



Consolidation and Annual Reporting of a  
Swiss Banking Group: Cognos at Valartis  
Presentation for IBM Cognos Forum for Finance  
2010

Dr. Hanspeter Kaspar, CFO Valartis Group

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# Introduction to Valartis Group

## A diversified financial services group



- **Valartis Group AG is listed on the SIX Swiss Exchange**  
(Reuters symbol: VLRT.S + Bloomberg symbol: VLRT SW)
- **Valartis Group AG is focused on three core sectors**
  - Private Banking
  - Investment Banking
  - Asset Management

### 7 Offices in 5 Countries

- Zurich
- Geneva
- Luxemburg
- Vienna (2)
- BERN (Li)
- Moscow
- St Petersburg

### 300+ Employees

- Portfolio managers
- Analysts
- Sales / Traders
- Private Bankers
- M&A specialists
- Real Estate specialists

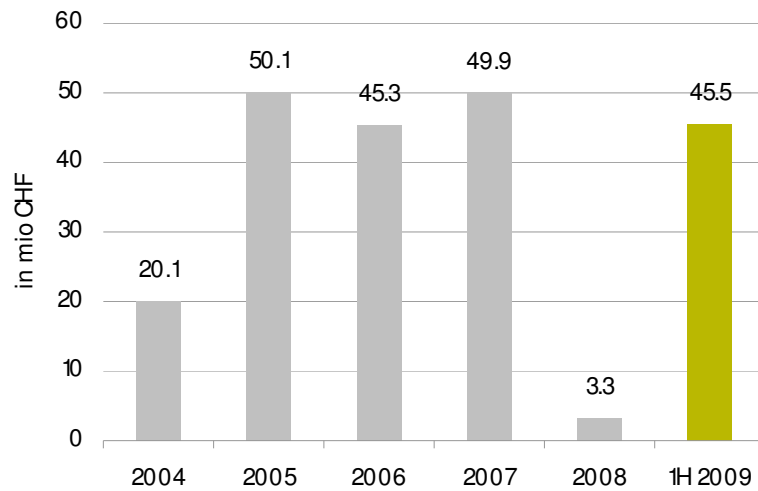


# Key Financials

## Valartis Group



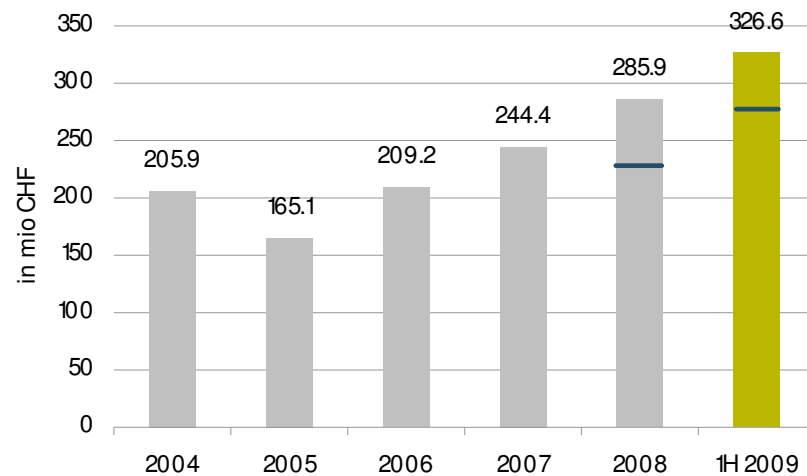
### Group Net Profit



- **Profits in first half of 2009 derive from**

- Increased Interest Income
- Trading gains on Fixed income portfolio
- Trading gains in general market
- Income from associated companies

