



VZ Group

# **1H 2024**

## **Results and outlook**

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Appendix: company overview

Zug, 16 August 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.

## **Adjustments and Alternative Performance Measures (APMs)**

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. 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 2021-2023 was reclassified: while it was previously reported in the trading result, it is now reported in the interest business.

# Agenda

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**1. Facts and figures**

**2. Financials**

**3. Outlook**

**4. Appendix**

## Business development

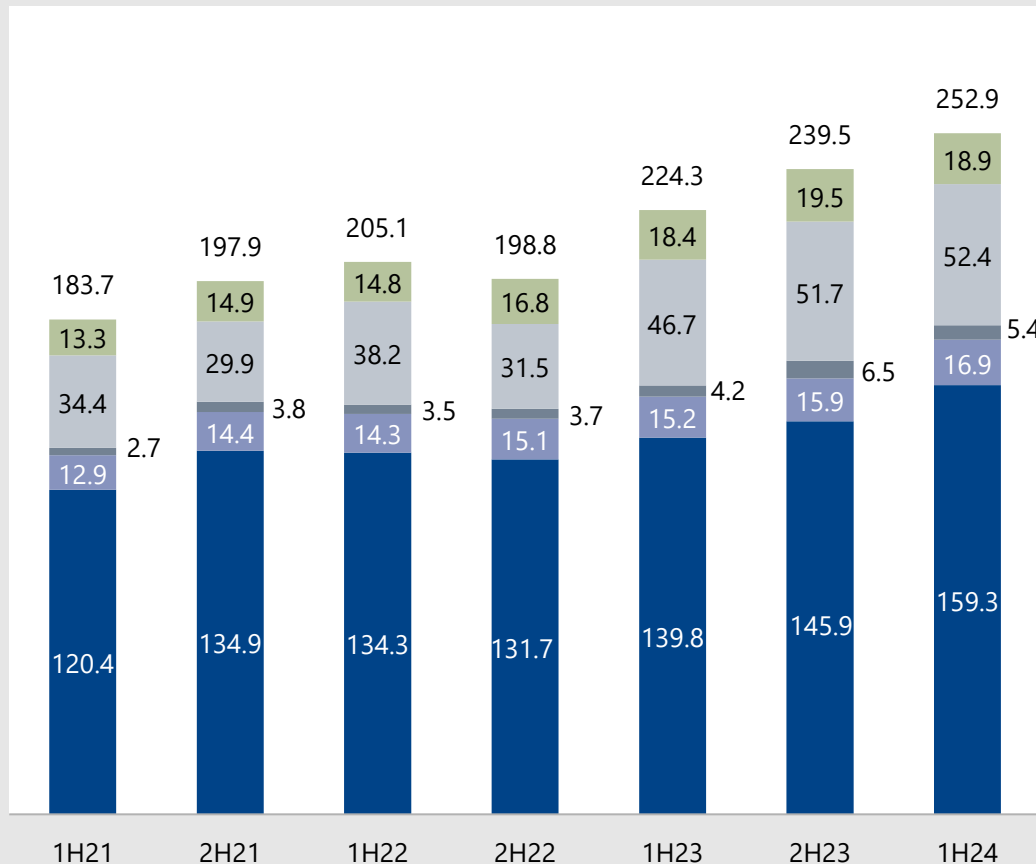
- Unchanged growth momentum
  - Strong marketing response
  - Inflow of new clients and number of consulting projects remain at high level
- Increased conversion: 4188 net new platform clients
- Growth of front-end consulting capacity +7.7% to 237 FTEs (avg. 2024, 2025e: 255 FTE)
- Annualised NNM per consulting FTE at CHF 19.7 million
- DE: improved marketing response, new branch office in Berlin
- UK: management team in place to lead Lumin beyond 2026 upon full acquisition
- No. 1 in e.foresight mobile banking ranking

## Financials

- Total revenues +12.8% yoy to CHF 252.9 million
- Total expenses +8.7%
  - Personnel expenses +12.2% yoy
  - Other operating expenses -1.5% yoy
  - Depreciation and amortisation +7.1% yoy
- EBIT margin: 47.1% (1H 2023: 45.1%)
- Net profit +19.1% yoy to CHF 102.8 million, net profit margin: 40.6% (1H 2023: 38.5%)
- Solid balance sheet
  - Equity ratio: 13.6%
  - BIS CET 1: 25.0%
- NNM: CHF 2339 million (1H 2023: CHF 2414 million)
- Assets under management: CHF 49.6 billion (31.12.2023: CHF 44.9 billion, 30.06.2023: CHF 42.6 billion)

# Revenues: +12.8% yoy

in CHF million



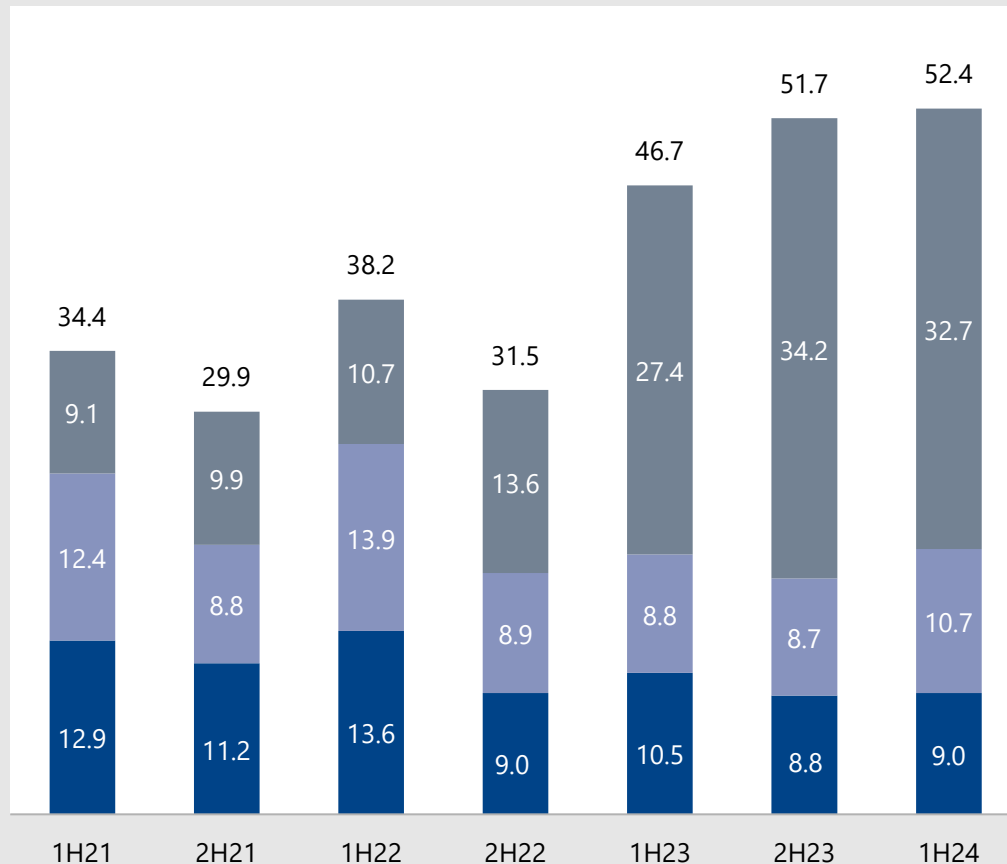
Total revenues +12.8% yoy

- Consulting fees<sup>1</sup> +2.7% yoy
- Banking income from interest business, commissions and trading activities +12.2% yoy
- Insurance result +28.6% yoy
- Other management fees +11.2% yoy
- Management fees on AuM +13.9% yoy

