

ZURICH, 16 NOVEMBER 2016

INVESTOR DAY 2016

# VISION 2020 | FOCUS, GROW & SCALE



## LEGAL DISCLAIMER

This presentation of Leonteq AG (the "Company") serves for information purposes only and does not constitute research. This presentation and all materials, documents and information used therein or distributed in the context of this presentation do not constitute or form part of and should not be construed as, an offer (public or private) to sell or a solicitation of offers (public or private) to purchase or subscribe for shares or other securities of the Company or any of its affiliates or subsidiaries in any jurisdiction or an inducement to enter into investment activity in any jurisdiction, and may not be used for such purposes. Copies of this presentation may not be made available (directly or indirectly) to any person in relation to whom the making available of the presentation is restricted or prohibited by law or sent to countries, or distributed in or from countries, to, in or from which this is restricted or prohibited by law.

This presentation may contain specific forward-looking statements, e.g. statements including terms like "believe", "assume", "expect", "forecast", "project", "may", "could", "might", "will" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the Company or any of its affiliates or subsidiaries and those explicitly or implicitly presumed in these statements. These projections and forward-looking statements reflect management's current views and estimates. These factors include, but are not limited to: (1) general market, macroeconomic, governmental and regulatory trends, (2) movements in securities markets, exchange rates and interest rates and (3) other risks and uncertainties inherent in our business. Against the background of these uncertainties, you should not rely on forward-looking statements. Neither the Company nor any of its affiliates or subsidiaries or their respective bodies, executives, employees and advisers assume any responsibility to prepare or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this presentation or to adapt them to any change in events, conditions or circumstances, except as required by applicable law or regulation.

All figures in this presentation that are part of the consolidated IFRS financial statements for the six months ended 30 June 2016 and 2015 are reviewed. By attending this presentation or by accepting any copy of the material presented, you agree to accept the terms set out above and to be bound by the foregoing limitations. Any – including only partial – reproduction of any article or picture is solely permitted based on an authorization from Leonteq AG. No responsibility is assumed in case of unsolicited delivery.

© Leonteq AG 2016. All rights reserved.

INVESTOR DAY 2016 | VISION 2020  
FOCUS, GROW & SCALE

## AGENDA

- Introduction
- Vision 2020
- Financials
- Summary
- Appendix

INVESTOR DAY 2016 | VISION 2020  
FOCUS, GROW & SCALE

# VISION 2020

## KEY MESSAGES

### A CLEAR VISION FOR 2020



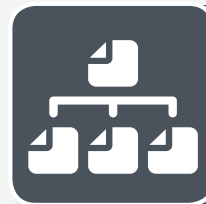
**We delivered an impressive entrepreneurial growth story  
enabled by a leading technology platform**



**We faced various challenges in a difficult  
market environment over the last twelve months**



**We conducted in-depth review, simplified our operating model  
and defined a focused strategy to further scale our business**



**We have strengthen our management team  
and assigned clear accountabilities until 2020**



## PROVEN BUSINESS MODEL GENERATED MORE THAN 1 BILLION REVENUES SINCE INCEPTION

**Founded in 2007, we today employ one of the largest and most experienced teams of structured investment products experts and operate in 10 locations across EMEA and APAC**

### Unique products & service offering

- Leading expertise and technology for structured investment products and unit-linked insurance policies
- Unique capabilities and technology to manufacture structured investment products for partners and ourselves
- Fully integrated services from front to back

### International client and partner network

- Clients: ~900 financial intermediaries and financial institutions
- Partners: seven top tier banks and one insurance company

### Locations

- Switzerland: Geneva and Zurich
- EMEA: Amsterdam, Frankfurt, Guernsey, London, Monaco and Paris
- APAC: Hong Kong and Singapore

## THE LEADING TECHNOLOGY PLATFORM BUILT FROM SCRATCH WITHOUT LEGACY ISSUES



**Unrivalled computational power capabilities:  
2 billion product combinations in 2 minutes**



**Driving consolidation through unique cost leadership  
(minimum investment size of CHF 1,000)**



**More than 60 proprietary applications built in-house**



**More than 25'000 individually managed insurance policies**



**Largest universe of underlyings (>2,000)  
and pay-offs (>300)**

## THE MOST SUCCESSFUL SWISS IPO IN RECENT YEARS<sup>1</sup> IMPRESSIVE FINANCIAL TRACK RECORD

### Technology as an enabler for growth and profitability

- Modern and independent platform
- High level of process automation and documentation

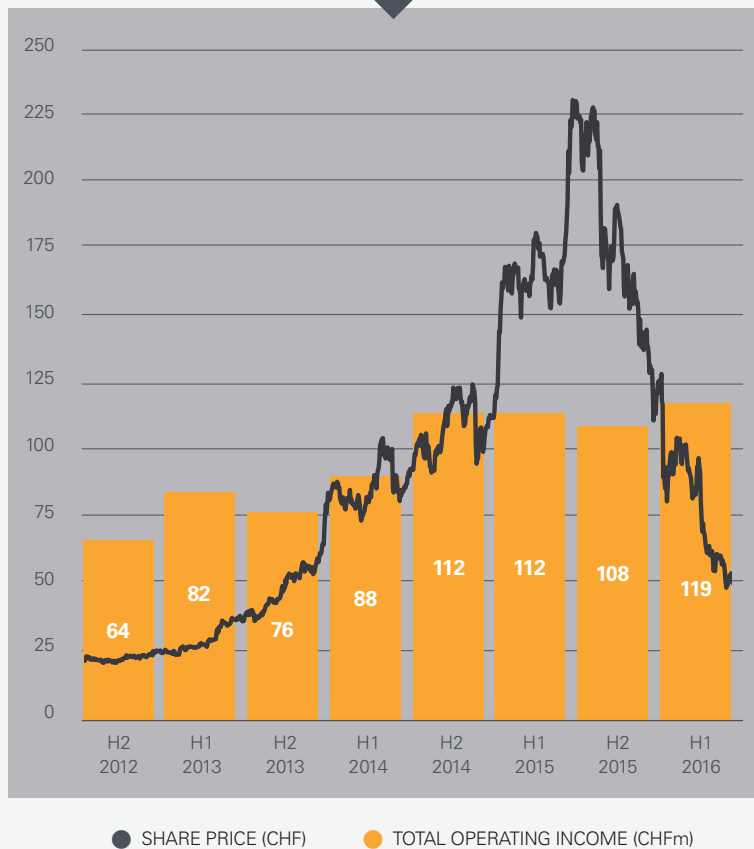


<sup>1</sup> Finanz und Wirtschaft: "Eine erfreuliche Fünf-Jahres Bilanz für Schweizer IPO"; 22.10.2016