### Shareholders' Equity

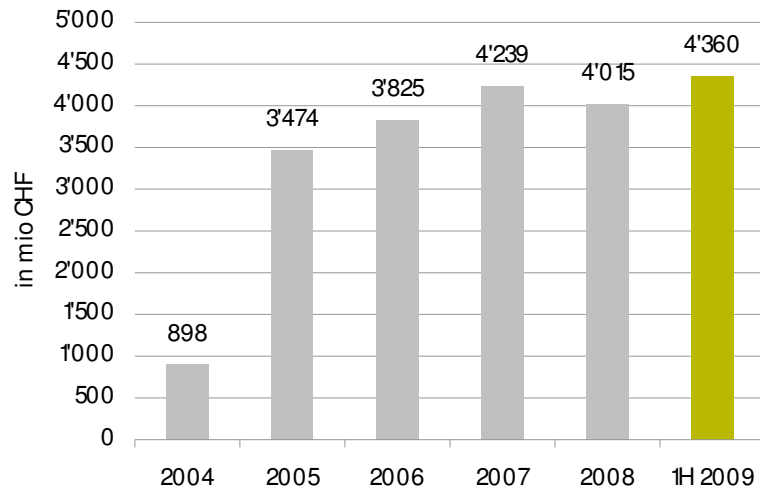


# Key Financials

## Valartis Group

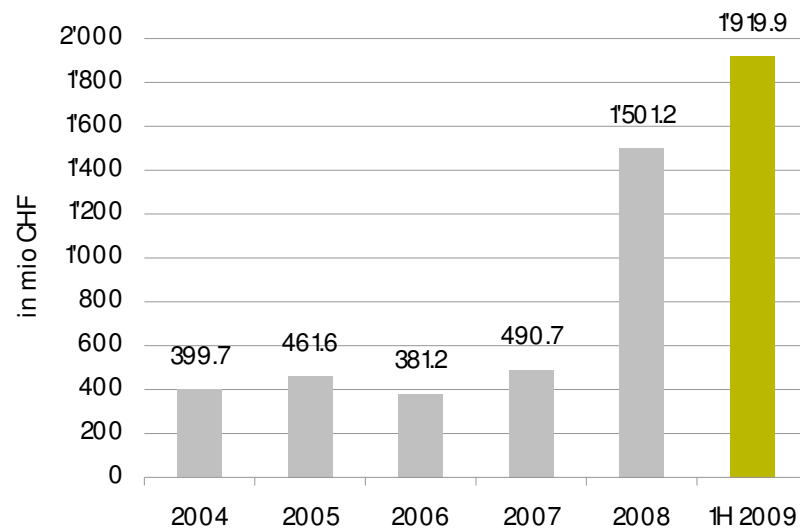


**Assets under Management**



- The AuMs increased during the first half of 2009

**Total Balance Sheet Assets**

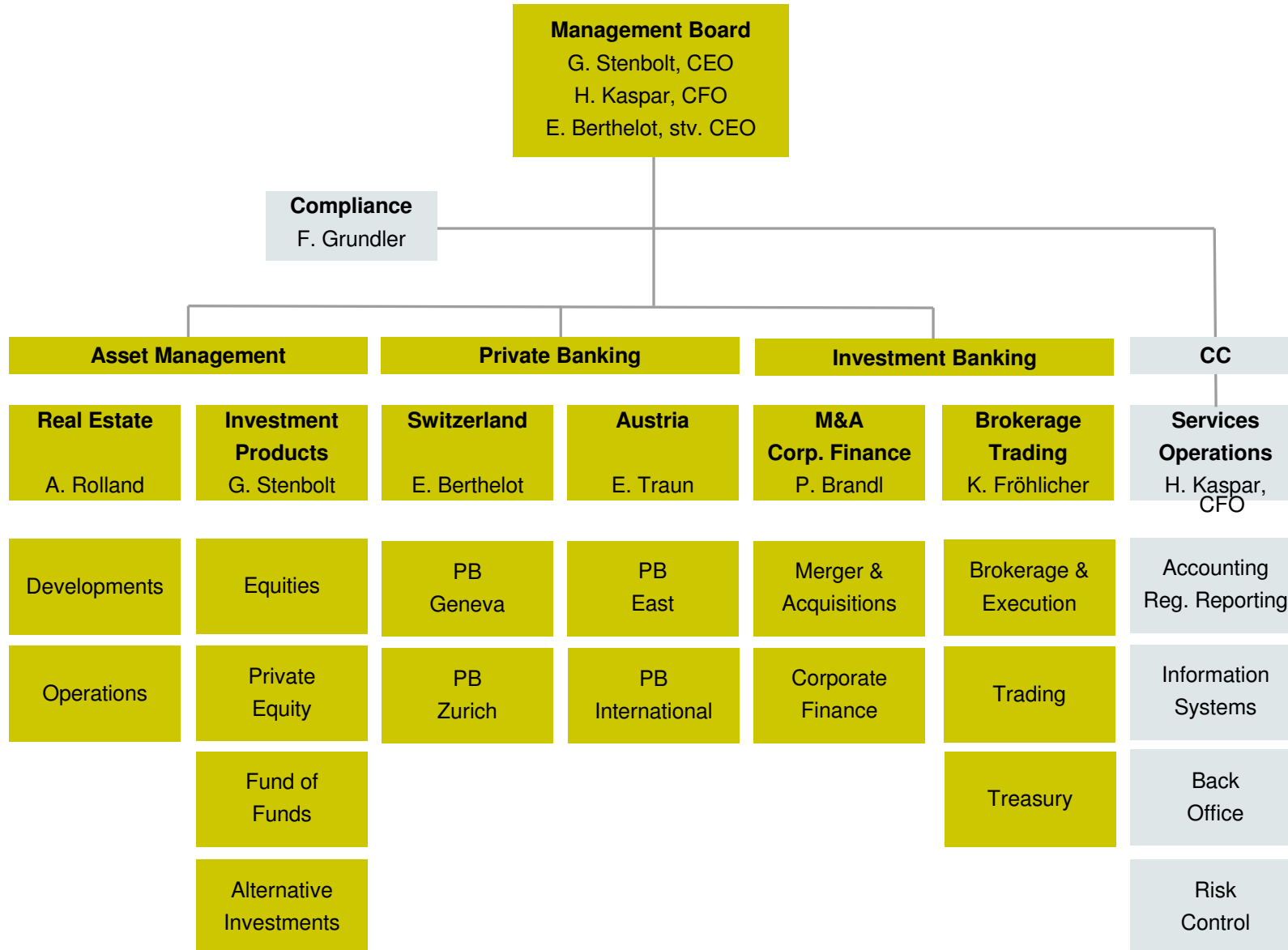


- Total Assets is expanding as a function of the expansion of the group



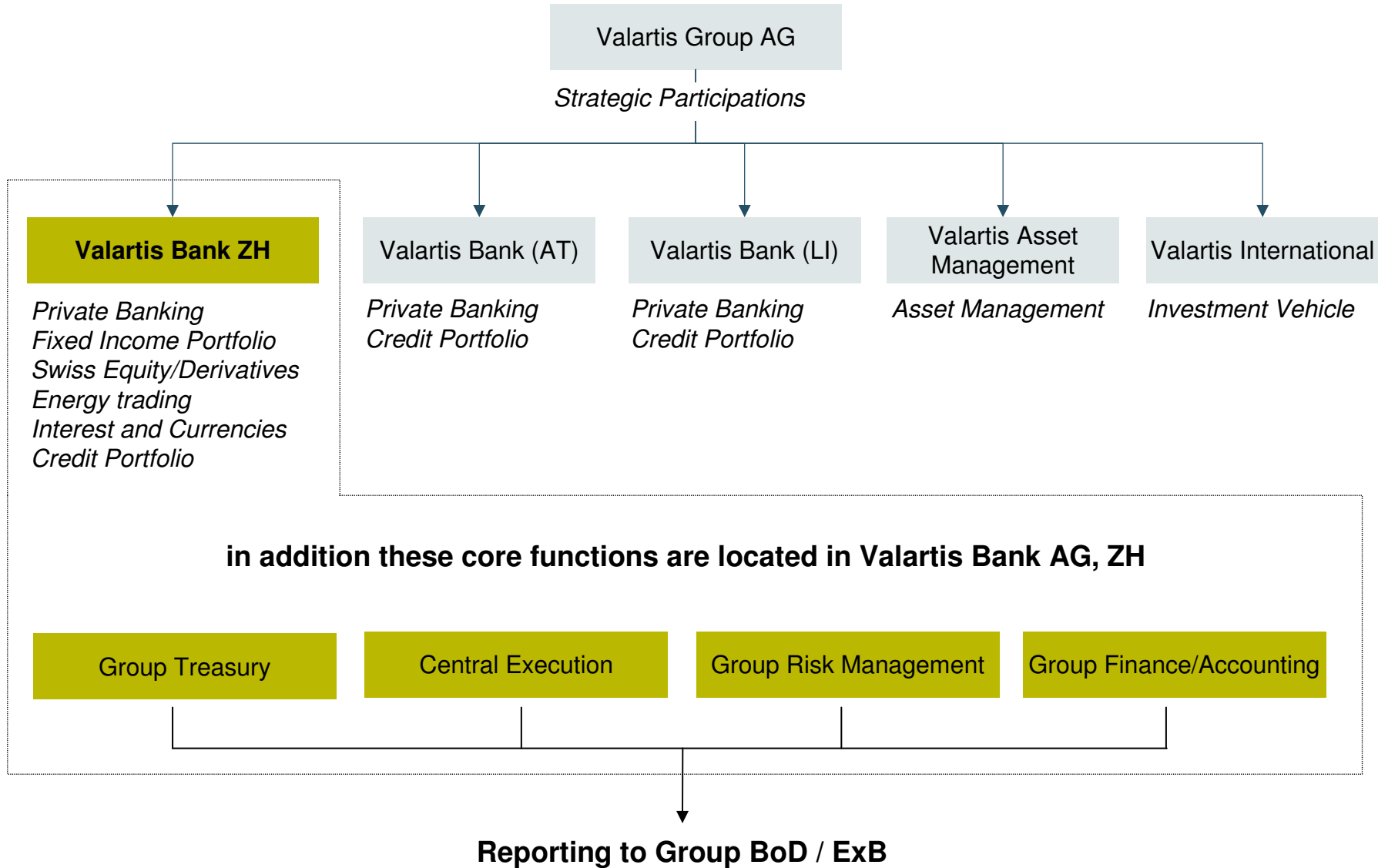
# Management Structure

## Group Business Activities



# Operating Structure

## According to main legal entities



# Important Events since August 2009

## 17.12.2009 - Valartis Bank (Liechtenstein) AG

### **Valartis Group completes acquisition of Hypo Investment Bank (Liechtenstein) AG**

Valartis Group's acquisition of Hypo Investment Bank (Liechtenstein) AG, announced on 16 September 2009, was successfully concluded. The Liechtenstein-based private bank, which employs 50 staff, manages assets totalling some CHF 1.6 billion for its international private clients. It will pursue its successful growth strategy under the current leadership of Dr. Andreas Insam (CEO) and Dr. Gerhard Lackinger.

The acquisition of Hypo Investment Bank (Liechtenstein) AG, to be renamed "Valartis Bank (Liechtenstein) AG", complements Valartis Group's growth strategy in private banking. The Group currently manages assets worth over CHF 6 billion at its banking locations in Vienna, Liechtenstein, Geneva and Zurich, and with its asset management operations in Moscow, St. Petersburg and Luxembourg.

