

Media release / 8 February 2017



Vontobel increases 2016 net profit to CHF 264.4 million

Vontobel gains momentum in 2017 to embark on a new phase of strong and profitable growth

- Solid result in a challenging operating environment confirms positive trend in recent years.
- IFRS Group net profit increased by 47%, including one-off impacts totalling CHF 62.9 million. On an adjusted basis, profit grew by 12% to CHF 201.5 million.
- Dividend, including a special dividend, to increase by 8% to CHF 2.00.
- Vontobel delivered pleasing growth in new money of 5.8%, excluding the Quality Growth boutique.
- Client assets increased by 4% to a new record level of CHF 195.4 billion.
- In Wealth Management, the growth in new money of 5.3% was once again above benchmark and above the defined target range.
- The good overall performance in the Asset Management boutiques and the Vescore acquisition more than offset the Quality Growth dent in the development of assets under management.
- Asset Management was once again the main earnings driver at Vontobel; the successful diversification and international expansion of the business are bearing fruit.
- Financial Products increased its transaction volume by more than 20% to CHF 18.2 billion thanks to innovative solutions and its expansion into new markets.
- The capital ratio rose by 1.1 percentage point to 19.0% due to the strong financial result.
- The return on equity increased from 12.4% to 18.0%.

Vontobel delivered another very solid result in the financial year 2016 despite the challenging operating environment, thus confirming the positive trend in recent years. Adjusted for one-off impacts, net profit grew by 12% compared to the previous year to CHF 201.5 million. Including all exceptional impacts, net profit was CHF 264.4 million (+47% compared to 2015) and earnings per share totalled CHF 4.72 (+48% compared to 2015). In the last three years alone, Vontobel increased its profitability – adjusted for overall positive, significant one-off effects in the financial year 2016 – by 65%.

Asset Management, which grew its pre-tax profit by 18% to CHF 163.5 million compared to the previous year, was once again the main earnings driver at Vontobel. Despite the adverse impacts of the continued phase of low interest rates, Wealth Management generated a slight increase in pre-tax profit (+3%) to CHF 62.5 million. Financial Products gained further market

share in weak markets and delivered an 11% increase in annual profit to CHF 69.3 million thanks to an exceptionally strong performance in the second half of the year.

The logo for Vontobel, consisting of a dark blue vertical bar on the left and the word "VONTOBEL" in white, uppercase letters on a lighter blue background to the right.

Vontobel generated another pleasingly strong inflow of net money. In 2016 – adjusted for the Quality Growth boutique – private and institutional clients entrusted Vontobel with CHF 5.1 billion of new money, corresponding to a growth rate of 5.8%. At the end of 2016, total client assets reached a new record level of CHF 195.4 billion, an increase of 4% compared to the end of the previous year. 41% of advised client assets stem from Vontobel's Swiss home market, followed by the focus markets Emerging Markets (17%), Germany (12%), the US (12%), the UK (8%) and Italy (5%). In Asset Management, the Vescore acquisition and the good overall performance of the boutiques more than offset the dent in the development of volumes related to the CIO change in the Quality Growth boutique. The outflow of assets under management in the Quality Growth boutique totalled CHF 15.7 billion.

The foundations of Vontobel's continuous growth include its robust BIS common equity tier 1 (CET1) ratio, which was 19.0% at the end of 2016 and thus increased by 1.1 percentage points. It substantially exceeds the regulatory minimum requirement. The sale of the participation in Helvetia had a positive impact, enabling Vontobel to focus its capital resources on its own operational activities. The return on equity was 18.0% in 2016, significantly exceeding the cost of capital and Vontobel's own target of 10%. Based on the very solid financial result for 2016, which represents a further improvement compared to the prior year, the Board of Directors will propose an increased dividend, consisting of an ordinary dividend of CHF 1.90 and a special dividend of CHF 0.10, to shareholders. In total, the dividend will increase by 8% to CHF 2.00.

"In 2016, Vontobel demonstrated once again that with a clear strategy as a highly specialized, globally active wealth and asset manager, as well as a clear client focus, it is possible to operate successfully even in difficult markets. With our very solid financial result – even excluding exceptional impacts – we already achieved our 2017 targets in the course of 2016. The first few weeks of 2017 are an indication that this will not be an easy year. Political developments, the shift from 'Quality' to 'Value', and rising US interest rates – and the subsequent impact on emerging markets – will continue to pose challenges for our business, especially in Asset Management. Furthermore, many of our clients remain very cautious. Vontobel will nevertheless continue to pursue its current direction and gain momentum as we embark on a new phase of strong and profitable growth. We will achieve this through continued investments in exceptional talents, our strong brand and our focused technology leadership. At the same time, it is clear that there will be no recurrence this year of the exceptional impacts that had a positive influence on our financial results for 2016," stated Zeno Staub, CEO of Vontobel.

Across all three of Vontobel's businesses, the focus in 2016 was on qualitative growth and on investing in the future.

