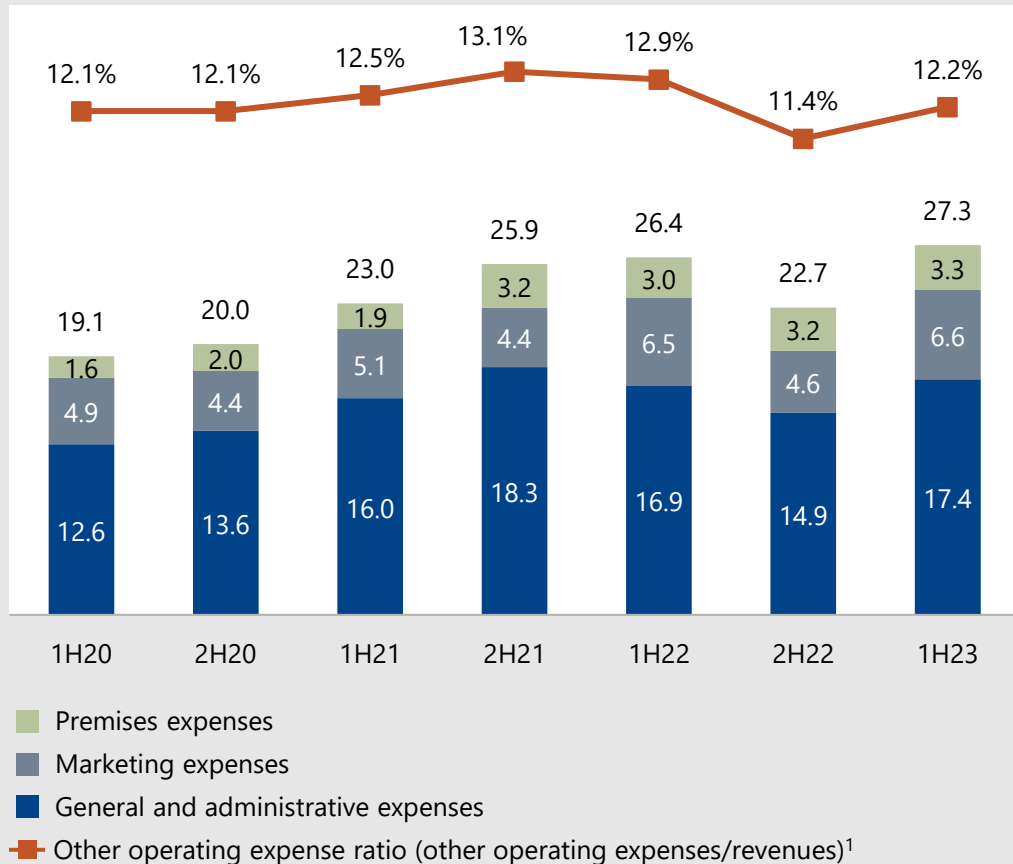
- 2H 2022: +61.2 FTE
- 1H 2023: +51.9 FTE
- Long-term personnel expense ratio: 39%

