



Press release

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VZ Group continues to grow

Zurich, 1 March 2018 – VZ Group’s operating revenues grew 10.3 % in comparison to the previous year to CHF 260.2 million. Due to the additional provision of CHF 5.2 million, net profit grew less strongly at 3.2 % and reached CHF 86.8 million. CEO Matthias Reinhart expects revenues and net profit to continue growing in the current year.

Operating revenues +10 per cent

Relative to 2016, revenues grew 10.3 %, specifically from CHF 235.9 million to CHF 260.2 million. As expected, growth levelled off slightly during the second half of the year. Net profit grew less strongly at 3.2 % to reach CHF 86.8 million in the year under report. This was due in part to the additional provision of CHF 5.2 million related to uncertainties regarding value added tax, which VZ Group reported in November. These additional costs had a one-off impact on net profit.

Margins remain under pressure...

Pressure on margins has been high for a number of years. Mandates with all-in fees are becoming increasingly popular in asset management, which leads to lower transaction revenues. Negative interest is an additional burden on revenues. Together, these factors further reduced the margin on assets under management in the year under report.

...while the client base keeps growing

Trust in VZ Group’s services is directly expressed by the rise in the volume of assets under management. These assets grew from CHF 18.4 billion to reach CHF 21.8 billion, whereby net new money accounted for CHF 2.3 billion. All-in fees make the management of assets predictable and transparent. This is attractive and helps the group to gain even more clients. VZ is confident that the inflow of new clients will offset pressure on margins in the longer term. At the same time, more activity has been recorded on the consultancy side. In particular, the discussion about the financial health of the Swiss pension system has unsettled many clients, increasing their demand for sound advice.

Sound balance sheet and higher dividend

Relative to the start of the year, the balance sheet total rose 11.0 % to CHF 2.7 billion. The equity and core capital ratios are significantly above the industry average at 17.0 % and 30.4 %, respectively. The Board of Directors proposes a dividend of CHF 4.35 per share (2016: CHF 4.20) to the Shareholders' Meeting, in line with its policy of distributing around 40 % of profits to shareholders.

Outlook

«The broader client base and higher volumes indicate that revenues and net profit will continue to grow in the current year, in spite of sinking margins – provided that financial markets develop in a stable manner», says Matthias Reinhart, Chairman of VZ Group's Executive Board. «We are expecting costs to keep rising in step with revenues, despite the fact that we will continue to invest in digitalisation in order to extend our competitive advantage.»

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 Mr Pavone or Ms Märk:

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VZ Group

VZ Group is an independent 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 30 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)

	2017	2016
Operating revenues	260'235	235'865
Operating expenses	149'194	128'660
Operating profit (EBITDA)	111'041	107'205
Net profit ¹	86'823	84'124

1 Including minority interests.

Balance sheets (CHF '000)

	31.12.2017	31.12.2016
Total assets	2'703'475	2'434'598
Equity ¹	459'470	420'056
Net cash ²	366'001	389'595

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

	31.12.2017	31.12.2016
Leverage ratio ¹	17.0%	17.3%
Common equity tier 1 capital ratio (CET 1) ²	30.4%	31.7%
Total eligible capital ratio (T1 & T2) ²	30.4%	31.7%

1 Equity compared to the consolidated balance sheet total.

2 VZ Group applies the international standard approach for credit risks (SA-BIZ) for the first time. The previous year's figure has been adjusted accordingly.

Funds under management (CHF million)

	31.12.2017	31.12.2016
Assets under Management	21'775	18'415

Employees

	31.12.2017	31.12.2016
Full-time equivalents (FTE)	840.4	771.5