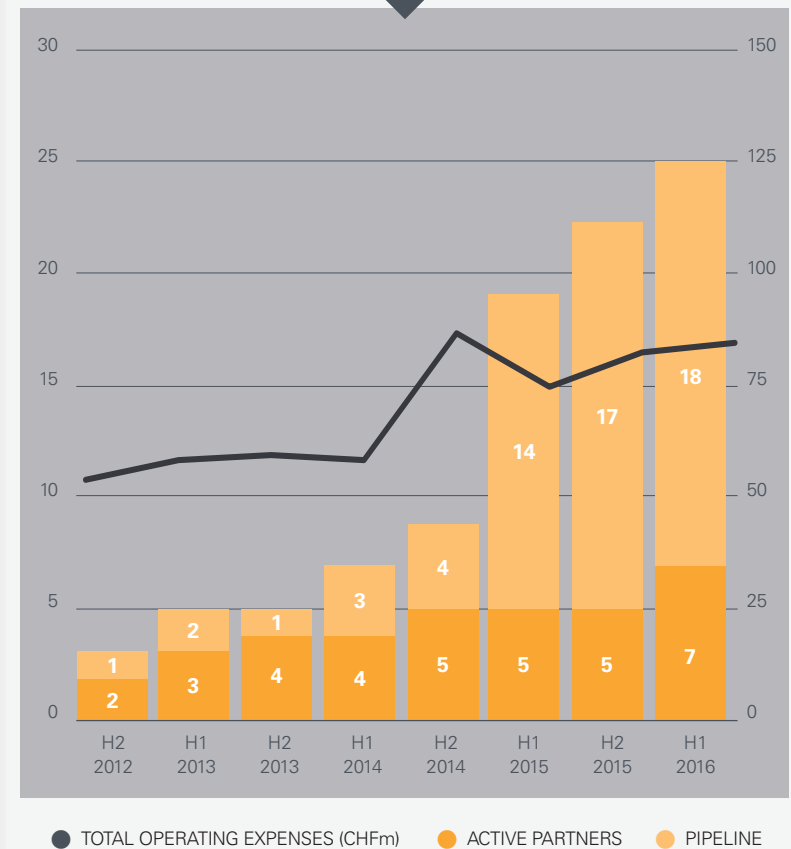


## UNLOCK FURTHER GROWTH THROUGH ADDRESSING CHALLENGES ACHIEVE SUSTAINABLY IMPROVING MONETIZATION

Track record resulted in excessive multiple expansion

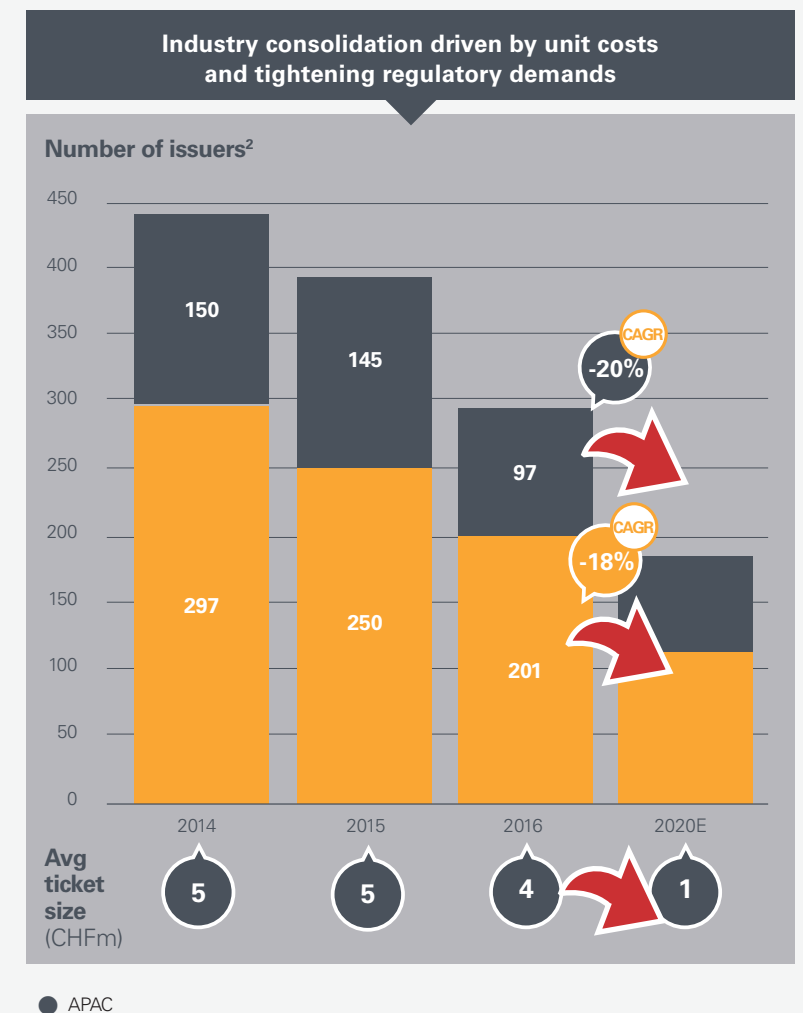
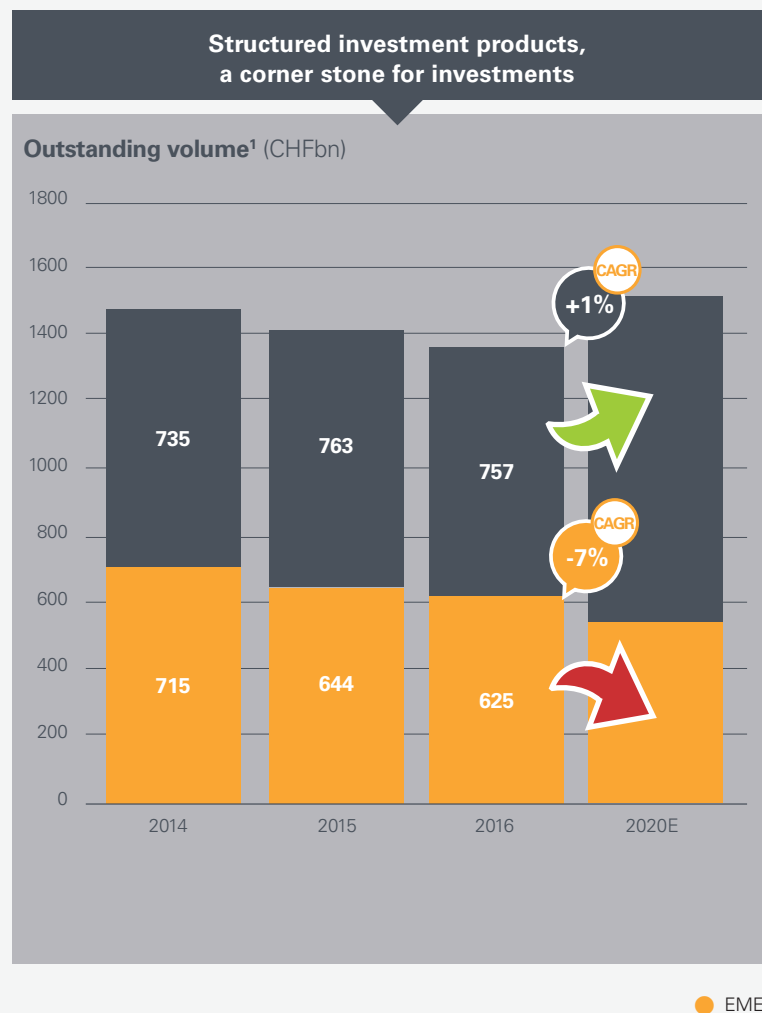


Monetization of pipeline investments to come



## INITIATION OF STRATEGY REVIEW IN Q2 2016 ATTRACTIVE MARKET FOR A STRUCTURED INVESTMENT PRODUCTS SPECIALIST

- Robust market outlook, with structured investment products to remain attractive investment alternatives
- Consolidation trend offers significant market opportunity for B2B outsourcing business cases

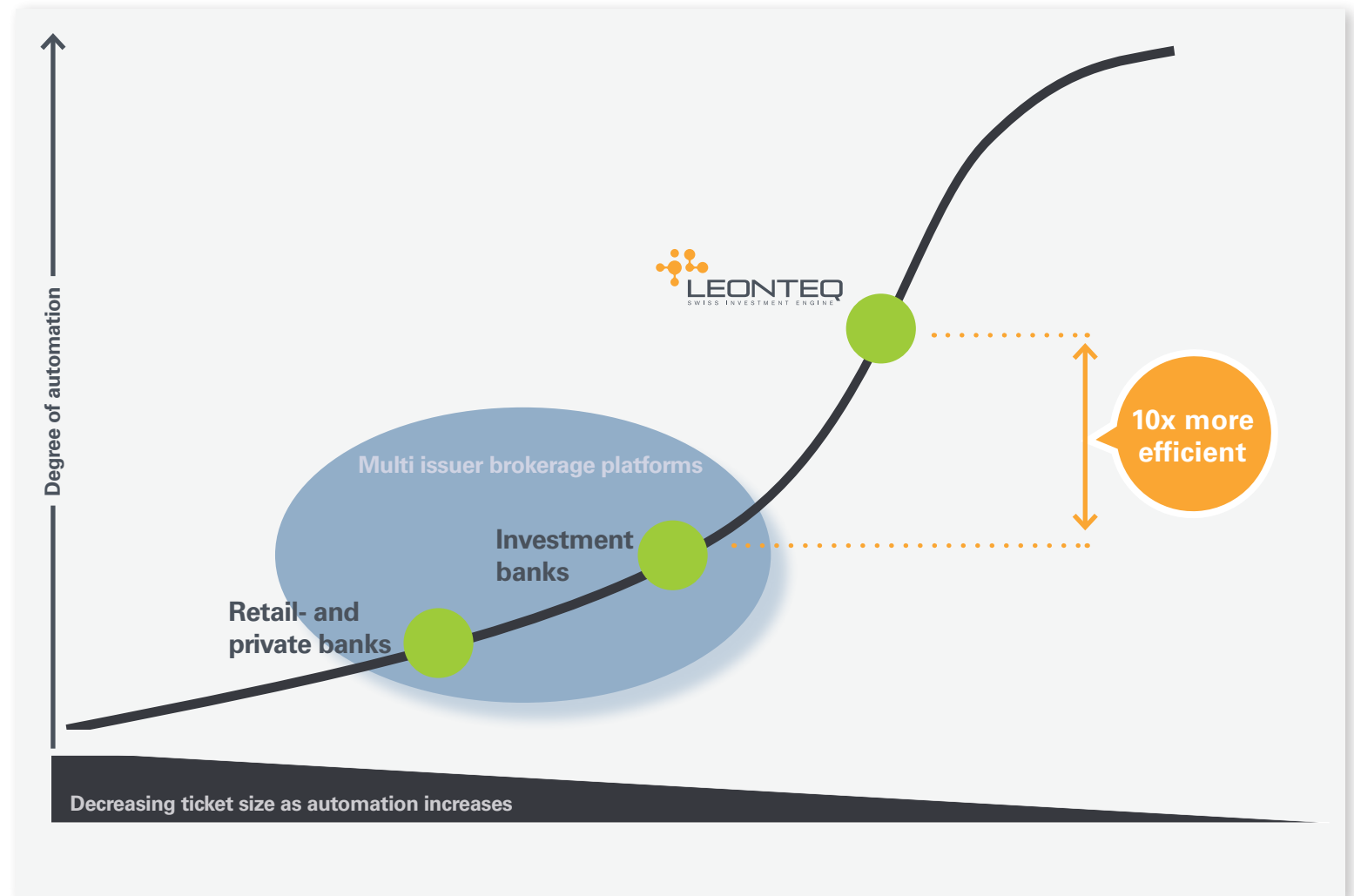


<sup>1</sup> Refers to overall structured products volume excluding non-retail and leverage products placed with investors by all issuers, as determined by Structured Retail Products; Jun 2016

<sup>2</sup> Refers to overall number of manufacturer of structured products excluding non-retail and leverage products with an outstanding volume at the end of the respective reporting period, as determined by Structured Retail Products; Jun 2016

## AUTOMATION DRIVES INDUSTRY TRANSFORMATION SCALABILITY AS A KEY DIFFERENTIATOR

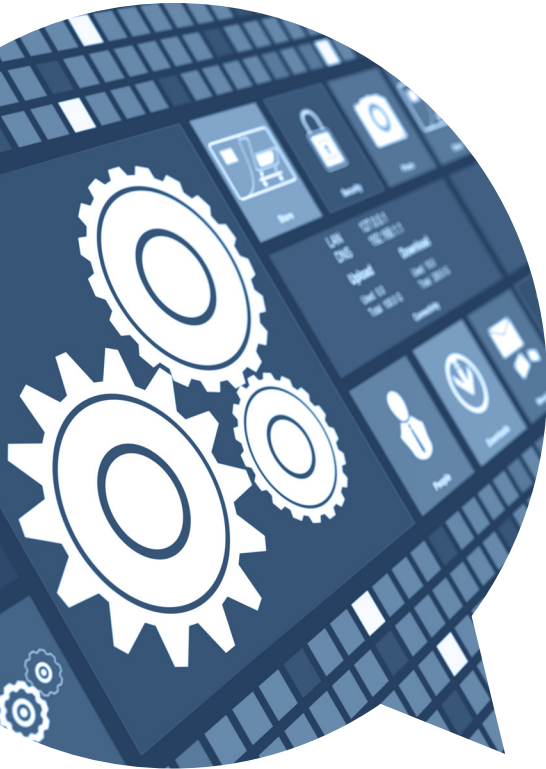
- A high degree of automation allows Leonteq to offer highly tailored products with small ticket sizes
- Cost of production substantially below industry average



Source: Leonteq estimates

## UNRIVALED UNIT COST

EXPERT ESTIMATES INDICATE SIGNIFICANT COST ADVANTAGE



**10x faster<sup>1</sup>**

Value chain	Automated platform <sup>1</sup> hours	Manual platform <sup>1</sup> hours
<b>Pricing</b>	0.1	2
<b>Confirmation</b>	0.1	0.1
<b>Term sheet creation</b>	0	2.5
<b>Settlement</b>	0.3	0.75
<b>Other</b>	0.1	0.7
<b>Total</b>	<b>0.6</b>	<b>6.0</b>