1 FTE/HC-ratio: 0.86 as per 30.06.2023

2 Personnel expense ratios were restated retrospectively due to implementation of IFRS 17 (see Disclaimer p.1).

Other operating expenses

in CHF million

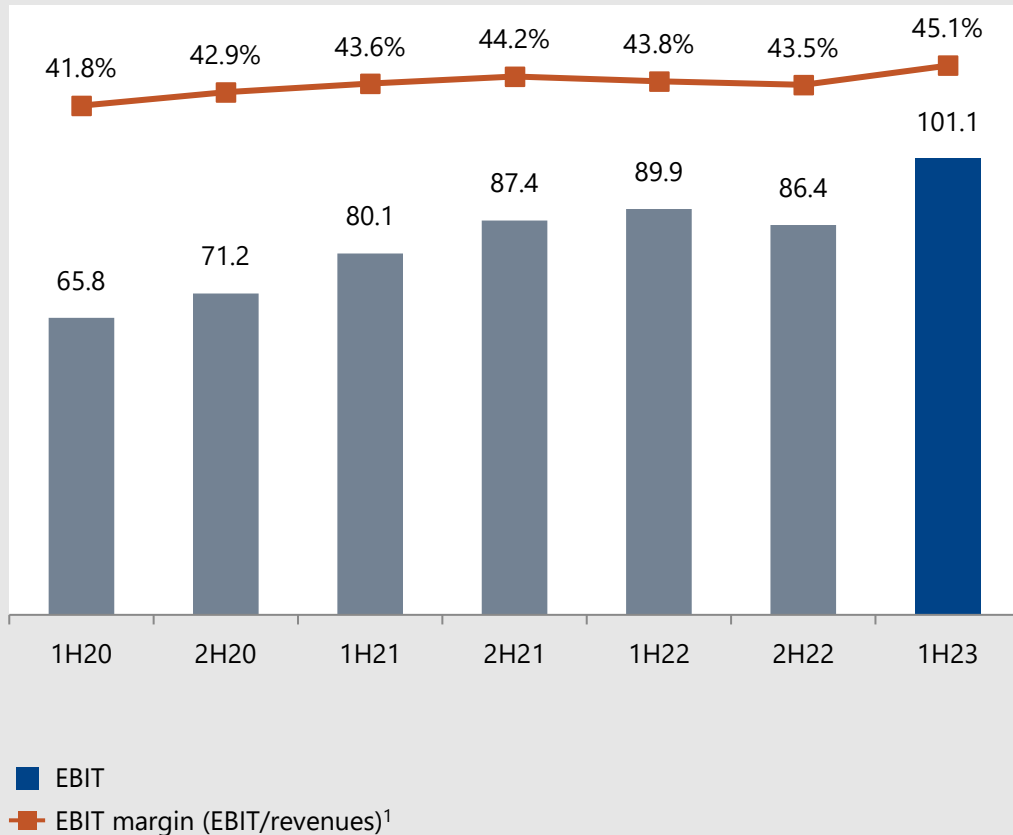


- Other operating expenses +3.4% yoy
 - Premises expenses +10.0% yoy (adj. for IFRS 16: +3.4%)
 - Marketing expenses +1.5% yoy
 - General and administrative expenses (incl. IT) +3.0% yoy
- Long-term other operating expense ratio expected between 11% and 13% going forward.

¹ Others operating expense ratios were restated retrospectively due to implementation of IFRS 17 (see Disclaimer p.1).

EBIT: Total and margin

in CHF million



- EBIT +12.5% yoy
- New long-term EBIT margin target: 44%, revised up from 42% due to IFRS 17 implementation
- No significant leverage expected going forward

¹ EBIT margins were restated retrospectively due to implementation of IFRS 17 (see Disclaimer p.1).

Balance sheet

in CHF million

	30.06.22	31.12.22	30.06.23
Cash & cash equivalents	1'690.4	1'290.2	1'296.1
Short-term investments	116.0	172.5	218.7
Swiss prime residential mortgages	3'163.5	3'386.9	3'543.5
CHF bonds, other financial assets	742.3	799.0	832.9
Subtotal financial investments	5'712.2	5'648.6	5'891.2
Property, equipment and intangibles ¹	185.4	183.9	187.3
Other assets	127.7	113.5	146.2
Total assets	6'025.3	5'946.0	6'224.7
Customer deposits	4'336.5	4'431.6	4'723.9
Long-term debts	378.7	401.6	445.7
Other liabilities	619.6	341.8	259.6
Total liabilities	5'334.8	5'175.0	5'429.2
Total equity	690.5²	771.0²	795.5

- Balance sheet growth +4.7% ytd
- Customer deposits growth +6.6% ytd, affected by attractive interest offering on saving accounts
- Low risk profile:
 - Average remaining interest period on financial investments (incl. interest caps): 1.5 years
 - Minimal credit risks (residential mortgages only, no corporate loans, high quality bonds)
 - Loan-to-value on mortgages below 50%

¹ Incl. Goodwill.

² Implementing IFRS 17 for 2022 resulted in a decrease of total equity of -0.3mio. per 31.12.2022 and of -0.4mio. per 30.06.2022.

Equity and payout ratios

in CHF million

Payout ratios	2020	2021	2022
Net profit	117.5	143.2	151.4 ¹
Retained earnings	69.2	81.3	83.0 ¹
Dividend VZ Holding	48.3	61.9	68.4
<i>Dividend p. share</i> (in CHF)	1.23	1.57	1.74
Payout ratio	42%	44%	46%

Treasury shares	30.06.22	31.12.22	30.06.23
Number (in '000)	669	757	698
% of shares	1.7%	1.9%	1.7%
Book value (in CHF million)	47.1	53.6	51.0

Equity ratios	30.06.22	31.12.22	30.06.23
Total equity	690.5 ³	771.0 ³	795.5
Equity ratio ²	11.5%	13.0%	12.8%
BIS CET1	23.5% ³	25.2% ³	24.1%
BIS T1 & T2	23.5% ³	25.2% ³	24.1%

1 Implementing IFRS 17 for 2022 resulted in a retrospective increased net profit of +0.1mio.

2 Equity compared to balance sheet total.

3 Implementing IFRS 17 for 2022 resulted in a decrease of total equity of -0.3mio. per 31.12.2022 and of -0.4mio. per 30.06.2022.

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Business development

- Continuous work on increasing new client inflow, consulting capacity, client conversion and platform usage
- VZ Finanzportal: release of mobile version of Finanzportal Pro, extended SOB-functionalities and new features for corporate clients
- Germany: further work on marketing to increase new client inflow
- UK: work on marketing effectiveness, intensify internal advisor trainee program, further work on smaller IFA acquisitions and evaluate opportunities to integrate portfolio management platform

Financials

- Base effects lead to a higher growth rate of top and bottom line in 2H 2023 vs 1H 2023 - provided stable development of financial markets
- As a result, the growth rate of top and bottom line for the full year 2023 should be significantly higher compared to the average of the last 5 years
- Interest business: after a disproportionate growth in 1H 2023, the growth will start to normalise in 2H 2023
- Dividend payout: gradual increase from 46% to 50% over the coming two years
- Long-term growth story unchanged

VZ VermögensZentrum

Hier sind Sie gut beraten.

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