Following the transaction, Valartis Group AG, Baar, has an 89% share of the votes and a 72.5% share of the capital in Valartis Bank (Liechtenstein) AG. The remaining voting and capital rights were acquired by the management and employees of the Liechtenstein-based private bank.

Further information on the acquisition of the bank in Liechtenstein will be released at the press conference for the year-end closing of Valartis Group scheduled for 13 April 2010.





# Contacts

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



## Geneva

2-4 place du Molard  
P.O. Box 3458  
1211 Geneva 3  
Switzerland

Phone +41 22 716 10 00  
Fax +41 22 716 10 01

## Vienna

Rathausstrasse 20  
1010 Vienna  
Austria

Phone +43 57789  
Fax +43 57789 200

## Zurich

Sihlstrasse 24  
P.O. Box  
8021 Zurich  
Switzerland

Phone +41 43 336 83 00  
Fax +41 43 336 81 00

## Moscow

5 Petrovka Street  
103031 Moscow  
Russia

## Liechtenstein

Schaaner Strasse 27  
9487 Gamprin-Bendern  
Fürstentum Liechtenstein

Phone +423 265 56 56  
Fax +423 265 56 99



# Initial position and objectives

**The implementation of a stable group-wide consolidation and management reporting process is the main objective of this project.**

## Initial position (September 2008)

- Consolidation process requires substantial reconciliation effort and external support
- Different accounting standards in various locations of Valartis Group
- Different local chart of accounts in the group's locations
- Consolidation tool in place is not yet a „state-of-the-art“ –solution (system breaks, manual interfaces)



## Project objectives

- Increased speed and efficiency in the financial closing process
- Additional cost savings due to reduced external closing support
- Flexible Reporting functionality (participation %)
- Increased data quality
- Reduced operational risk and strengthen internal controls
- Support growth / Acquisition



# What did we do

The Valartis group's tool decision and the preparation for the implementation project is completed.



## Key Activities

- Analyze as-is situation (existing master data, closing process, application landscape, group reporting structure)
- Collect requirements consolidation tool
- Collect requirements for management reporting
- Define evaluation model (criteria, weights, decision process)
- Initiate and evaluate offers of software providers and held reference visits
- Plan project and define project steering tools

**Project  
Go / No-Go  
Decision**

## Outputs

- Requirements catalogue for the future consolidation and reporting tool
- Defined decision making process for the software
- Project plan and steering tool in place (dates, outputs, cost estimation)