1 Incl. other revenues

# Banking income: Interest business peaked in 2H 2023

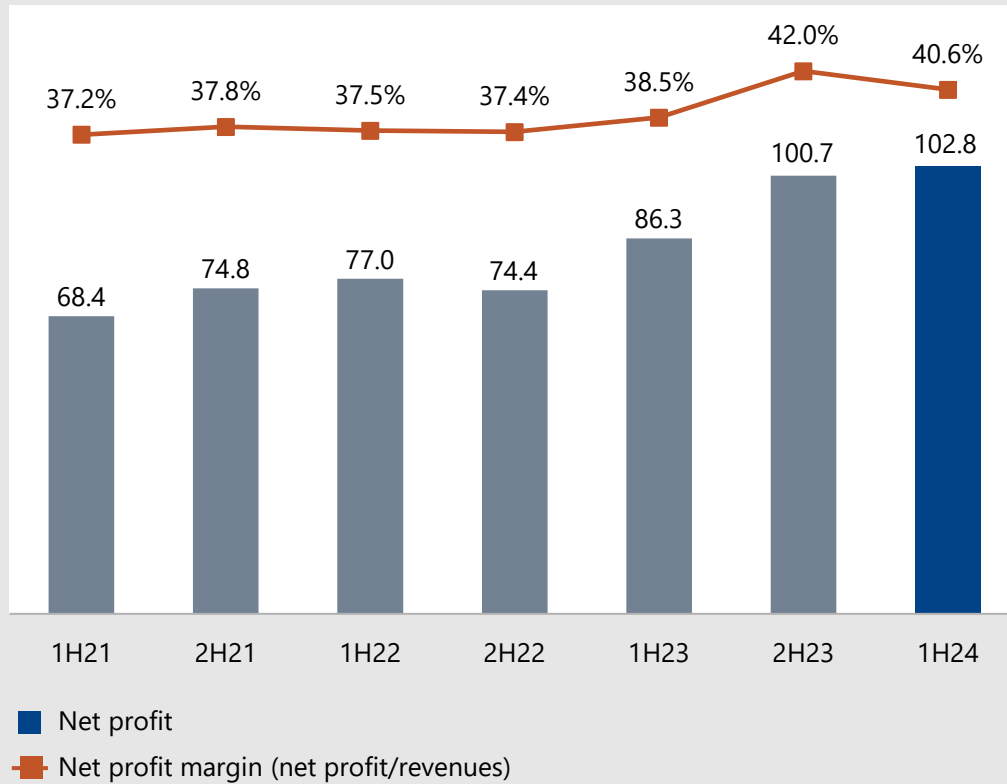
in CHF million



- Interest business +19.3% yoy  
Interest business subject to SNB's interest rate decisions
  - Trading result +21.6% yoy  
Generally random development driven by financial markets and client activities
  - Transaction fees -14.3% yoy  
Downward trend due to strong demand for all-in fee models and index-oriented investment styles
- Interest business:  
12.9% of total revenues in 1H 2024
  - Trading result/transaction fees:  
7.8% of total revenues in 1H 2024

# Net profit: +19.1% yoy

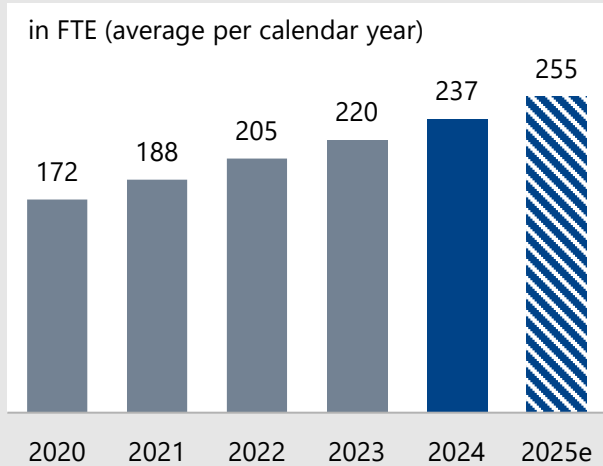
in CHF million



- Net profit margin at 40.6% vs. 38.5% yoy
- Long-term net profit margin target 38% still valid

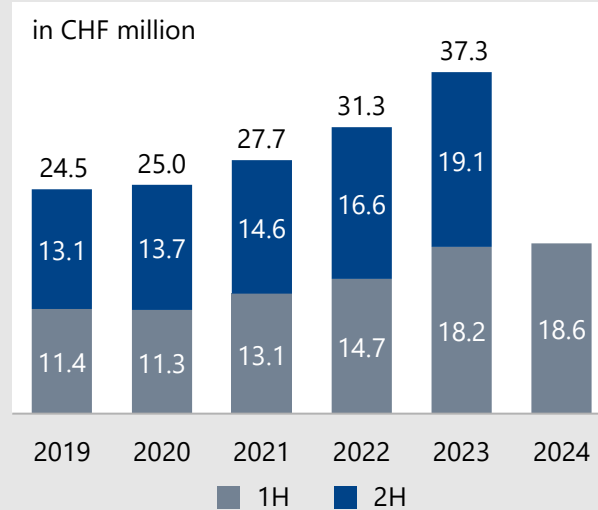
# Financial Consulting: NNM within target corridor