**76% cheaper**

### Peer comparison<sup>2</sup>

Average cost per new product, thousands CHF

Top tier  
bank  
average<sup>2</sup>

25

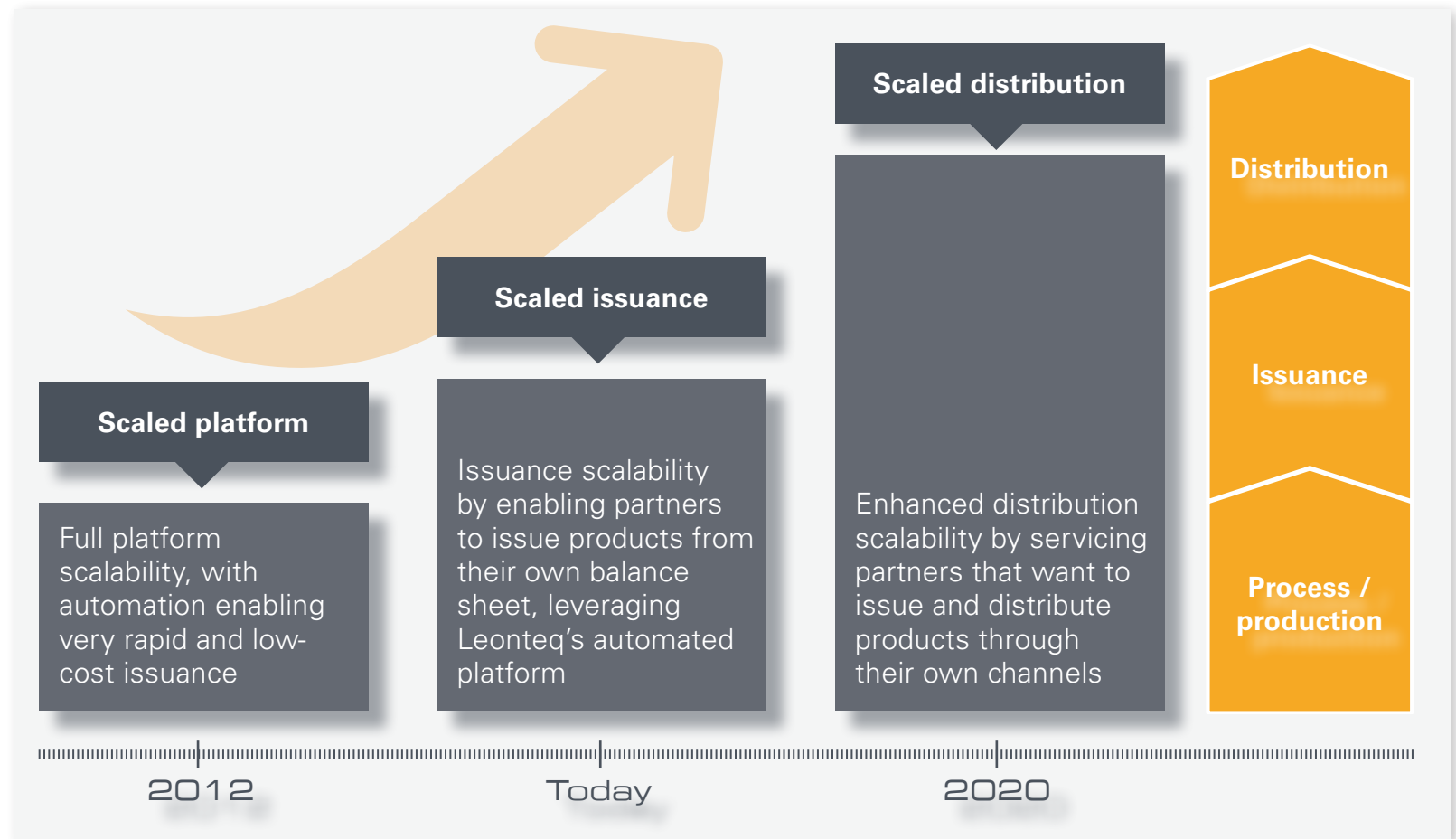
Leonteq

6

-76%

<sup>1</sup> Source: McKinsey expert estimates  
<sup>2</sup> Selection of three top European issuers

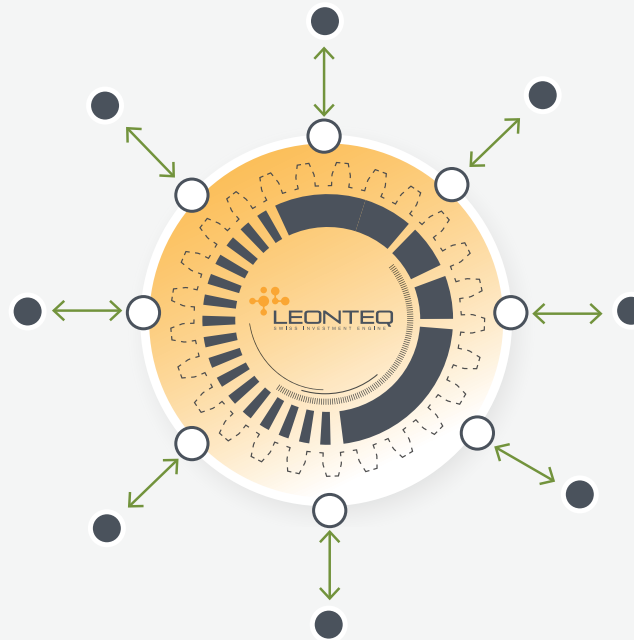
## FURTHER GROW AND SCALE LEVERAGE THE POTENTIAL OF OUR BUSINESS



## ACHIEVING NETWORK SCALABILITY EMPOWER OUR CLIENTS, PARTNERS AND EMPLOYEES

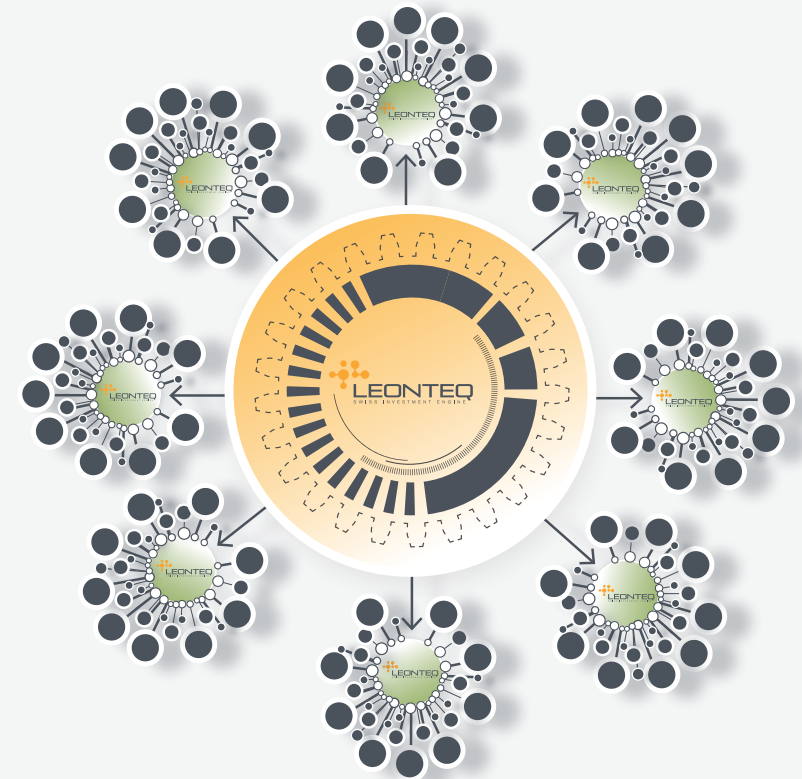
Network partners can  
scale at least 10x more

### Leonteq distribution



○ Leonteq Sales  
↔ Client iterations  
● Leonteq Client (~900 in 2015)

### Partner distribution



→ Solution & services  
○ Network Partner Sales  
● End Investor  
● Network Partner empowered by Leonteq platform



## THREE DISTINCT BUSINESS LINES ORGANIZED BY SCALE OF DISTRIBUTION

### 2015 share of operating income

- Investment Solutions: 76%
- Banking Solutions: 12%
- Insurance and Wealth Planning Solutions: 12%

#### **I. Investment Solutions**

Manufacture structured investment products via an automated platform using own and partners' balance sheets, distributed through Leonteq's salesforce

#### **II. Banking Solutions**

Offer solutions and services for banking partners to enable or enhance manufacturing of structured investment products on their own balance sheets and to distribute into their own network

#### **III. Insurance and Wealth Planning Solutions**

Offer solutions and services to life insurers and to providers of long term investment solutions to distribute into their own network

## OUR STRATEGIC PRIORITIES EMPOWER OUR EMPLOYEES, CLIENTS AND PARTNERS



1

**Strengthen our platform through streamlining organizational structure and processes and empowering our personnel**

2

**Increase efficiency of our Leonteq distribution**

3

**Empower our partners' manufacturing and distribution capabilities**

## PROVIDING CLIENTS WITH TAILORED INVESTMENTS UNIQUE, INTEGRATED OPERATING MODEL



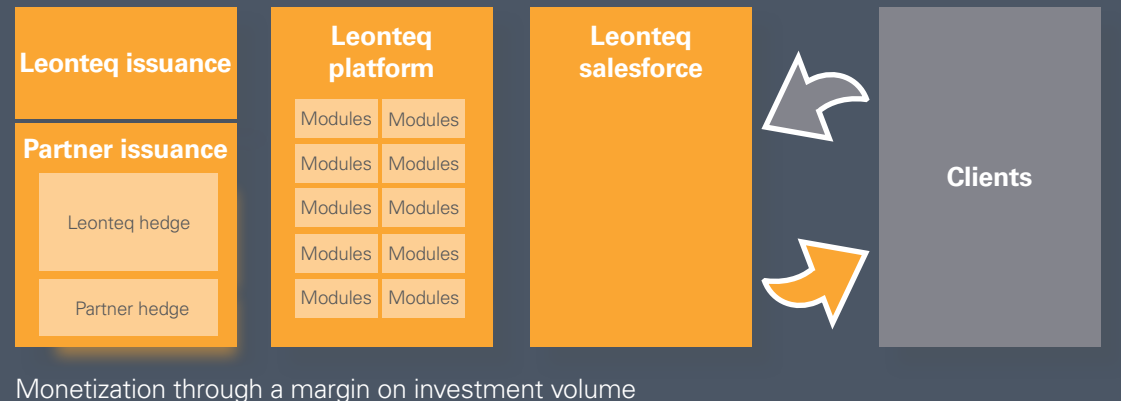
### Our offering

- Provide our clients access to one of the largest universes of structured investment products
- Products issued from our partners' and our own balance sheet
- Individual tailoring
- Provide services along the value chain for our clients
- Offer re-financing opportunities to issuance partners

### Our clients

- Private banks
- Independent asset managers
- Other financial intermediaries

### Our operating model



## ENHANCED EFFICIENCY AND FOCUSED GROWTH PRIORITIZE MARKETS AND SCALE DISTRIBUTION

### HOW

Market potential in focus markets  
of a total of ~CHF 5 billions  
revenues in 2020

#### Stop planned market entries

##### EMEA

- UK onshore<sup>1</sup>
- Norway
- Finland

##### APAC

- China onshore
- Korea onshore

#### Invest into focus markets<sup>2</sup>

##### Switzerland

##### EMEA

- France
- Germany
- Italy

##### APAC

- Singapore
- Hong Kong
- Japan
- Taiwan

#### Growth initiatives

- Access third party balance sheets through onboarding of new issuer partners to achieve growth in focus markets
- Enhance overall distribution efficiency through sales-force effectiveness program
- Upgrade digital interface for clients to improve scale and reach of Leonteq distribution
- Build out product capabilities in new asset classes to expand scope of coverage
- Provide support to fulfill regulatory requirements

<sup>1</sup> London to stay as a European service hub

<sup>2</sup> Key selection criteria: Revenue opportunity, regulatory landscape, competitive landscape and dynamics

## EMPOWER OUR NETWORK PARTNERS MODULAR SOLUTIONS & SERVICES



WHAT

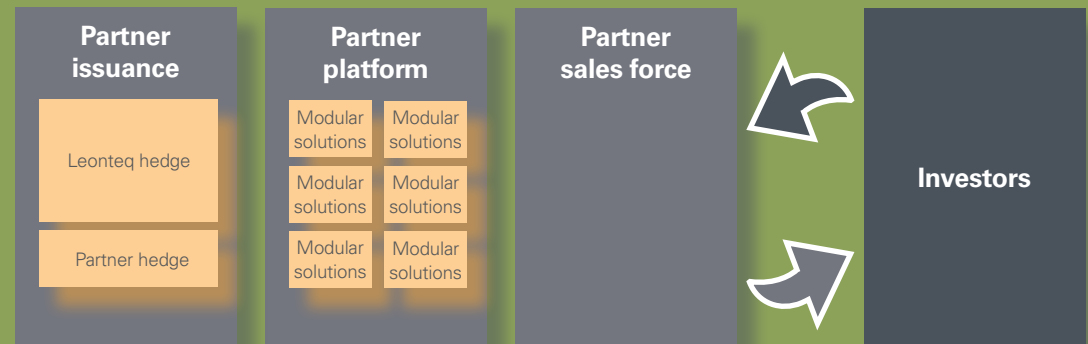
### Our proposition

- Provide modular IT solutions to fully enable or to enhance their partners' structured investment product capabilities
- Offer add-on services such as regulatory support, risk management, sales advisory training