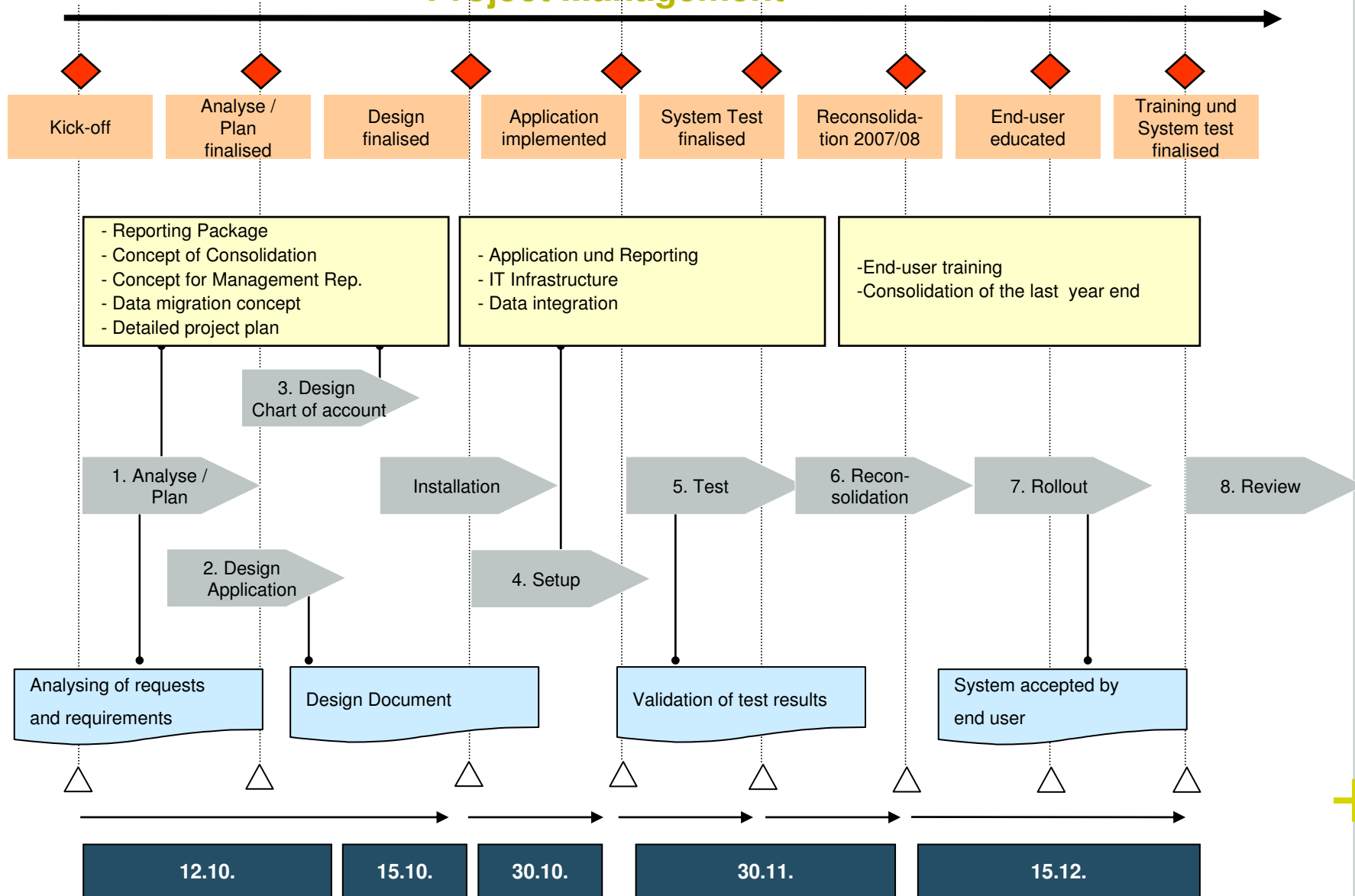


# Projectplan



IBM Cognos

## Project Management



# Summary



## The Background

- Valartis has an international presence with branches in Switzerland, Austria, Luxembourg, Russia and Algeria.
- With the acquisition of a substantial bank in Austria and the switch from quarterly to monthly reporting, Valartis was looking for a solution which was easy and fast adaptable to their changes in business but also fulfilling their requirements in reporting to internal and external stakeholders.
- Also a new group chart of account has been implemented along with the acquisition. In addition there was a short implementation window of three months.

## Key Objectives

- Implementation of group consolidation system to deliver group financial results.
- Delivery of an integrated technical platform to calculate Management Reporting results.
- Detail mapping of source system extracts to the technical platform
- Creation of data import procedures for automated data sourcing

## Approach Summary

- Implemented IBM Cognos Controller with reconsolidation of the preceding two yearends within three months.
- Implemented technical platform to deliver all necessary data for external and internal reporting under IFRS and Swiss banking law.
- Training and roll-out to all necessary people within the group on time.
- Implemented data import facility to load data from source systems.

## Benefits Achieved

- Implemented best practice financial methodologies to support processing and reporting needs for IFRS consolidation.
- Delivered clear, consistent, fact-based financial results at the Enterprise and LOB levels to produce consolidated financial statements and to measure business performance.