## Capacity growth



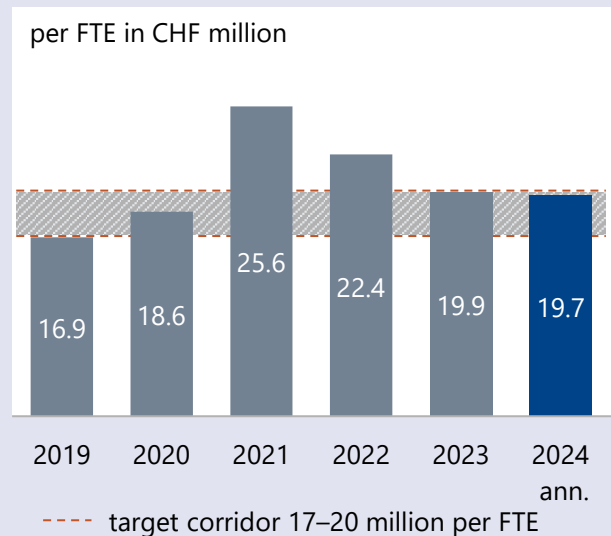
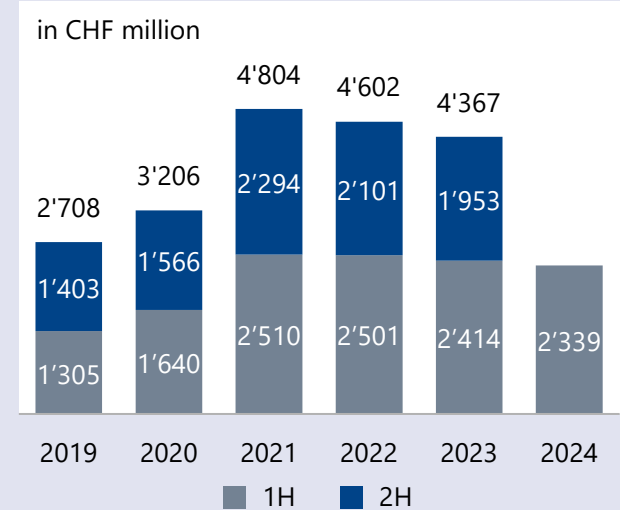
- FC full-time equivalents (FTE) with client and budget responsibility
- PCC profile equals 50% FC profile
- Wealth managers and UK consultants not included
- Further capacity increase planned

## Consulting revenues



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

## Net new money (NNM)





# Wealth Management: AuM +16.4%

in CHF million

	30.06.22	31.12.22	30.06.23	31.12.23	30.06.24	yoy
<b>AuM total</b>	<b>37'646</b>	<b>39'108</b>	<b>42'580</b>	<b>44'887</b>	<b>49'573</b>	<b>+16.4%</b>
• PM mandates <i>Share of total AuM</i>	23'238 61.7%	23'881 61.1%	26'386 62.0%	27'844 62.0%	31'357 63.3%	<b>+18.8%</b>
• Others <sup>1</sup> <i>Share of total AuM</i>	14'408 38.3%	15'227 38.9%	16'194 38.0%	17'043 38.0%	18'216 36.7%	<b>+12.5%</b>
<b>NNM total</b>	<b>2'501</b>	<b>2'101</b>	<b>2'414</b>	<b>1'953</b>	<b>2'339</b>	<b>-3.1%</b>
<b># WM clients<sup>2</sup></b>	<b>61'461</b>	<b>65'247</b>	<b>69'288</b>	<b>73'333</b>	<b>77'521</b>	<b>+11.9%</b>
Δ WM clients	+4'088	+3'786	+4'041	+4'045	+4'188	<b>+3.6%</b>

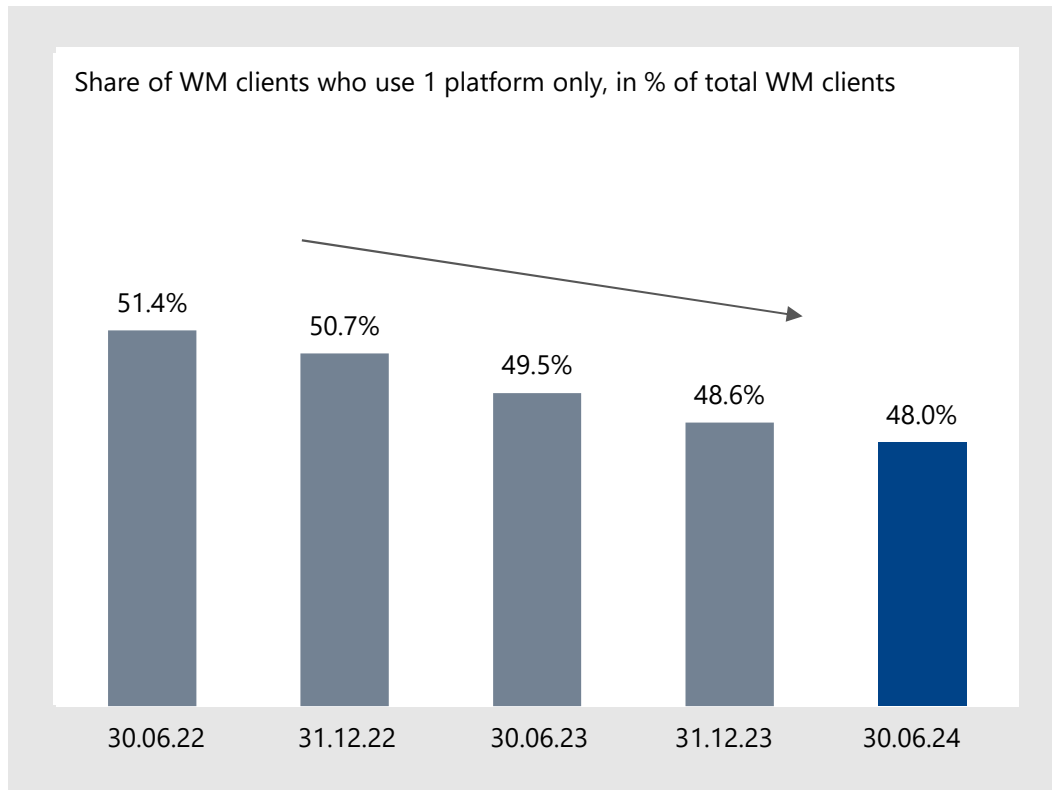
1 Incl. mortgages under management and portfolios under client management