Wealth Management achieves strong organic growth in all markets

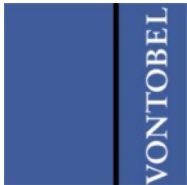
In 2016, Vontobel once again strengthened the Wealth Management team with the recruitment of additional qualified relationship managers in its home market as well as in focus markets. Today, it has almost 200 relationship managers around the globe to support its private banking clients. In total, Wealth Management clients entrusted Vontobel with CHF 2.2 billion of new money in 2016. This corresponds to growth in new money of 5.3%, which is once again above benchmark and above the defined target range of 3–5%. The business performed well, particularly in the traditionally strong Swiss market, but also in Germany and other focus markets. With the help of new technologies – such as the Private Banking Mobile App – in particular, Vontobel is exporting Swiss private banking to its focus markets. Through new digital services, Vontobel is also enabling external asset managers (EAMs) in Switzerland and in its focus markets to provide their clients with a holistic offering.

In the financial year 2017, Wealth Management will focus on achieving growth primarily on an organic basis. In this context, Vontobel expects to continue benefiting from the silent consolidation that is underway in the Swiss private banking market and to thus gain further market share. At the same time, it is willing to consider further acquisitions that create value.

Asset Management with a more diversified and global set-up

A lower cost/income ratio combined with performance and stronger diversification were the drivers of growth in pre-tax profit in Vontobel Asset Management. Vontobel diversified its regional footprint with new sales activities in Taiwan, Scandinavia and the Netherlands. Today, more than 50% of advised assets stem from the Fixed Income, Multi Asset Class and Thematic Investing boutiques, as well as from the new Vescore Quantitative Investment boutique. Fixed income solutions that are offered by the rapidly growing and successful boutique TwentyFour Asset Management, among others, were the main contributors to growth in Asset Management. The Multi Asset Class and Thematic Equities boutiques also generated a significant income contribution.

The outflows in the Quality Growth boutique relating to the CIO change were partly offset by strong growth in other boutiques. In the second half of the year – especially after the US election – a sector rotation and shift from 'Quality' to 'Value' and from Emerging Markets to Developed Markets occurred. Consequently, the Quality Growth investment style remained below benchmark in the second half of the year, resulting in outflows. In view of the high level of success of the investment strategy in recent years across all cycles – resulting in significant outperformance relative to its benchmarks – the Quality Growth team will remain committed to these tried-and-tested and successful investment processes.



The deepening of the partnership with Raiffeisen in the asset management business, which extends well into the next decade, has already begun to have a positive impact. As part of the redefinition of their collaboration, Vontobel acquired the Raiffeisen subsidiary Vescore. The acquisition of Vescore was already completed in mid-September 2016. The former Vescore business should begin to make a positive contribution to Vontobel's profit by 2018. The major proportion of Vescore integration costs were already incurred in 2016. These costs amounted to CHF 12.4 million. Further integration costs are expected for 2017. Vontobel gained CHF 7.9 billion of assets under management as a result of the transaction.

Vontobel Asset Management has identified additional opportunities for growth as a result of the broader and deeper access to 3.7 million Raiffeisen clients that it has gained as a result of its expanded partnership in the investment business. For example, Vontobel Asset Management recorded inflows of over CHF 400 million of assets under management as a result of this partnership.

As part of its growth strategy, Vontobel Asset Management will continue to concentrate on delivering excellent product quality, as well as on the further diversification of the business and the continued international expansion of sales going forward.

Vontobel Financial Products gains further market share

Through innovative, open platforms such as 'mein-zertifikat.de', Vontobel Financial Products successfully generated new turnover that allowed it to offset the impact of the overall decline in trading volumes on stock exchanges in Continental Europe in particular. In addition to trading volumes in traditional markets, Vontobel also generated turnover in new markets such as Italy in 2016. Measured in terms of turnover, Vontobel has a market share of 26.0% in its Swiss home market, 6.8% in Germany and a total market share of 8.8% in key European markets.

In future, Vontobel will continue to achieve growth in the structured products business through innovation and international expansion. For example, it will further drive the transition towards a buyer's market with a new smart app for structured products in Switzerland and Germany in 2017. It already entered the market in the Netherlands and France in January 2017 and intends this year to also make its debut in Hong Kong – one of the world's largest markets for leverage products.

Corporate Center makes exceptionally large contribution to the result

On 2 November 2016, Vontobel sold its equity participation in Helvetia Holding AG to Patria Genossenschaft. The good long-standing business relationships between Helvetia and Vontobel are not affected by this move. The sale of the participation had a one-off positive impact of CHF 91 million on Vontobel's profit after taxes. However, the settlement reached with the Munich authorities in the spring had a negative impact. Another positive development was the

conclusion of the discussions with the US Department of Justice at the end of 2016 without the payment of a financial penalty. In terms of legacy issues, the only matter that has yet to be resolved is the proceedings involving the authorities in North Rhine-Westphalia. Like many other banks, Vontobel is currently engaged in discussions to reach a final settlement in order to achieve legal certainty for clients, employees and Vontobel's future-oriented business model. The company recorded a provision of CHF 13.4 million in connection with this matter in 2016.