### Our partners

- Mid-sized retail and private banks with:
  - Little/no existing capabilities
  - Existing, but less sophisticated capabilities

### Our operating model



Monetization through shared margin on turnover + initial set-up fees

## STANDARDIZED INTEGRATION APPROACH FOCUSED TARGET LIST AND OFFERING

HOW

Market potential of a total  
of CHF ~5 billions revenues  
in 2020

**Banks with a clear need for structured  
investment products platform**

**Industry dynamics**

**Growth initiatives**

**Region**

**Pool of possible partners**

**APAC**

**>25**

- Challenging yield environment driving need for structured product investments
- Tightening regulatory dynamics requiring increasing platform capabilities and investments

- Scale network of existing partners
- Accelerate onboarding of new network partners currently in pipeline
- Expand standardized offering

**EMEA**

**>70**

Mid-size banks with limited or  
no internal structured investment  
products capabilities



## UNIQUE APPROACH TO ENABLING UNIT-LINKED INSURANCE POLICIES MODULAR SOLUTIONS & SERVICES FOR INSURANCE PARTNERS



### Our proposition

- Provide a modular, automated solutions to provide investments with attractive risk-return profiles and/or capital protection options
- Allow fastest adoption of almost any individual underlying/ investment construct
- Offer services to efficiently provide unit-linked insurance policies, e.g., risk reporting, life cycle management and digital front-end

### Our partners

- Mid-size insurers in Europe
- Investment managers with long-term investment horizon

### Our operating model

#### Partner platform

Modular solutions	Modular solutions
Modular solutions	Modular solutions
Modular solutions	Modular solutions

#### Partner sales

#### Policy holders

Monetization through recurring fees on outstanding policies + initial fee on net new policies

## SUBSTANTIALLY EXTENDED OFFERING DEVELOP POLICY ADMINISTRATION PLATFORM FOR PARTNERS

### HOW

Total revenue potential<sup>1</sup>  
in Switzerland, Germany and  
UK of CHF ~4 billions in 2020

Selected EU life insurers assessed  
to have clear need for  
unit-linked solutions

Industry dynamics

Growth initiatives

Size of

Potential partners

Large

~25

Medium

>50

Small

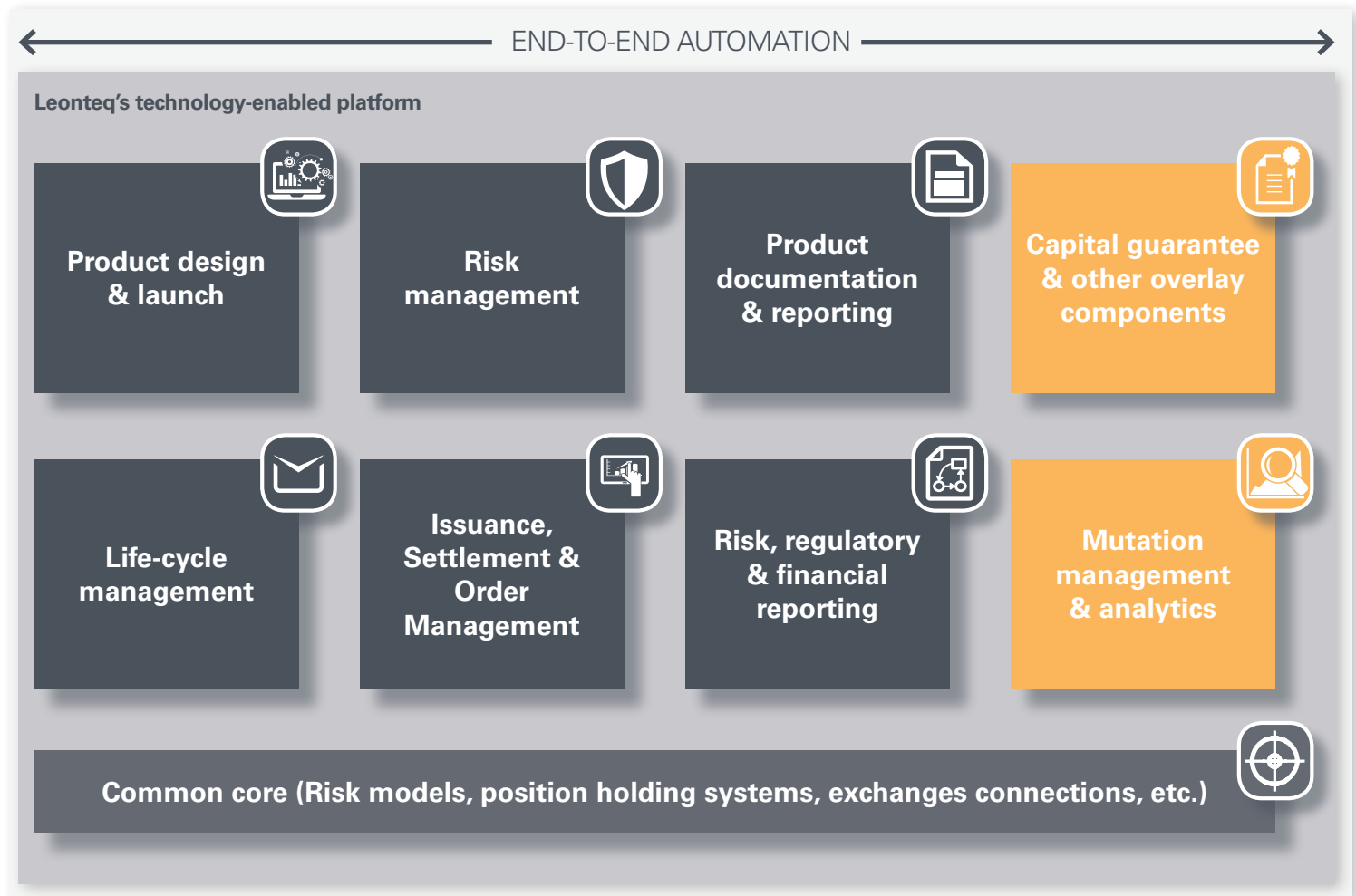
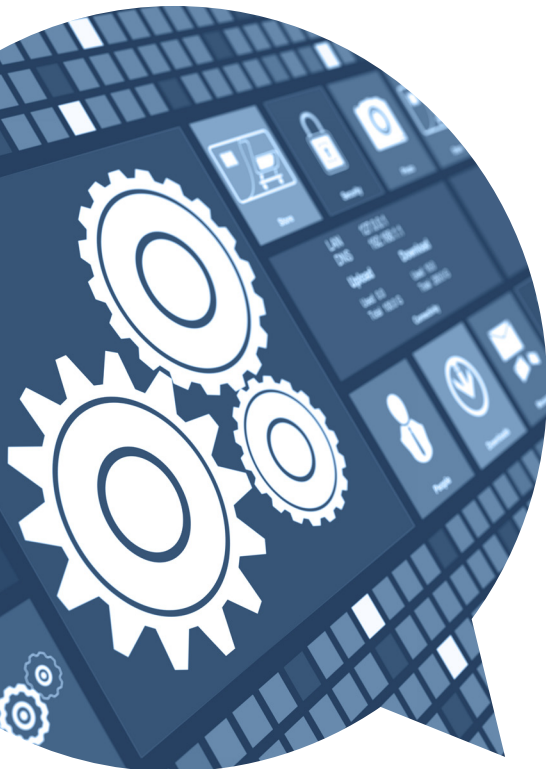
>100

- Low global interest rates creating challenging operating environment
- Regulatory developments increasing demand for capital efficient guarantee solutions
- Legacy IT systems increasing complexity, impeding development

- Onboard additional Swiss insurers from pipeline
- Drive expansion in Germany and UK
- Setup policy administration platform
- Rigorous onboarding management

<sup>1</sup> Assuming full scale up of gross written premiums generated through Leonteq platform

## ONE PLATFORM TO SCALE ALL THREE BUSINESSES MODULAR IT ARCHITECTURE



## KPI TARGETS FOR 2017 – 2020

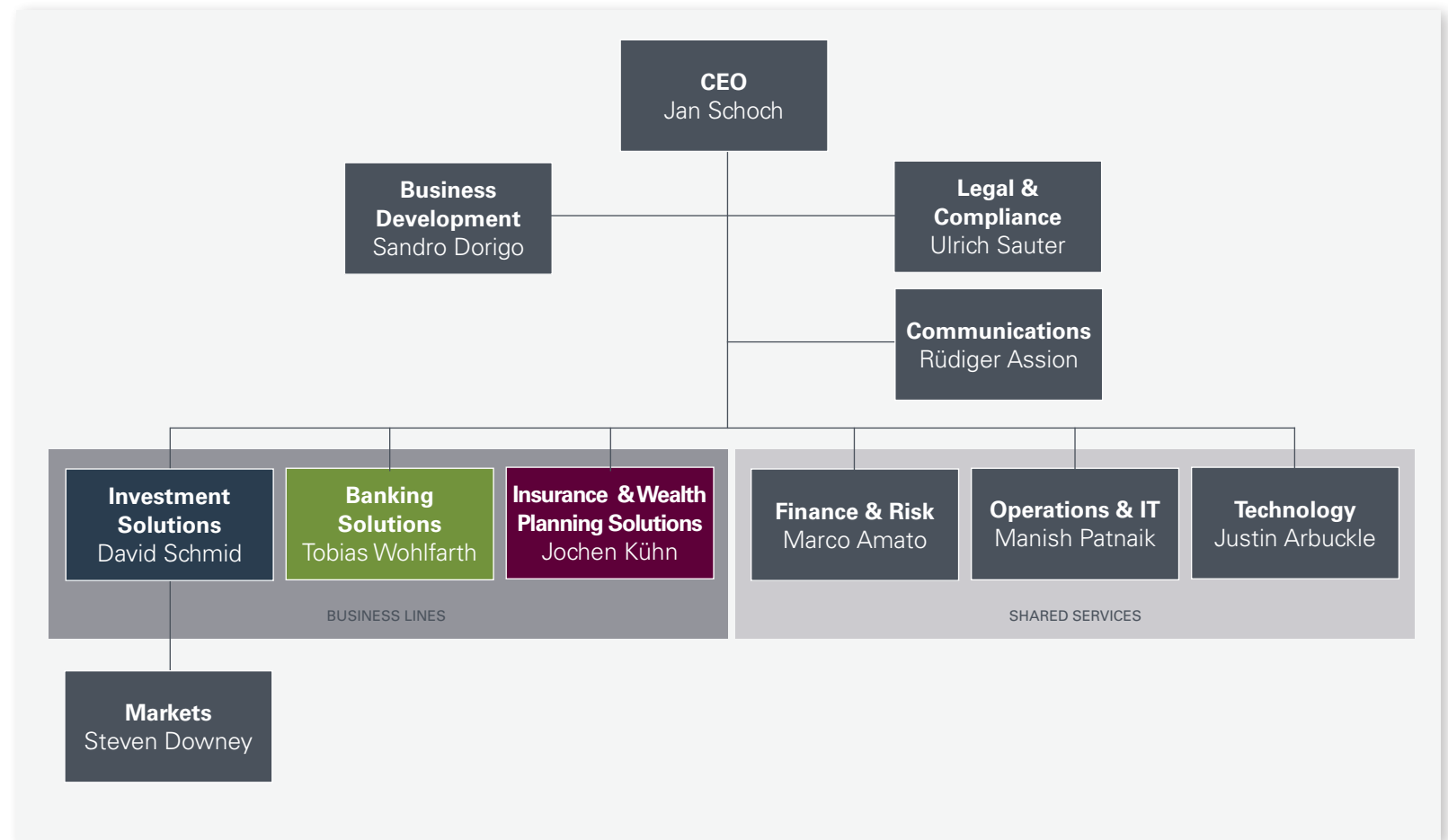
### ACHIEVING SUSTAINABLE, PROFITABLE GROWTH