2 Refers to households, excl. UK WM clients

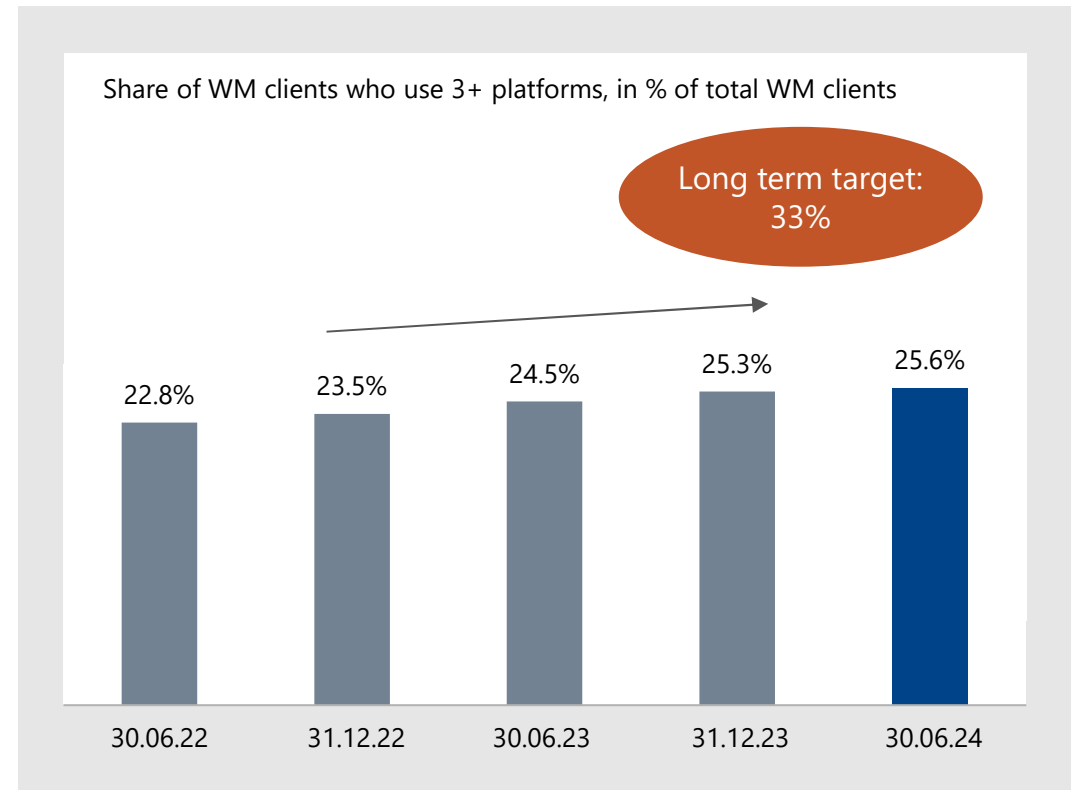
# Platform usage among WM clients

CH clients only

## 1 platform per client



## 3+ platforms per client

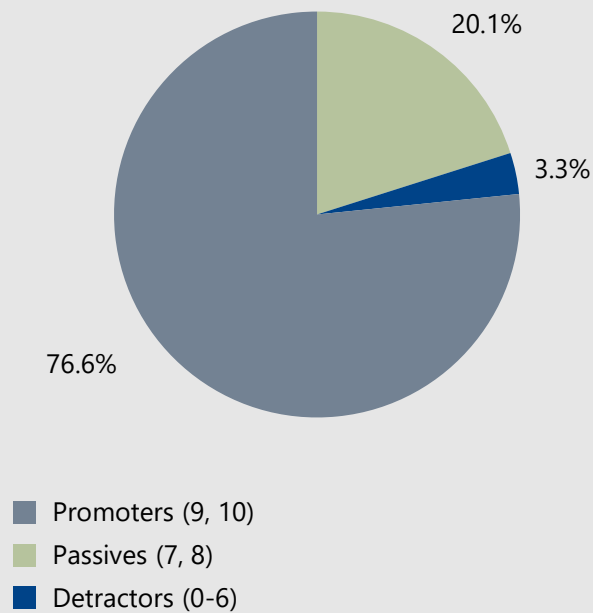


# Client Satisfaction: Net Promoter Score (NPS)

Client feedbacks 01.01.-30.06.2024

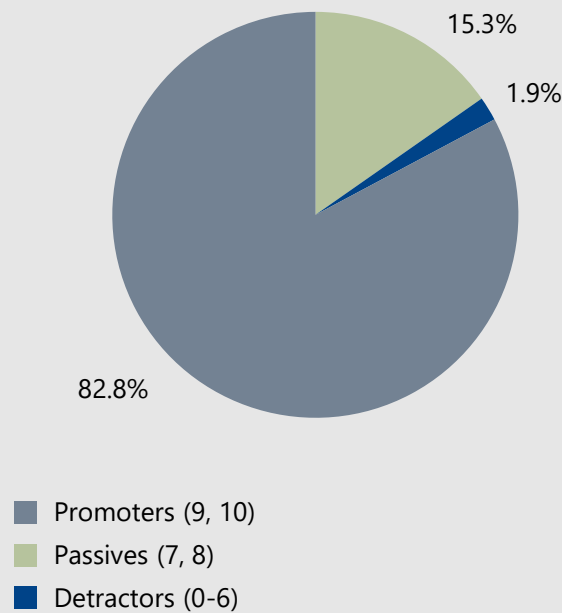
## Consulting clients

**NPS: 73.3**



## Wealth management clients

**NPS: 80.9**



## NPS methodology<sup>1</sup>

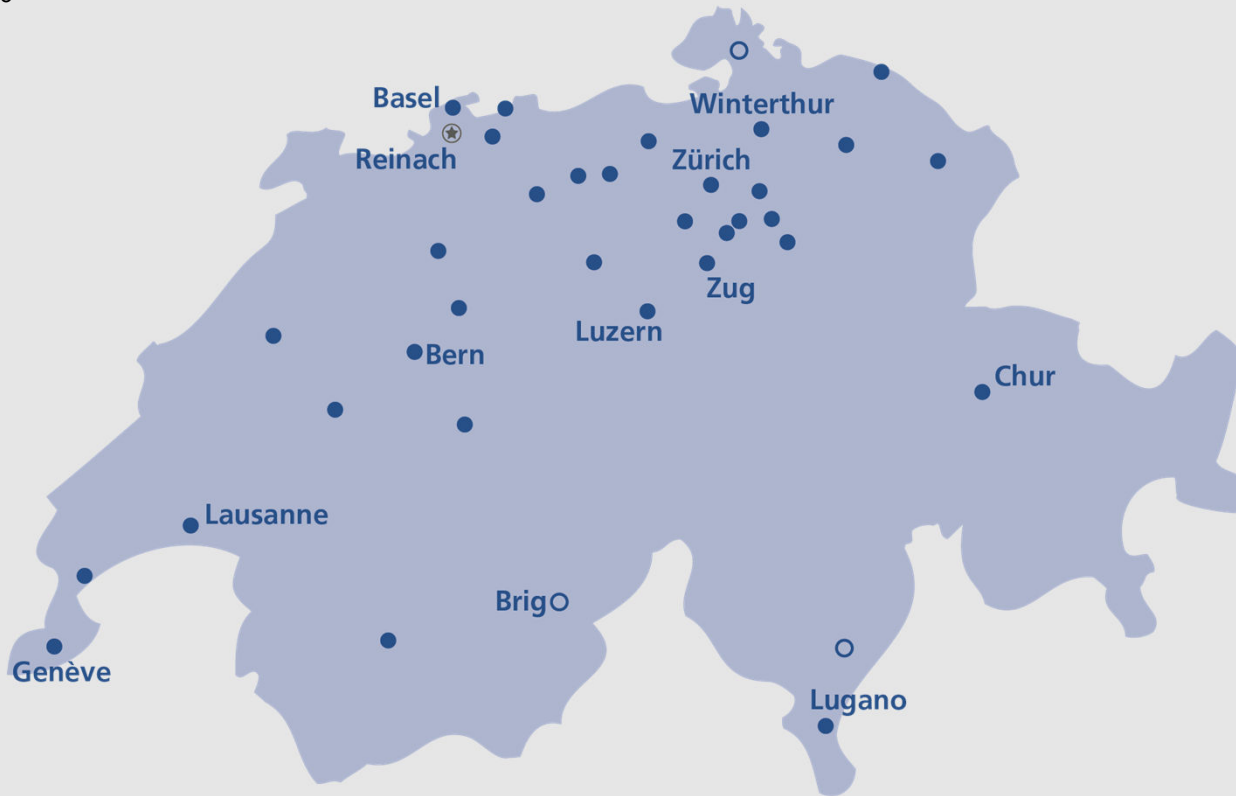
- Score based on a 0-10 scale answering the question 'how likely is it that you would recommend VZ?' (10 = extremely likely, 0 = not at all likely)
- Consulting clients survey: after completion of consulting project
- Wealth management clients survey: every 4 years

