



Press release

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VZ Group: Satisfactory result in a difficult environment

Zurich, 1 March 2019 – In 2018, VZ Group's operating revenues grew by 9.2 percent to CHF 284.2 million. Net profit rose by 13.1 percent to CHF 98.2 million. Due to the market turbulences in the previous year, CEO Matthias Reinhart expects significantly weaker profit growth in the current year.

Operating revenues more than 9 percent above the previous year

Compared to the previous year, VZ Group's operating revenues grew by 9.2 percent to CHF 284.2 million. At 13.1 percent, net income rose significantly stronger to CHF 98.2 million. Adjusted for the CHF 5.2 million set aside in 2017 for disputed VAT claims, actual profit growth was 8.1 percent. All asset classes lost value in 2018. This slowed the growth of revenues from assets under management, VZ Group's largest revenue component, particularly in the fourth quarter. In addition, negative interest rates are placing an increasing burden on the income statement. By contrast, the above-average trading volume led to a one-off increase in banking revenues.

Consulting fees and net new money reflect growing demand

Regardless of the development on the financial markets, more and more private individuals and companies seek advice from VZ, which is reflected in the consulting fees. Many of these clients also entrust their assets to VZ. Net new money grew by 11 per cent to CHF 2.6 billion. CHF, while the value of assets under management rose from CHF 21.8 billion to CHF 23.1 billion. The difference is due to the market correction.

Sound balance sheet and higher dividend

At CHF 3.1 billion, the balance sheet total at the end of the year was 14.2 per cent higher than at the beginning of the year. The equity ratio and the core capital ratio are a solid 16.6 and 30.1 percent, respectively. As in previous years, around 40 percent of the profit is to be distributed to the shareholders. The Board of Directors is therefore proposing to the shareholders' meeting that the dividend be increased from CHF 4.35 to CHF 4.90 per share.

Outlook

«The turbulences on the financial markets continue to have an impact and will also burden the current financial year,» says Matthias Reinhart, CEO. In 2018, the value of assets under management increased by just under 6 per cent, compared with over 18 per cent in the same period of the previous year. Reinhart therefore expects weaker revenue growth for 2019. Meanwhile, the client base is broadening further and the penetration of the client base with VZ services is developing pleasingly. In the short term, Reinhart does not anticipate that this growth will fully compensate for the difficult situation in 2019: «We expect weaker profit growth in the current year, before growth should return to normal from 2020 onwards.»

Annual report

The detailed annual report as well as an investor presentation can be downloaded from the investor relations section on VZ Group's website: www.vzch.com.

Conference call

Media representatives and analysts are invited to discuss VZ Group's results in one of today's teleconferences hosted by Matthias Reinhart (Chairman of the Executive Board) and Rafael Pfaffen (Chief Financial Officer). For details, please get in touch with Adriano Pavone:

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VZ Group

VZ Group is a Swiss financial service company listed on the SIX Swiss Exchange. Pension and estate planning as well as asset management for individuals and insurance and pension fund management for companies are VZ Group's core services. VZ Holding is headquartered in Zurich, and VZ has 31 branch offices throughout Switzerland and Germany.

Forward-looking statements

This press release contains forward-looking statements that involve known and unknown risks, uncertainties or other factors that may cause the actual results to be materially different from any future results, performance, or achievements expressed or implied by such statements. Against the background of these uncertainties, readers should not rely on such forward-looking statements. The company assumes no responsibility to up-date forward-looking statements or to adapt them to future events or developments.

Key figures

Income statements (CHF '000)	2018	2017
Operating revenues	284'188	260'235
Operating expenses	157'004	149'194
Operating profit (EBITDA)	127'184	111'041
Net profit ¹	98'246	86'823

¹ Including minority interests.

Balance sheets (CHF '000)	31.12.2018	31.12.2017
Total assets	3'087'945	2'703'475
Equity ¹	512'266	459'470
Net cash	439'543	366'001

¹ Including minority interests.

Equity key figures	31.12.2018	31.12.2017
Leverage ratio ¹	16.6%	17.0%
Common equity tier 1 capital ratio (CET 1)	30.1%	30.4%
Total eligible capital ratio (T1 & T2)	30.1%	30.4%

¹ Equity compared to the consolidated balance sheet total.

Funds under management (CHF million)	31.12.2018	31.12.2017
Assets under management	23'056	21'775

Employees	31.12.2018	31.12.2017
Full-time equivalents (FTE)	897,5	840.4