Including future additional partners that will support Investment Solutions in reaching its KPI target, Leonteq continues to aim for an overall range of approx. 30 partners by end-2020

		2015	2020
Investment Solutions	Average annual growth in turnover	14%	15%
Banking Solutions	Number of active partners	3	10
Insurance & Wealth Planning Solutions	Number of active partners	1	5
Group	Cost-income ratio	69%	<65%

## OUR STRUCTURE FOLLOWS OUR REFINED GROWTH STRATEGY STRENGTHENING OF EXECUTIVE MANAGEMENT

Leonteq's new organizational structure effective as of January 2017, subject to FINMA approval



## STRENGTHEN EXECUTIVE COMMITTEE ADDING EXPERIENCE, EXPERTISE AND LEADERSHIP

Leonteq's new organizational  
structure effective as of  
January 2017



**MARCO AMATO**  
CHIEF FINANCIAL & RISK OFFICER  
(since September 2016)

**Previously**  
Partner (Financial Services)  
Ernst & Young



**STEVEN DOWNEY**  
HEAD OF MARKETS  
(as of November 2016)

**Previously**  
Managing Director  
Trium Capital Managers



**RÜDIGER ASSION\***  
CHIEF COMMUNICATION OFFICER  
(as of January 2017)

**Previously**  
Head of Communication  
Deutsche Börse



**JOCHEN KÜHN**  
HEAD OF INSURANCE AND  
WEALTH PLANNING SOLUTIONS  
(as of January 2017)

**Previously**  
Partner (Insurance)  
McKinsey & Company



**JUSTIN ARBUCKLE**  
CHIEF TECHNOLOGY OFFICER  
(as of December 2016)

**Previously**  
VP Worldwide Transformation and  
Chief Enterprise Architect  
Chef Software



**TOBIAS WOHLFARTH\***  
HEAD OF BANKING SOLUTIONS  
(as of November 2016)

**Previously**  
Head of Platform Partner Integration &  
Relationship Management, Leonteq



## COMMITTED SHAREHOLDERS, PARTNERS AND EMPLOYEES CONTINUED SUPPORT FOR OUR SUCCESS



### Long-term shareholders

- As largest shareholder, Raiffeisen has committed a 10 year partnership; as a trusted long-term partner, offering full support for our strategy and growth ambitions (29% shareholding)
- Founding partners (15% shareholding) with material lockup until 2025



### Engaged employees

- More than 80% of our staff strongly care about the fate of our company and are willing to go the extra mile
- Entrepreneurial spirit drives commitment



### Committed partners

- Successful cooperation with significant and ongoing value creation for our issuance and network partners

## PARTNER ENDORSEMENTS

**PATRIK GISEL**  
CEO Raiffeisen Switzerland

"Based on the product structuring know-how and market making capabilities of Leonteq, Notenstein La Roche quickly established itself as one of the top players in the Swiss structured investment products market. With Raiffeisen now taking over products issuance for all of our group, we look forward to continuing and further expanding our successful cooperation with Leonteq"

**GIORGIO PRADELLI**  
Deputy CEO and CFO EFG International

"EFG has worked in partnership with Leonteq since its foundation and we have always found its service offering to be highly competitive. We particularly value its product range and technological platform."

**VITTORIO CORNARO**  
CEO of Corner Bank

"Leonteq enabled us to become structured products issuers out of nothing. Their expertise, IT know-how, integration capabilities and hands-on approach have been key success factors for us to create a new and very interesting business activity."

**DELAND KAMANGA**  
Managing Director &  
Co-head of Global Structured Products  
of BMO Bank of Montreal

"Leonteq provides access to an extensive client network, with industry-leading technology that drives efficiency and is focused on the customer experience. Leonteq's robust platform across pricing and execution and throughout the product lifecycle is well aligned to clients' needs, and to how we deliver our institutional solutions."

**ROGER KOEP**  
Co-Head of Retail Structured Products,  
Deutsche Bank

"Our collaboration allows Leonteq to offer their clients access to Deutsche Bank's structured investment products, and us to gain exposure to Leonteq's distribution capability in key markets. Both parties benefit from synergies covering origination through to distributing structured investment products via Leonteq's market leading technology platform, and clients benefit from shared product ideas and an efficient technology solution and servicing model."

## PARTNER STATEMENTS

**NICK MIHIC**

Head of Distribution Germany,  
Switzerland and Austria, J.P. Morgan

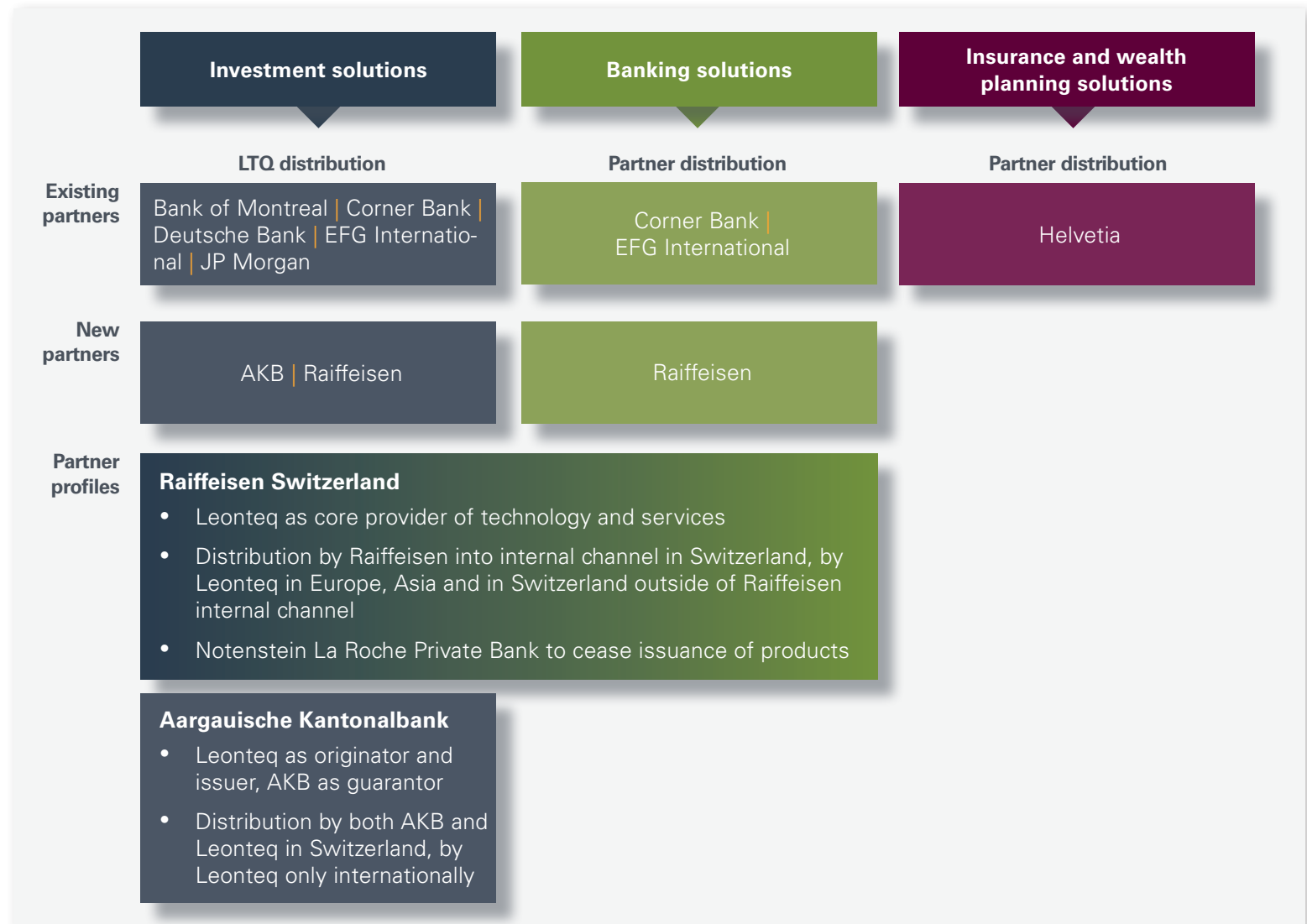
“Through its platform, Leonteq is facilitating access to an incremental clientele for us in Switzerland. The degree of automation allows for efficient handling of orders and execution.”

**DR. PASCAL KORADI**

CEO, Aargauische Kantonalbank

“With this step, Aargauische Kantonalbank creates client-oriented solutions and further builds out its investment expertise with a strong partner.”