<sup>1</sup> Surveys conducted by VZ

# Branch offices

## Switzerland

#: 36



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

## Germany

#: 6



## England/United Kingdom

#: 4



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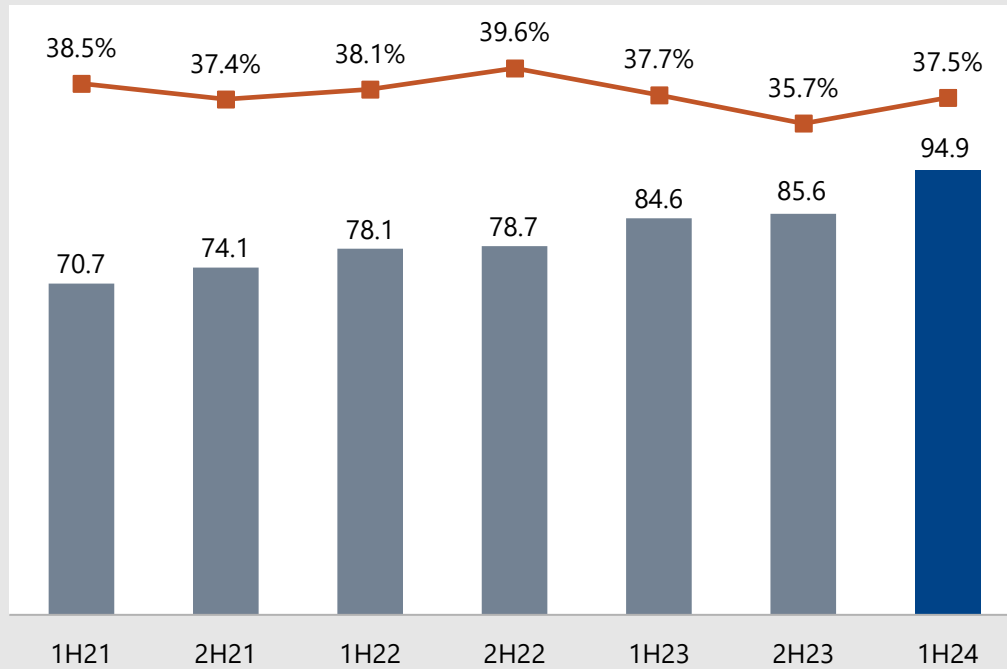
**4. Appendix**

# Income statement

in CHF million	1H 22	2H 22	1H 23	2H 23	1H 24	yoy
Consulting fees	14.7	16.6	18.2	19.1	18.6	+2.2%
Management fees: on AuM	134.3	131.7	139.8	145.9	159.3	+13.9%
other	14.3	15.1	15.2	15.9	16.9	+11.2%
Banking income	38.2	31.5	46.7	51.7	52.4	+12.2%
Insurance result	3.5	3.7	4.2	6.5	5.4	+28.6%
Other revenues	0.1	0.2	0.2	0.4	0.3	n.m.
<b>Total revenues</b>	<b>205.1</b>	<b>198.8</b>	<b>224.3</b>	<b>239.5</b>	<b>252.9</b>	<b>+12.8%</b>
Personnel expenses	78.1	78.7	84.6	85.6	94.9	+12.2%
Other operating expenses	26.4	22.7	27.3	24.3	26.9	-1.5%
Depreciation and amortisation	10.7	11.0	11.3	11.8	12.1	+7.1%
<b>Total expenses</b>	<b>115.2</b>	<b>112.4</b>	<b>123.2</b>	<b>121.7</b>	<b>133.9</b>	<b>+8.7%</b>
<b>EBIT</b>	<b>89.9</b>	<b>86.4</b>	<b>101.1</b>	<b>117.8</b>	<b>119.0</b>	<b>+17.7%</b>
Net finance income	-0.4	-0.3	-0.2	-0.7	-0.1	n.m.
Income taxes	12.5	11.7	14.6	16.4	16.1	+10.3%
<b>Net profit</b>	<b>77.0</b>	<b>74.4</b>	<b>86.3</b>	<b>100.7</b>	<b>102.8</b>	<b>+19.1%</b>

# Personnel expenses

in CHF million



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

- Personnel expenses +12.2% yoy
- Personnel development

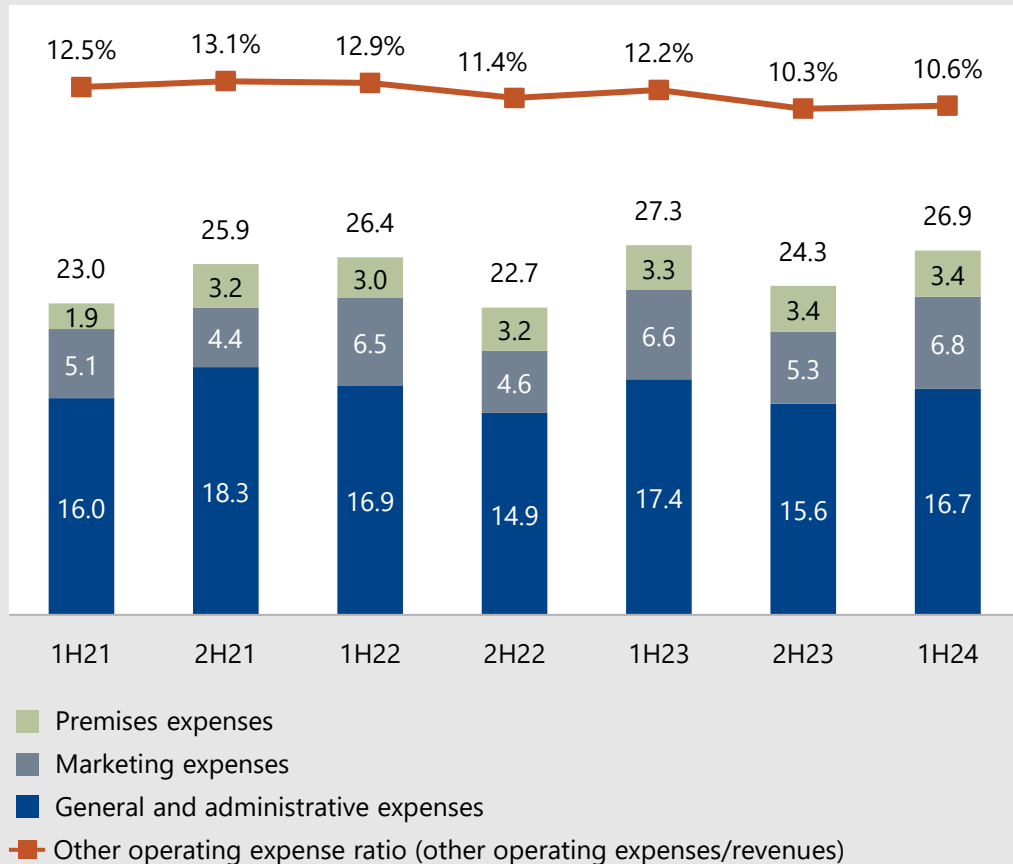
	30.06.23	31.12.23	30.06.24
FTE <sup>1</sup>	1'299.3	1'390.7	<b>1'451.3</b>

