



Press release

Source: VZ Holding AG / SIX: VZN / ISIN: CH0028200837

VZ Group increases earnings by 6 percent

Zurich, 28 February 2020 – VZ Group increased its operating revenues by 6.2 percent to CHF 301.7 million. After stagnating in the first half of the year, profits rose by 4.1 percent to CHF 102.3 million over the year as a whole. The dividend is to be increased from CHF 4.90 to CHF 5.10 per share. CEO Matthias Reinhart expects further growth in revenues and profit for the 2020 financial year.

6.2 percent higher operating revenues

As expected, the positive mood in the second half of the year was reflected in both operating revenues and profit. After a slow first half of the year, earnings rose by 6.2 percent to CHF 301.7 million over the year as a whole. The slower growth compared to the previous year is due to the fact that revenues from assets under management develop with a time lag. In addition, bank revenues remain under pressure. The trend towards passively managed portfolios and all-in management fees leads to lower trading and transaction revenues. After stagnating in the first half of the year, profit rose by 4.1 percent to CHF 102.3 million over the year as a whole.

5000 additional management clients

VZ Group has again advised a large number of new clients, and many of them have opted for one of its management services. With 5000 additional management clients, VZ Group achieved a new record. At the same time, the number of services used by existing clients is steadily increasing. VZ Finanzportal, which enables clients to manage their assets conveniently online – including insurance policies, mortgages and much more – also contributes to this development. Net new money grew by 5.5 percent to CHF 2.7 billion in 2019.

Higher balance sheet total and dividend

The balance sheet total increased from CHF 3.1 to 4.1 billion in 2019. This is due to the growing number of clients and the higher cash holdings per client. Despite the growing balance sheet total, the core capital ratio is a solid 27.7 percent. The Board of Directors will propose to the annual general meeting an increase in the dividend from CHF 4.90 to CHF 5.10 per share. As in the previous years, some 40 percent of the profit will thereby be distributed to the shareholders. Over the next couple of years, the

Board of Directors intends to gradually increase the payout ratio to up to 50 percent. In addition, the Board proposes a share split in the ratio of 1:5.

Outlook

«Provided that the financial markets remain stable, revenues should continue to grow in the current year», says Matthias Reinhart, Chairman of VZ Group's Executive Board. «Profit growth in particular is expected to improve because the tax burden will decrease again.»

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: 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 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

Alternative performance measures

To measure its performance, VZ Group uses key figures that are not defined under International Financial Reporting Standards (IFRS). These alternative performance measures are listed on page 174 of the Annual Report 2019.

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>2019</i>	<i>2018</i>
Operating revenues	301'718	284'188
Operating expenses	159'340	157'004
Operating profit (EBIT)	124'750	116'764
Net profit	102'305	98'246

Balance sheets (CHF '000)	<i>31.12.2019</i>	<i>31.12.2018</i>
Total assets	4'056'231	3'087'945
Equity	549'774	512'266
Net cash	432'380	439'543

Equity key figures	<i>31.12.2019</i>	<i>31.12.2018</i>
Leverage ratio	13.6%	16.6%
Common equity tier 1 capital ratio (CET 1)	27.7%	30.1%
Total eligible capital ratio (T1 & T2)	27.7%	30.1%

Funds under management (CHF million)	<i>31.12.2019</i>	<i>31.12.2018</i>
Assets under management	27'627	23'056

Employees	<i>31.12.2019</i>	<i>31.12.2018</i>
Full-time equivalents (FTE)	944.8	897.5