## GROWING PARTNER NETWORK RAIFFEISEN AND AKB COOPERATION ANNOUNCED



INVESTOR DAY 2016 | VISION 2020  
FOCUS, GROW & SCALE

# FINANCIALS

## FUTURE FINANCIAL COMMUNICATION AND REPORTING CLEAR ALIGNMENT OF STRATEGY AND FINANCIAL GOALS



**Simplified financial reporting**



**Updated metrics and KPIs**

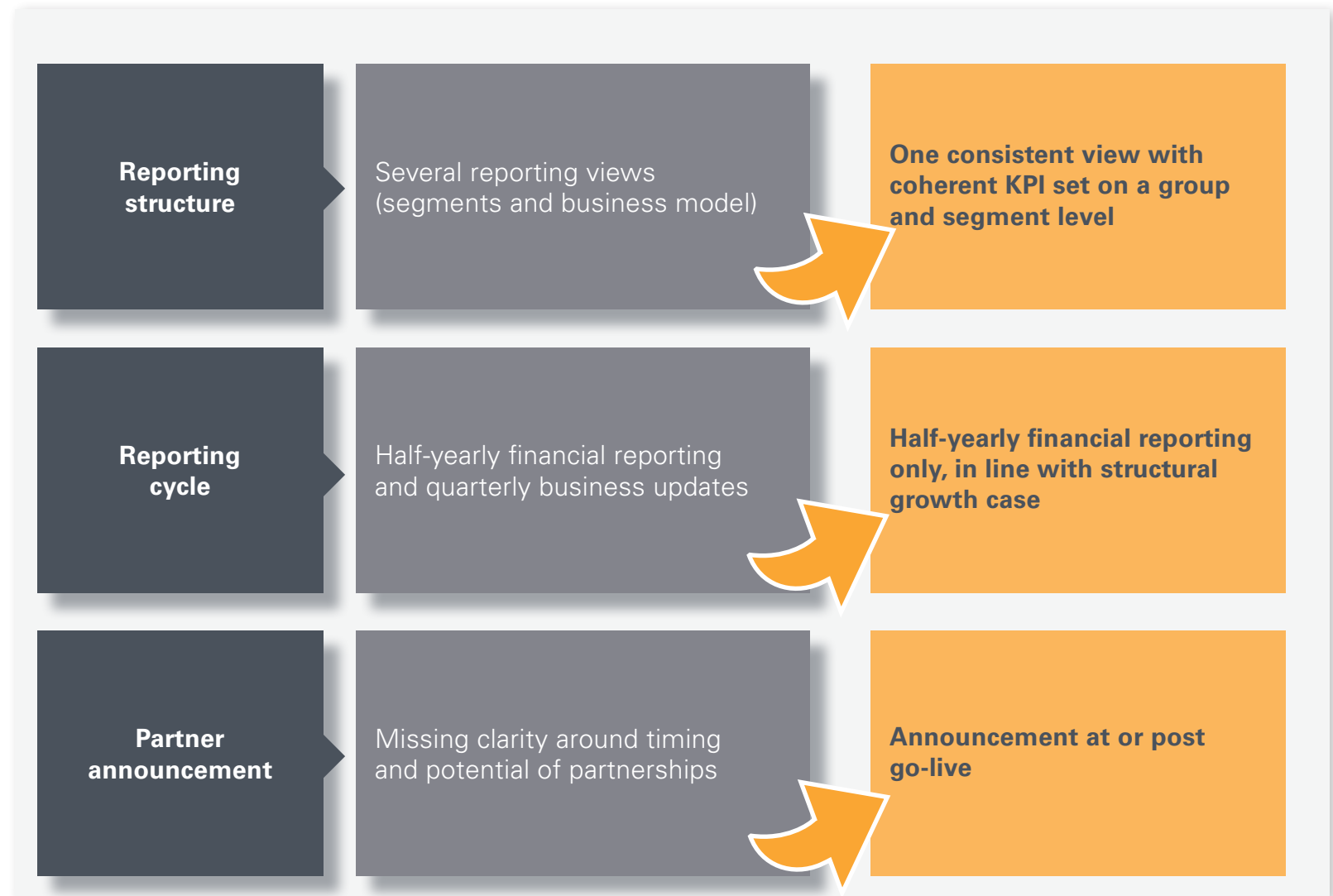


**Active cost base management**



**Optimized usage of capital**

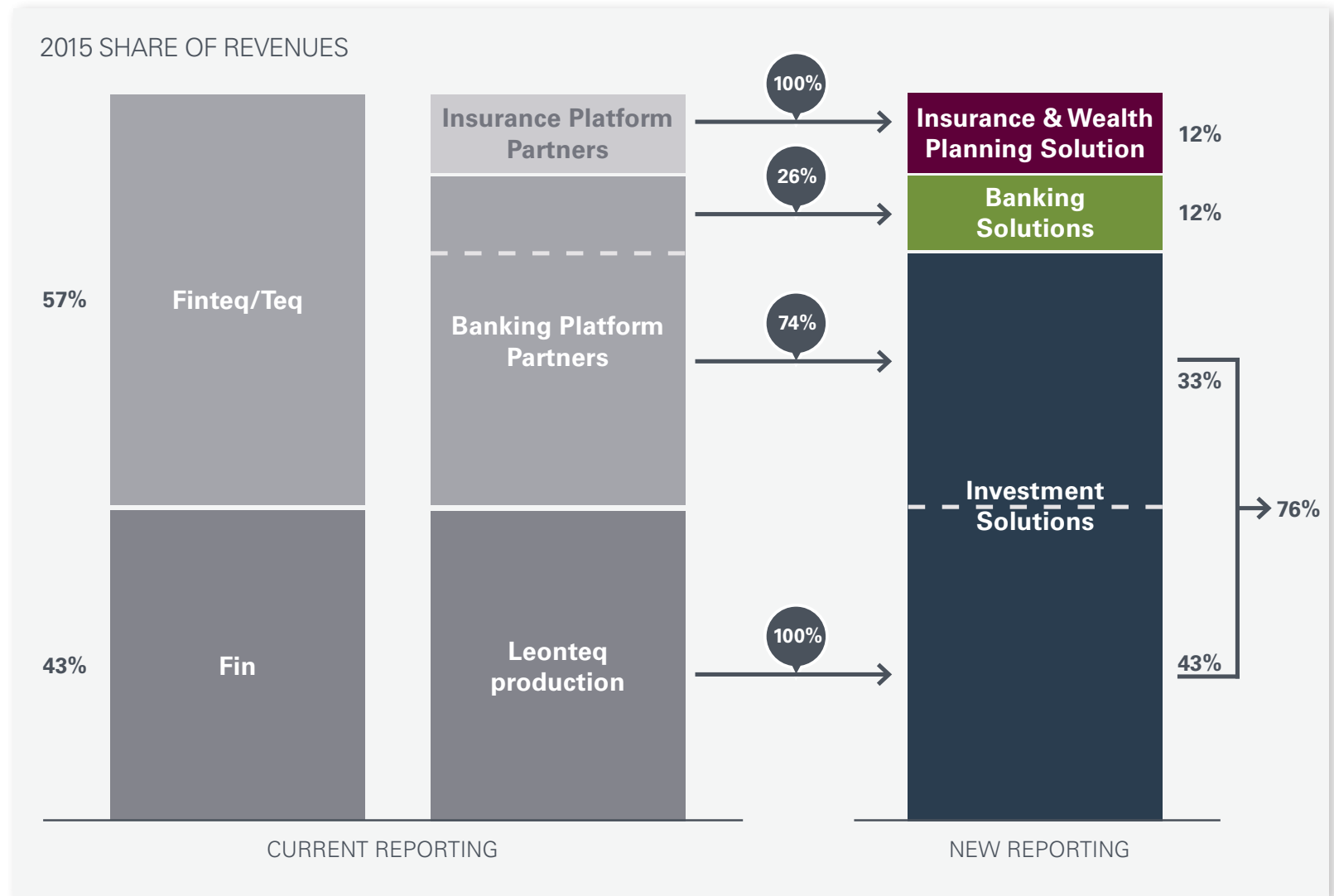
## SIMPLIFYING OUR FINANCIAL REPORTING ALIGN FINANCIALS WITH OUR NEW STRATEGY



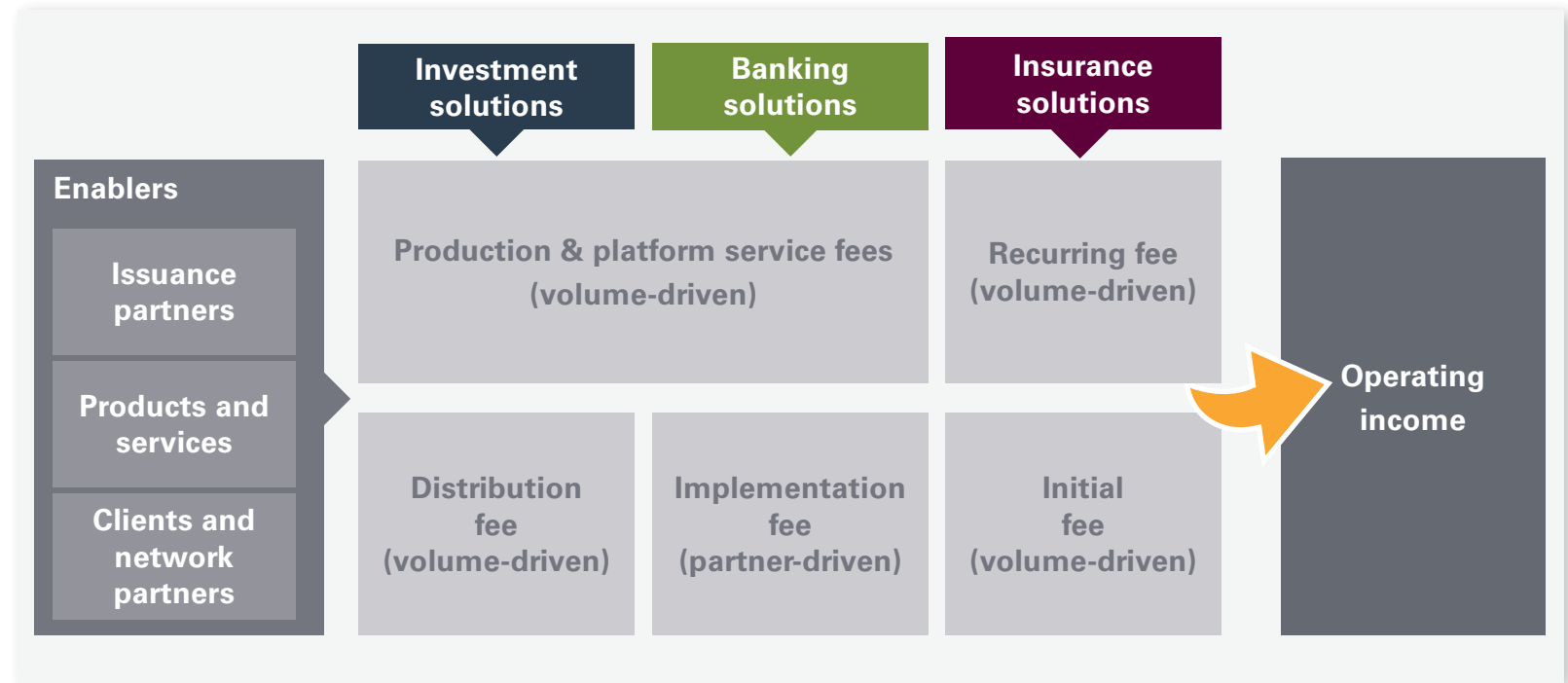
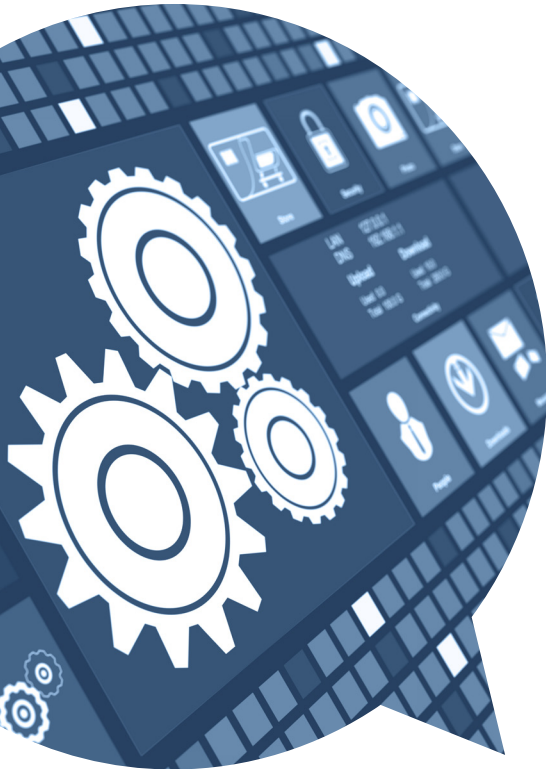