- 2H 2023: +91.4 FTE
- 1H 2024: +60.6 FTE
- Long-term personnel expense ratio: 39%

<sup>1</sup> FTE/HC-ratio: 0.86 as per 30.06.2024

# Other operating expenses

in CHF million

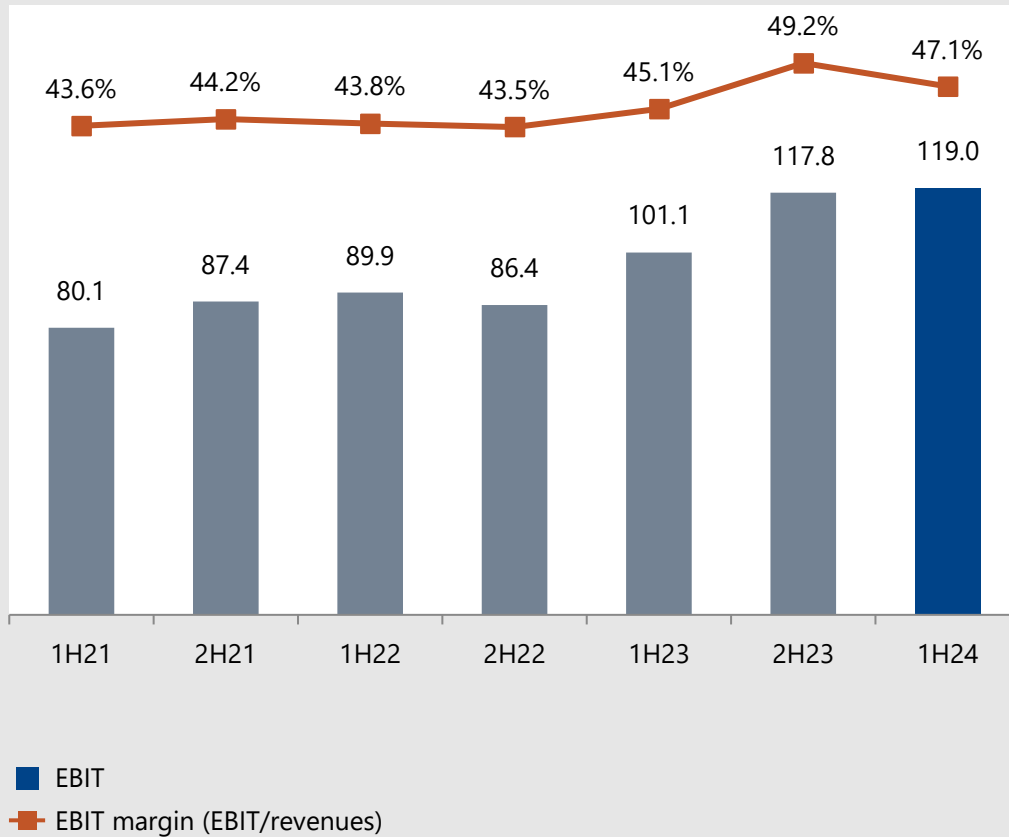


- Other operating expenses -1.5% yoy
  - Premises expenses +3.0% yoy (excl. IFRS 16 effects: +11.6%)
  - Marketing expenses +3.0% yoy
  - General and administrative expenses (incl. IT) -4.0% yoy
- Long-term other operating expense ratio expected between 11% and 13% going forward.



# EBIT

in CHF million



- EBIT +17.7% yoy
- Long-term EBIT margin target: 44%

# Balance sheet

in CHF million

	30.06.23	31.12.23	30.06.24
Cash & cash equivalents	1'296.1	1'419.7	1'529.3
Short-term investments	218.7	259.0	396.5
Swiss prime residential mortgages	3'543.5	3'708.0	3'956.2
CHF bonds, other financial assets	832.9	827.0	783.1
<b>Subtotal financial investments</b>	<b>5'891.2</b>	<b>6'213.7</b>	<b>6'665.1</b>
Property, equipment and intangibles <sup>1</sup>	187.3	193.3	203.4
Other assets	146.2	128.7	175.9
<b>Total assets</b>	<b>6'224.7</b>	<b>6'535.7</b>	<b>7'044.4</b>
Customer deposits	4'723.9	4'835.5	5'086.0
Long-term debts	445.7	497.6	541.4
Other liabilities	259.6	276.5	459.8
<b>Total liabilities</b>	<b>5'429.2</b>	<b>5'609.6</b>	<b>6'087.2</b>
<b>Total equity</b>	<b>795.5</b>	<b>926.1</b>	<b>957.2</b>

- Balance sheet growth +7.8% ytd
- Customer deposits growth +5.2% ytd
- Future balance sheet growth driven primarily by new client inflow
- Low risk profile:
  - Average remaining interest period on financial investments (incl. interest caps): 1.6 years
  - Minimal credit risks (residential mortgages only, no corporate loans, high quality bonds)
  - Loan-to-value on mortgages below 50%

<sup>1</sup> Incl. Goodwill.

# Equity and payout ratios

in CHF million

<b>Payout ratios</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Net profit	143.2	151.4	187.0
Retained earnings	81.3	83.0	98.5
Dividend VZ Holding	61.9	68.4	88.5
<i>Dividend p. share (in CHF)</i>	<i>1.57</i>	<i>1.74</i>	<i>2.24</i>
<b>Payout ratio</b>	<b>44%</b>	<b>46%</b>	<b>48%</b>

<b>Treasury shares</b>	<b>30.06.23</b>	<b>31.12.23</b>	<b>30.06.24</b>
Number (in '000)	698	630	509
% of shares	1.7%	1.6%	1.3%
Book value (in CHF million)	51.0	47.6	41.9

<b>Equity ratios</b>	<b>30.06.23</b>	<b>31.12.23</b>	<b>30.06.24</b>
Total equity	795.5	926.1	957.2
Equity ratio <sup>1</sup>	12.8%	14.2%	13.6%
BIS CET1	24.1%	26.2%	25.0%
BIS T1 & T2	24.1%	26.2%	25.0%

Moody's rating VZ Depository Bank: Aa3/stable<sup>2</sup>

<sup>1</sup> Equity compared to balance sheet total.

