



Press release

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Temporary slowdown in VZ Group's revenue growth

Zurich, 14 August 2019 – VZ Group's operating revenues grew by 5.3 percent compared with the first half of 2018. Profit before taxes grew slightly weaker by 4.3 percent. Due to a temporary additional tax load, net profit remained virtually unchanged. CEO Matthias Reinhart expects a slightly higher profit for the 2019 financial year than in the previous year.

Revenues up 5.3 percent

As expected, operating revenues grew less strongly than in the first half of 2018, by 5.3 percent to CHF 148.8 million. The slower growth is primarily attributable to the weak financial markets at the end of 2018. In addition, banking revenues continued to decline as interest rates remained negative and the proportion of passive investments and all-in fee models continued to rise. Profit before taxes grew slightly weaker by 4.3 percent from CHF 57.7 million to CHF 60.2 million. Due to a temporary additional tax load, net profit remained virtually unchanged at CHF 48.7 million.

More services for more clients

The steady influx of new clients is clearly reflected in the consulting fees and confirms that VZ is in strong demand as a partner for all money-related matters. An encouraging aspect are the intensified client relations: ever more clients use VZ services in connection with their retirement planning, the financing of their real estate, their insurances or their banking needs. Net new money as well as the client conversion from financial consulting to platform services developed similarly to the first half of 2018. In order to meet the growing demand, the group is increasing the consulting capacity on an ongoing basis. At the same time, more and more services are made available digitally.

Solid financing

Since the beginning of the year, VZ Group's balance sheet total has grown from CHF 3.1 billion to CHF 3.5 billion. This growth reflects the strong inflow of new clients and the overall development of the group's business. At 14.7 and 25.8 percent respectively, both the equity ratio and the core capital ratio are well above the industry average.

Outlook

«Revenues are likely to be higher in the second half of the year, while costs are expected to increase moderately», says Matthias Reinhart, Chairman of VZ Group's Executive Board. «Overall, we anticipate a slightly higher profit for the 2019 financial year compared to the previous year.»

Half-year report

The detailed half-year report as well as an investor presentation can be downloaded from the investor relations section on VZ Group's website: vzch.com/investors

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 or Petra Märk:

Contacts

Adriano Pavone
Head Media Communications
Phone +41 44 207 25 22
Mail adriano.pavone@vzch.com

Petra Märk
Head Investor Relations
Phone +41 44 207 26 32
Mail petra.maerk@vzch.com

VZ Group

VZ is an independent Swiss financial service company, and VZ Holding Ltd's shares are listed on the SIX Swiss Exchange. Asset management, pension and estate planning for individuals as well as insurance and pension fund management for companies are VZ Group's core services. VZ Holding is headquartered in Zurich, and VZ has 34 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 update forward-looking statements or to adapt them to future events or developments.

Key figures

Income statements (CHF '000)

	<i>1H 2019</i>	<i>2H 2018</i>	<i>1H 2018</i>
Operating revenues	148'810	142'854	141'334
Operating expenses	79'519	78'450	78'554
Operating profit (EBIT)	60'385	58'979	57'785
Net profit ¹	48'723	49'546	48'700

¹ Including minority interests.

Balance sheets (CHF '000)

	<i>30.6.2019</i>	<i>31.12.2018</i>	<i>30.6.2018</i>
Total assets	3'470'104	3'087'945	2'969'931
Equity ¹	510'966	512'266	467'452
Net cash ²	371'417	439'543	369'385

¹ Including minority interests.

² Cash & cash equivalents, short-term investments, marketable securities, financial assets less current liabilities due to customers, long-term debts and due to banks.

Equity key figures

	<i>30.6.2019</i>	<i>31.12.2018</i>	<i>30.6.2017</i>
Equity ratio ¹	14.7%	16.6%	15.7%
Common equity tier 1 capital ratio (CET 1)	25.8%	30.1%	27.5%
Total eligible capital ratio (T1 & T2)	25.8%	30.1%	27.5%

¹ Equity compared to the consolidated balance sheet total.

Funds under management (CHF million)

	<i>30.6.2019</i>	<i>31.12.2018</i>	<i>30.6.2018</i>
Assets under Management	25'623	23'056	22'653

Employees

	<i>30.6.2019</i>	<i>31.12.2018</i>	<i>30.6.2018</i>
Full-time equivalents	924.2	897.5	872.7