## INTRODUCING A NEW SEGMENT REPORTING RE-MAPPING OF THE TYPE OF BUSINESSES

- Investment Solutions to include revenues from Leonteq and third parties issued products distributed by Leonteq sales
- Banking Solutions comprises revenue from Raiffeisen Group and EFG Bank channels
- Insurance & Wealth Planning Solutions predominantly records revenues from its unit-linked insurance policy business



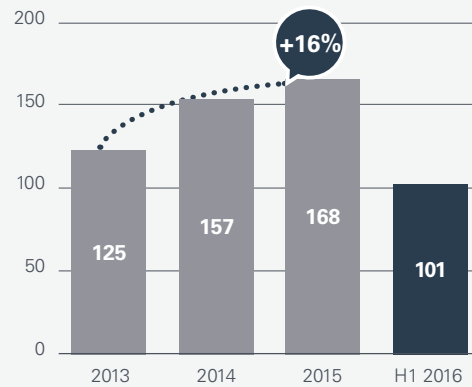
## ECONOMICS AND MONETIZATION VOLUME DRIVEN OPERATING INCOME



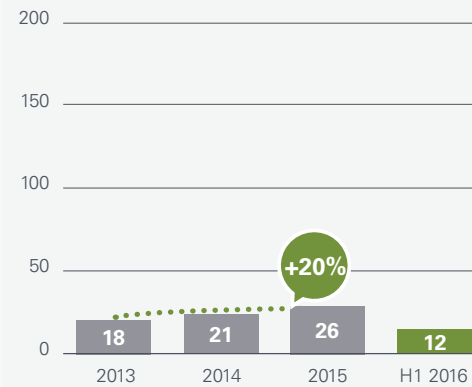
## RESTATING OUR SEGMENT REPORTING PRO FORMA FINANCIALS

**Segment operating income**  
(in CHF m)

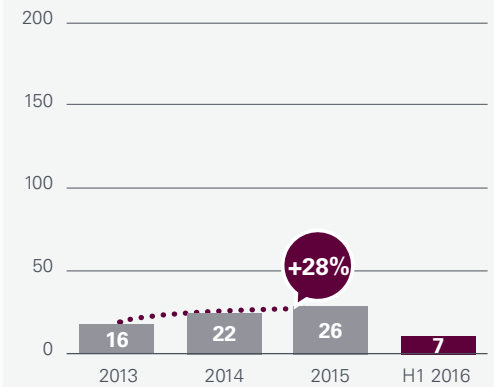
### Investment Solutions



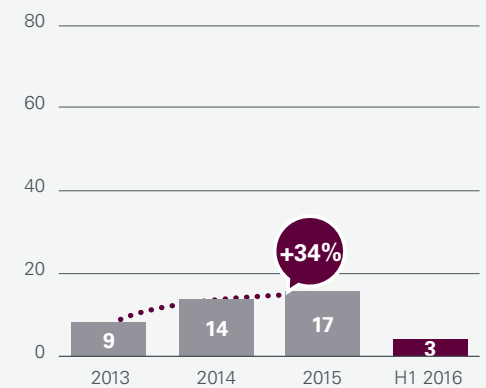
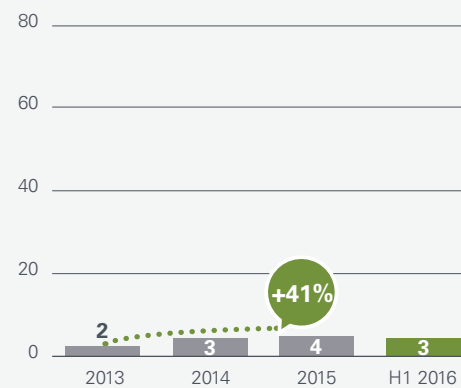
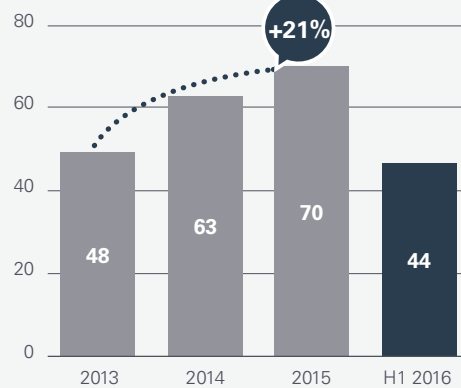
### Banking Solutions



### Insurance & Wealth Planning Solutions



**Segment profit before taxes**  
(in CHF m)



## KEY PERFORMANCE INDICATORS<sup>1</sup> FRAMEWORK ALIGNED WITH NEW STRATEGY

Group KPIs	2013	2014	2015	H1 2015	H1 2016	Target 2020
Platform assets (CHF bn)	5.4	7.6	7.9	8.0	8.7	
Whereof platform partner business	48%	49%	59%	59%	69%	
Cost-income ratio <sup>2</sup>	73%	70%	69%	65%	68%	<65%
Return on equity	27%	25%	17%	20%	18%	
<b>Investment Solutions</b>						
Turnover (CHF bn) <sup>2</sup>	8.8	12.7	14.6	8.5	8.3	15%
Whereof platform partner business	7%	28%	41%	47%	63%	
Margin (bps)	141	124	115	105	121	
Number of clients	658	802	904	739	833 <sup>3</sup>	
<b>Banking Solutions</b>						
Number of banking partners <sup>2</sup>	2	3	3	3	3	10
<b>Insurance &amp; Wealth Planning Solutions</b>						
Number of insurance partners <sup>2</sup>	1	1	1	1	1	5
Number of outstanding policies	13,223	19'099	23,632	21,207	25,231	

<sup>1</sup> See appendix, page 54 for detailed definitions of KPIs

<sup>2</sup> KPIs with targets for 2020

<sup>3</sup> YTD, expect to go beyond 1'000 by year end

## STRINGENT COSTS MANAGEMENT FOCUSED BUSINESS MODEL WILL ALLOW FURTHER COST SAVINGS



### Completed cost savings

- Reduction of CHF 10m personnel expenses (communicated in H1 2016) predominantly comprising savings against budgeted hirings

### Additional announcement

- Further cost reduction initiatives totaling CHF 10m resulting from market focus and streamlined processes
- Global reduction of 50 FTEs (expected full P&L effect by end of Q1 2017)

### Committed measures

- 2017: No staff growth expected (~480 FTEs)
- 2018 onwards: Net hiring rate of max. 5% (p.a.)
- Limit investments at historic levels of 12.5% of total operating income

## ADDITIONAL COST SAVINGS OF CHF 10 m

### REDUCTION OF 50 FTEs FULLY EFFECTIVE BY Q1 2017

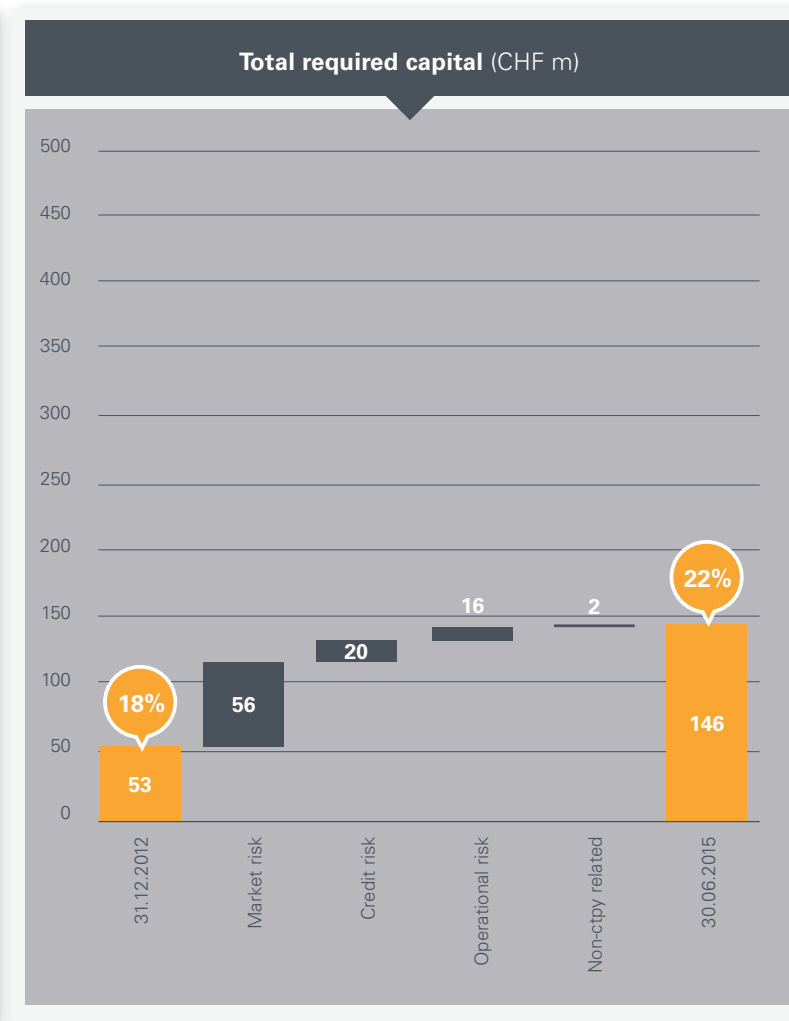
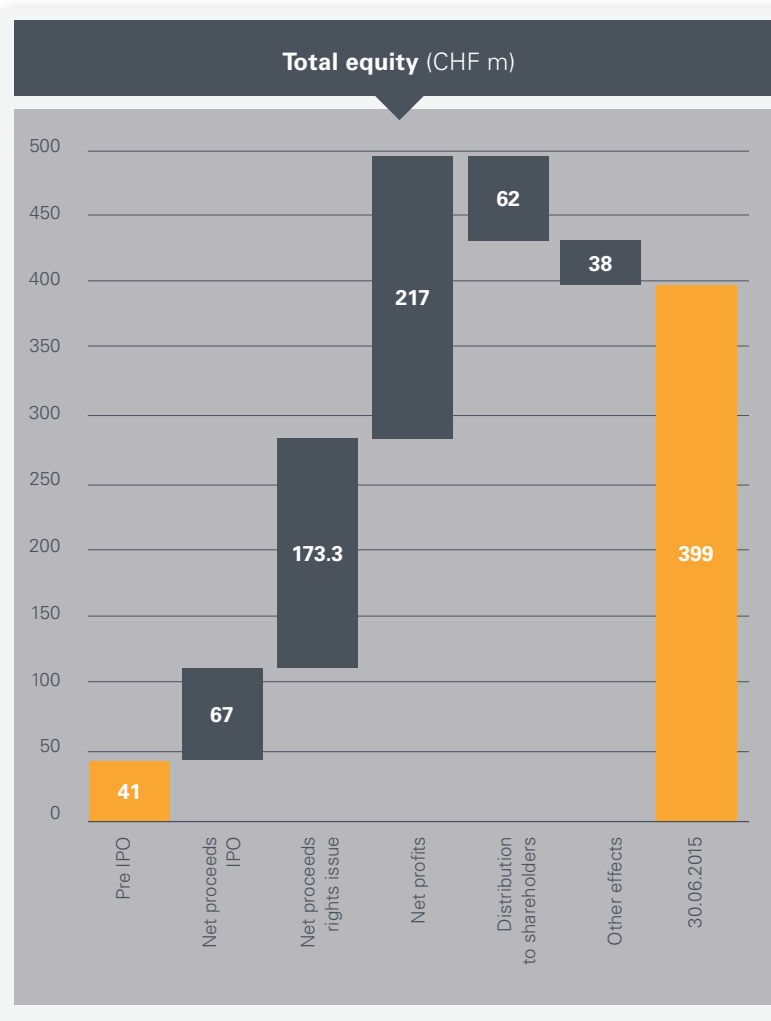