<sup>2</sup> Long-term deposit rating, corresponds to a AA- Fitch / S&P Rating, according to the FINMA concordance table

# Agenda

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**1. Facts and figures**

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**4. Appendix**

## Business development

- Long-term growth story unchanged
- Continuous work on increasing new client inflow, consulting capacity, client conversion and platform usage
- VZ Finanzportal: extended SOB-functionalities, new PFM features (budget control, CO2 footprint), Finanzportal Pro in Germany
- Germany: improve conversion rate from consulting to platform clients, entering northern Germany with new branch office in Berlin
- UK: work on marketing effectiveness, intensify internal advisor trainee program, work on smaller IFA acquisitions and re-platforming existing client base

## Financials

- Top and bottom line growth figures in FY 2024 expected to be within long-term average, provided stable development of financial markets
- Base effects lead to significantly lower top and bottom line growth rate in 2H 2024 vs 1H 2024
- Interest business: Further net interest business decline foreseeable due to SNB interest rate adjustments

# Agenda

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# What does VZ do?

## Target clients...

- Homeowners, 50+
- 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

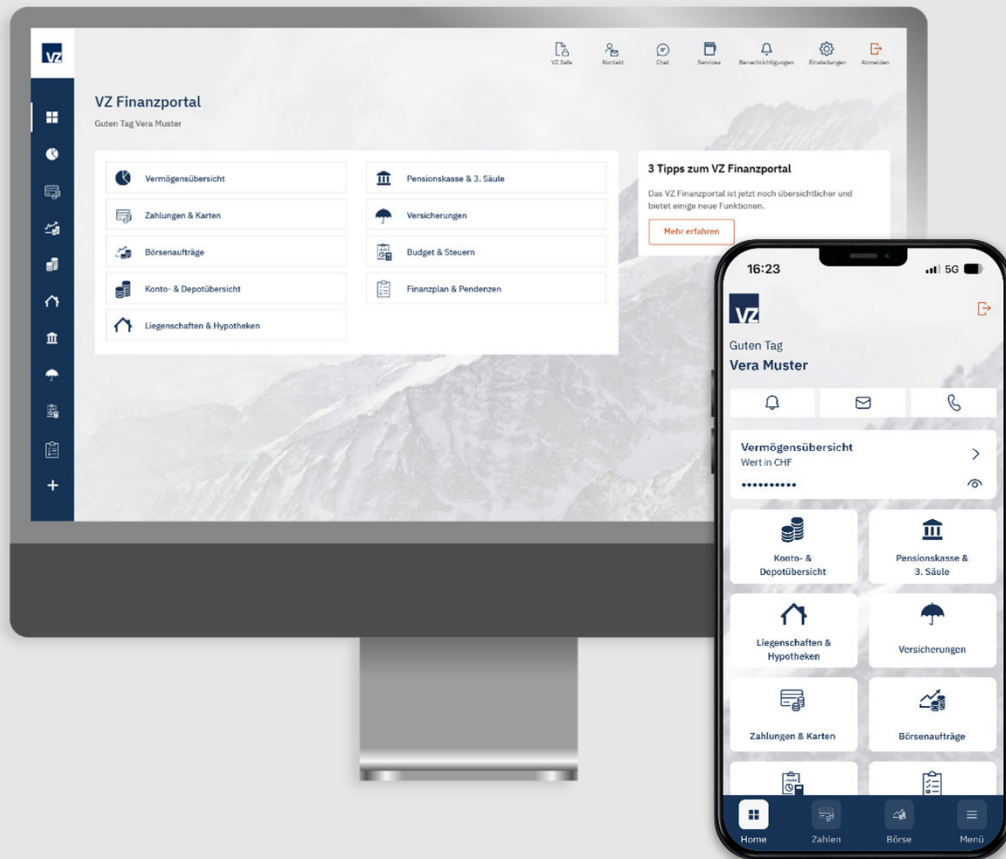
- ① Portfolio management
  - Discretionary mandates
  - Advisory mandates
- ② Banking services
  - Custody, TX/FX
  - Payment services
- ③ Mortgages
- ④ Pension fund and 3rd pillar solutions, individualised tax deferred provision schemes
- ⑤ Insurance coverage

+ Digital cockpit VZ Finanzportal

## VZ advantage

profound expertise,  
no conflicts of interest

competitively priced, transparent,  
comprehensive



Digital cockpit for VZ-clients covering all financial needs of a private household for free:

- Overview of total assets and liabilities (balance sheet)
- E-banking (payments, cc/dc, FX, crypto, trading, custody)
- Asset management/mandates
- 2<sup>nd</sup>/3<sup>rd</sup> pillar pension funds
- Real estate, mortgages incl. RE valuation
- Insurance (P&C, health, life)
- PFM tools (budgeting, planning, controlling)
- Tax data collection for personal tax filings
- Access to real-time financial market data incl. research from various sources
- Private safe with 100 GB storage per user
- Various other features