Measure	Explanation	Annualized impact (in CHF m)
<b>FTE reduction</b>	Reduction in FTEs in both front office and corporate support functions (50 FTEs)	8
<b>Office space footprint reduction</b>	Consolidation of office space and higher utilization of existing spaces	1
<b>Other OPEX savings</b>	Reduction in other OPEX related to reduction in FTEs	1
<b>Total annualized savings</b>		10

## CAPITAL DEVELOPMENT

### BUILDUP OF STRONG CAPITAL BASE SINCE IPO

- Approx CHF 250 million of capital in excess of regulatory requirements
- Capital ratios expected to decrease pre 2014 rights issue in the mid-term
- Shareholder distribution: minimum dividend is aimed at CHF 1.75 per share for 2016 and onwards



## BUSINESS UPDATE OCTOBER 2016 (YTD)



Since the announcement of half-year 2016 results, Leonteq gained further market share despite a challenging market environment



Turnover generated with products of Leonteq's platform partners continued to grow strongly while own issuances continued to decrease, in line with the first half of the year



As previously announced, personnel and other operating expenses increased, reflecting the impact of hires made in the first half of 2016 and higher office rents



Almost no staff was hired in the second half of the year to date



With the results of the strategic review announced today, Leonteq is confident to be well positioned for further growth



INVESTOR DAY 2016 | VISION 2020  
FOCUS, GROW & SCALE

# SUMMARY

## KEY MESSAGES



1. **We continue with our focused strategy in the attractive segment of structured investment products**
2. **We have built an attractive business and employ one of the largest and most experienced teams of structured products experts**
3. **We initiate the next growth phase by reaching the next level of scalability through our partners' distribution**
4. **We operate through three distinct business lines**
  - Investment Solutions comprises our core business offering
  - Banking Solutions focuses on servicing specific needs of mid-sized private banks with limited SIP capabilities
  - Insurance Solutions extended with wealth planning services
5. **We strengthen our executive committee and assign clear P&L responsibility**
6. **We commit on 4 KPI targets by 2020**

## OUR VISION



« We empower our clients and partners with an unparalleled manufacturing and distribution platform, setting new standards in agility, speed and efficiency on the structured investment products and pension market globally. This will make us a partner of choice and secure our future growth. »



INVESTOR DAY 2016 | VISION 2020  
FOCUS, GROW & SCALE

# APPENDIX

## SEGMENT RESULTS

### PRO FORMA FULL YEAR FINANCIALS

2015 CHFm	Investment solutions	Banking Solutions	Insurance Solutions	Corporate Center	Total
Total operating income	168.2	25.8	25.7	0.0	<b>219.7</b>
Total operating expenses	(98.4)	(22.2)	(8.7)	(21.2)	<b>(150.5)</b>
<b>Result from operating activities</b>	<b>69.8</b>	<b>3.6</b>	<b>17.0</b>	<b>(21.2)</b>	<b>69.2</b>

2014 CHFm	Investment solutions	Banking Solutions	Insurance Solutions	Corporate Center	Total
Total operating income	157.4	21.0	21.6		<b>200.0</b>
Total operating expenses	(94.5)	(18.4)	(8.1)	(18.8)	<b>(139.8)</b>
<b>Result from operating activities</b>	<b>62.9</b>	<b>2.6</b>	<b>13.5</b>	<b>(18.8)</b>	<b>60.2</b>

2013 CHFm	Investment solutions	Banking Solutions	Insurance Solutions	Corporate Center	Total
Total operating income	124.6	18.0	15.8	0.0	<b>158.4</b>
Total operating expenses	(76.7)	(16.2)	(6.4)	(15.6)	<b>(114.9)</b>
<b>Result from operating activities</b>	<b>47.9</b>	<b>1.8</b>	<b>9.4</b>	<b>(15.6)</b>	<b>43.5</b>

## SEGMENT RESULTS

### PRO FORMA HALF YEAR FINANCIALS

<b>H1 2016</b> CHFm	<b>Investment solutions</b>	<b>Banking Solutions</b>	<b>Insurance Solutions</b>	<b>Corporate Center</b>	<b>Total H1 2016</b>
Total operating income	100.5	12.0	6.8	0.0	<b>119.3</b>
Total operating expenses	(56.8)	(9.2)	(3.4)	(11.5)	<b>(80.9)</b>
<b>Result from operating activities</b>	<b>43.7</b>	<b>2.8</b>	<b>3.4</b>	<b>(11.5)</b>	<b>38.4</b>

<b>H1 2015</b> CHFm	<b>Investment solutions</b>	<b>Banking Solutions</b>	<b>Insurance Solutions</b>	<b>Corporate Center</b>	<b>Total H1 2015</b>
Total operating income	89.1	10.1	12.4	0.0	<b>111.6</b>
Total operating expenses	(46.9)	(10.2)	(4.3)	(11.0)	<b>(72.4)</b>
<b>Result from operating activities</b>	<b>42.2</b>	<b>(0.1)</b>	<b>8.1</b>	<b>(11.0)</b>	<b>39.2</b>

## RECONCILIATION 2015 FINANCIALS

### RE-MAPPING OF SEGMENT AND BUSINESS LINE REPORTING

2015 CHFm	Investment solutions	Banking Solutions	Insurance Solutions	Corporate Center	Total
Leonteq Production	94.3	–	–	–	<b>94.3</b>
Banking Platform Partners	73.9	25.8	–	–	<b>99.7</b>
Insurance Platform Partners	–	–	25.7	–	<b>25.7</b>
<b>Total operating income</b>	<b>168.2</b>	<b>25.8</b>	<b>25.7</b>	<b>0.0</b>	<b>219.7</b>

2015 CHFm	Investment solutions	Banking Solutions	Insurance Solutions	Corporate Center	Total
FIN	94.3	–	–	–	<b>94.3</b>
FINTEQ	73.9	25.8	25.7	0.0	<b>125.4</b>
<b>Total operating income</b>	<b>168.2</b>	<b>25.8</b>	<b>25.7</b>	<b>0.0</b>	<b>219.7</b>

2015 CHFm	Investment solutions	Banking Solutions	Insurance Solutions	Corporate Center	Total
FIN	8.6	–	–	–	<b>8.6</b>
FINTEQ	6.0	4.1	1.9	0.0	<b>11.9</b>
<b>Turnover</b>	<b>14.6</b>	<b>4.1</b>	<b>1.9</b>	<b>0.0</b>	<b>20.5</b>

## INCOME STATEMENT

CHFm	2013	2014	2015	H1 2015	H1 2016
Net fee income	135.9	181.1	228.6	108.8	<b>108.6</b>
Net trading income	24.9	20.6	(4.1)	4.3	<b>15.6</b>
Net interest income	(2.4)	(1.7)	(4.8)	(1.5)	<b>(4.9)</b>
<b>Total operating income</b>	<b>158.4</b>	<b>200.0</b>	<b>219.7</b>	<b>111.6</b>	<b>119.3</b>
Personnel Expenses	(69.1)	(85.6)	(94.3)	(47.9)	<b>(49.2)</b>
Depreciation and amortization	(9.0)	(12.3)	(14.7)	(6.9)	<b>(7.5)</b>
Other operating expenses	(36.8)	(41.9)	(41.5)	(17.6)	<b>(24.2)</b>
<b>Total operating expenses</b>	<b>(114.9)</b>	<b>(139.8)</b>	<b>(150.5)</b>	<b>(72.4)</b>	<b>(80.9)</b>
<b>Profit before taxes</b>	<b>43.5</b>	<b>60.2</b>	<b>69.2</b>	<b>39.2</b>	<b>38.4</b>
Taxes	(4.7)	2.4	(0.6)	(0.3)	<b>(1.2)</b>
<b>Group net profit</b>	<b>38.8</b>	<b>62.6</b>	<b>68.6</b>	<b>38.9</b>	<b>37.2</b>



## BALANCE SHEET

CHFbn	31.12.2013	31.12. 2014	31.12.2015	30.06.2016
Cash and receivables	0.5	0.9	0.8	<b>1.1</b>
Financial assets	4.2	5.9	5.7	<b>5.9</b>
Other assets	0.05	0.1	0.1	<b>0.1</b>
<b>Total assets</b>	<b>4.8</b>	<b>6.9</b>	<b>6.6</b>	<b>7.1</b>
Short-term credit and payables	1.0	1.4	1.1	<b>1.8</b>
Financial liabilities	3.5	5.0	4.9	<b>4.8</b>
Other liabilities	0.1	0.1	0.1	<b>0.1</b>
<b>Total liabilities</b>	<b>4.6</b>	<b>6.5</b>	<b>6.2</b>	<b>6.7</b>
<b>Shareholders' equity</b>	<b>0.2</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>

## PERSONNEL

FTE development	2013	2014	2015	H1 2015	H1 2016
Switzerland	232	274	343	296	<b>366</b>
EMEA	36	46	63	54	<b>88</b>
APAC	23	41	57	41	<b>67</b>
<b>Total FTEs</b>	<b>291</b>	<b>361</b>	<b>463</b>	<b>391</b>	<b>521</b>

FTE development	2013	2014	2015	H1 2015	H1 2016
Business units	92	135	179	139	<b>224</b>
<i>Whereof sales</i>	52	66	91	71	<b>114</b>
Share services	199	226	284	252	<b>297</b>
<i>Whereof IT</i>	55	73	95	79	<b>105</b>
<b>Total FTEs</b>	<b>291</b>	<b>361</b>	<b>463</b>	<b>391</b>	<b>521</b>

## KEY PERFORMANCE INDICATORS DEFINITIONS

**Platform assets** Platform assets are defined as the outstanding volume of products issued and traded through Leonteq's platform

**Return on equity** Return on equity has been calculated as the ratio of annualized group net profit to average shareholders' equity

**Turnover** Turnover has been calculated as the aggregated notional amount of structured products issued through Leonteq's platform plus the aggregated notional amount of structured products traded through Leonteq's platform

**Margin** Margin has been calculated as total operating income as percent of turnover in basis points

**Number of clients** Number of clients defined as clients (financial institutions, asset managers, insurance brokers, business introducers, institutional investors and insurance companies), which pursuant to a distribution agreement entered into with the Group, made at least one primary or secondary market transaction in the respective period on account of their respective clients or for their own account. Given the focus on distribution agreements, where global financial institutions of which two separate legal entities or locations of a global financial institution have entered into two separate distribution agreements with the Group, these are calculated as two separate clients.

**Banking partners** Companies or company groups in the banking industry with which Leonteq has established cooperation arrangements relating to one or several of the following, depending on the scope of cooperation: hedging arrangements, distribution, market making, product life-cycle management, or further services related to issuance of structured investment products.

**Insurance partners** Companies or company groups in the insurance industry with which Leonteq has established cooperation arrangements relating to life insurance and capitalization products, and where Leonteq, depending on the scope of cooperation, provides for a product platform that covers a range of product types for every life cycle stage and enables the partner to launch and maintain tailor made products, as well as further services such as advice and provision of investment concepts for individual payment plans.

**Number of outstanding policies** Defined as number of outstanding unit-linked life insurance policies serviced on Leonteq's platform