# Strong brand recognition

Brand associated with expertise, quality and independence

## Periodical



## Books



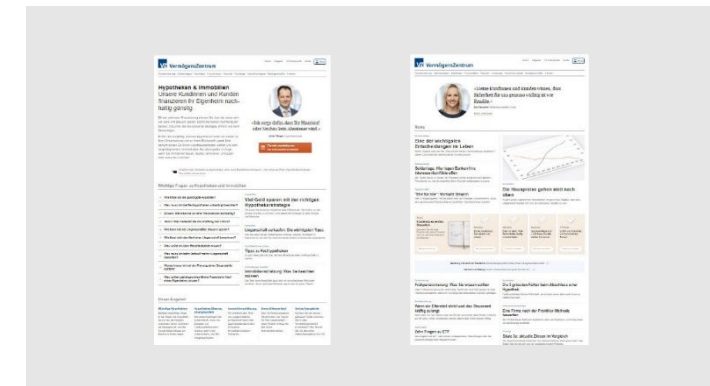
## Seminars



## Media coverage



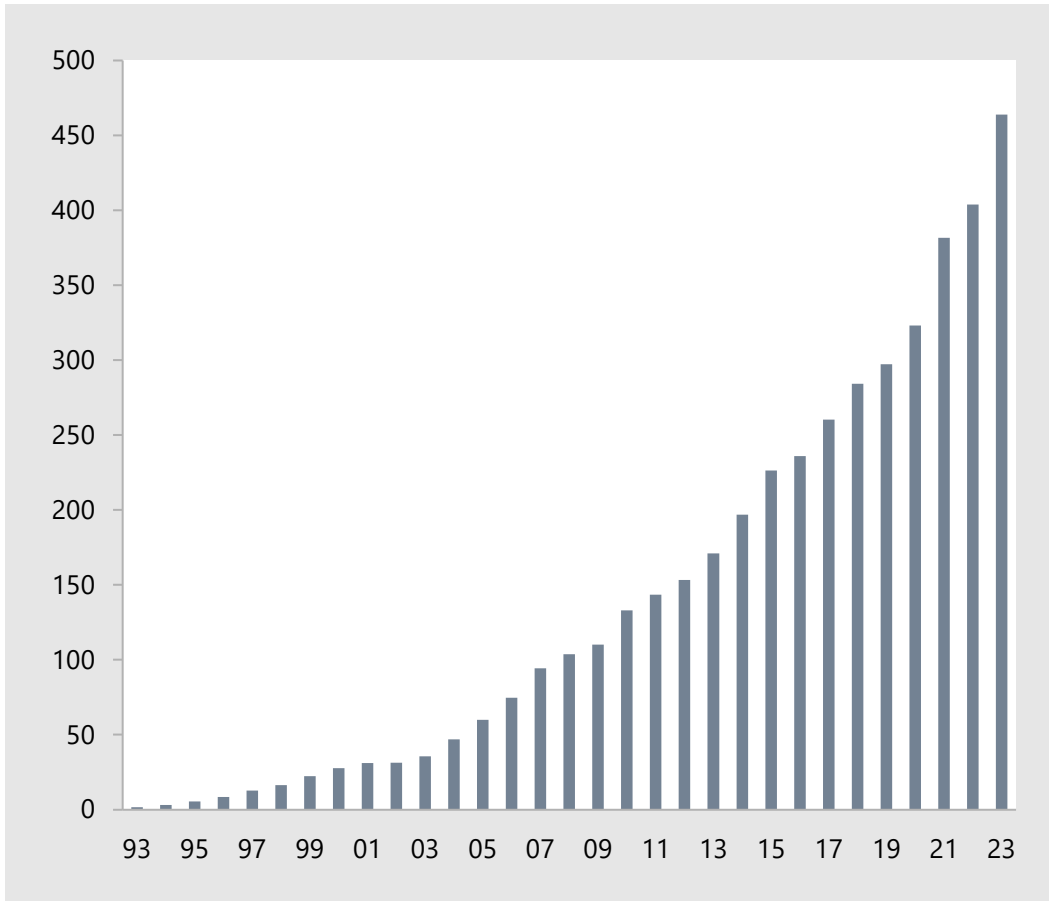
## Online/Newsletters



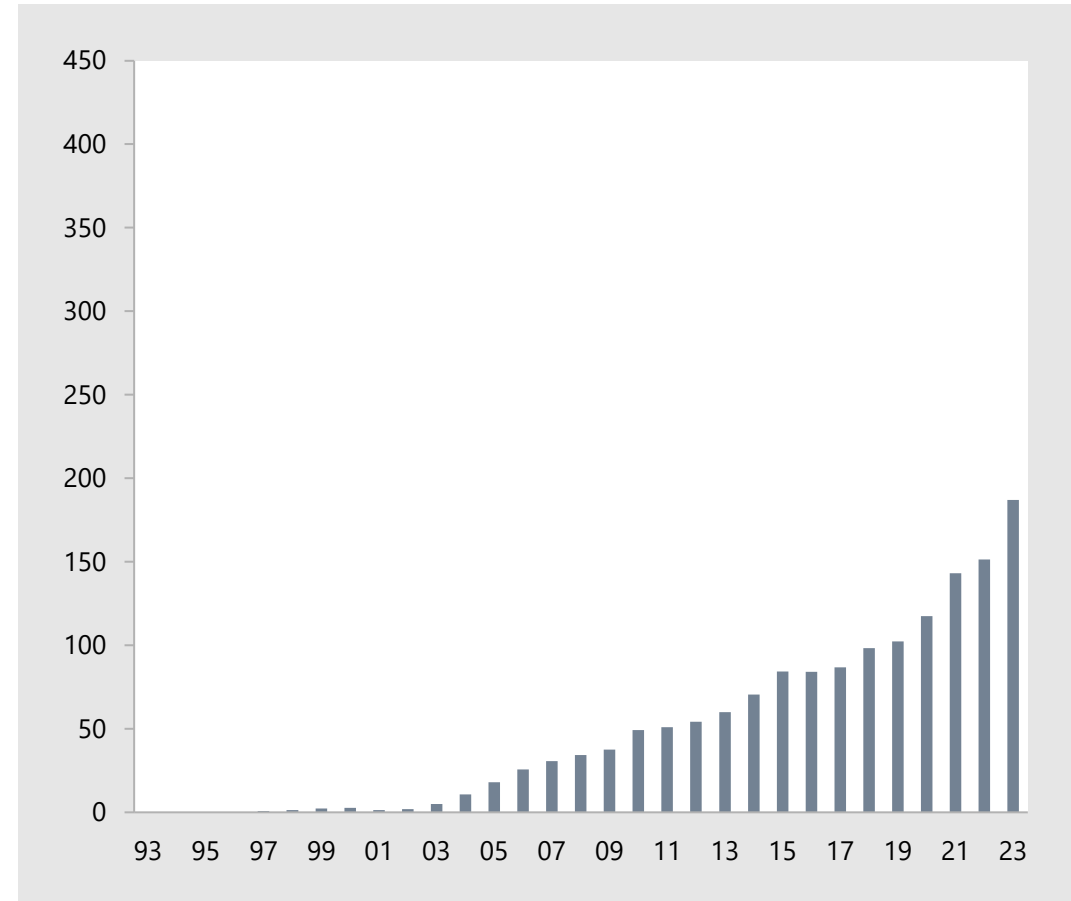
# Long track record of organic growth and profitability

in CHF million

## Total revenues<sup>1</sup>



## Net profit<sup>1</sup>



<sup>1</sup> 1993–2003 according to SWISS GAAP; 2004–2023 according to IFRS; 2019–2022 Implementation of IFRS 17 incl. retrospective restatements

# VZ VermögensZentrum

## Hier sind Sie gut beraten.

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VZ Holding Ltd

Adriano Pavone  
Head Media Relations  
Telephone +41 44 207 25 22  
E-mail: [adriano.pavone@vzch.com](mailto:adriano.pavone@vzch.com)

Petra Märk  
Head Investor Relations  
Telephone: +41 44 207 26 32  
E-mail: [petra.maerk@vzch.com](mailto:petra.maerk@vzch.com)



[www.vermoegenszentrum.ch](http://www.vermoegenszentrum.ch)