Family shareholders underscore commitment to Vontobel

Entrepreneurial freedom, which has traditionally been guaranteed by the stable shareholder base, forms a vitally important foundation for growth at Vontobel. By renewing and expanding their shareholder agreement in November 2016, the family shareholders once again underscored their desire to continue giving Vontobel the stability needed to ensure the company can develop with a focus on the long term. In Spring 2016, the Board of Directors was further strengthened with the election of Dr Maja Baumann and Björn Wettergren, both representatives of the owner families, as well as David Cole, CFO of Swiss Re.

2020 objectives to be presented in August

With changeable market conditions, low interest rates and the uncertain political landscape, generating returns for clients will prove challenging once again in 2017. As a globally active specialist focusing on three areas of business – Wealth Management, Asset Management and Financial Products – and with its clear commitment to delivering quality for its clients, Vontobel is well positioned to achieve this. This proven approach will also form the basis for Vontobel's 2020 objectives. These objectives will be defined in the coming months as part of the regular strategy process and will be communicated in August. In this context, Vontobel will continue to pursue its strategy of focused, profitable growth in the future.



Vontobel

Vontobel's mission is to protect and build the wealth our clients have entrusted to us over the long term. Specializing in active asset management and tailor-made investment solutions, we provide responsible and forward-looking advice. In doing so, we are committed to Swiss quality and performance standards. With their good name, our owner families have stood by these principles for generations. As of 31 December 2016, Vontobel held over CHF 195 billion of client assets. Around 1,700 employees worldwide provide first-rate, customized services for clients with an international focus. The registered shares of Vontobel Holding AG are listed on the SIX Swiss Exchange. The Vontobel families and the Vontobel Foundation hold the majority of shares and votes in the company.

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Key dates

General Meeting of Shareholders 2017:	4 April 2017
Presentation of first-half results 2017:	27 July 2017

Presentation of Vontobel's 2016 results

Results press conference followed by Q&A for analysts, investors and the media in English.

Date:	8 February 2017
Time:	9.30 a.m. (CET)
Speakers:	Zeno Staub, CEO of Vontobel Martin Sieg Castagnola, CFO of Vontobel
Location:	Vontobel headquarters, Gotthardstrasse 43, Zurich
Participation by telephone:	+41 58 310 50 00 Continental Europe +44 203 059 58 62 UK +1 (1)631 570 56 13 US

Please dial in by no later than 09.20 a.m. and ask for "Vontobel results 2016".

A video recording of the results press conference will be available on the Internet to replay on the same day at: www.vontobel.com/ir

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Vontobel at a glance

Ratios	31-12-16	31-12-15	31-12-14	31-12-13	31-12-12
Return on shareholders' equity (ROE) (%) ¹	18.0	12.4	8.7	7.6	8.3
Cost ² /income ratio (%)	68.2	77.0	80.3	80.8	79.9
Equity ratio (%)	7.8	8.1	7.6	8.3	7.4
Basel III leverage ratio (%)	5.2	5.1	6.0	n/a	n/a

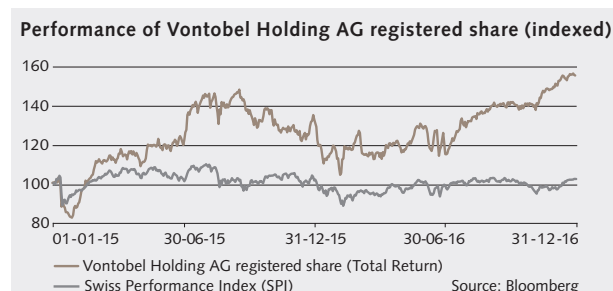
¹ Group net profit as a percentage of average equity based on monthly figures, both without minority interests

² Operating expense, excl. valuation adjustments, provisions and losses

Share data	31-12-16	31-12-15	31-12-14	31-12-13	31-12-12
Basic earnings per share (CHF) ¹	4.72	3.20	2.24	1.92	1.95
Diluted earnings per share (CHF) ¹	4.59	3.11	2.19	1.89	1.92
Equity per share outstanding at balance sheet date (CHF)	27.65	26.02	25.65	25.67	24.49
Dividend per share (CHF)	2.00 ²	1.85	1.55	1.30	1.20
Price/book value per share	1.9	1.8	1.5	1.4	1.2
Price/earnings per share	11.3	14.8	16.7	19.3	14.5
Share price at balance sheet date (CHF)	53.45	47.50	37.50	36.95	28.20
High (CHF)	54.15	53.45	37.50	37.20	28.20
Low (CHF)	36.90	30.25	30.10	27.25	17.80
Market capitalization nominal capital (CHF mn)	3,040.0	2,701.6	2,437.5	2,401.8	1,833.0
Market capitalization less treasury shares (CHF mn)	2,927.4	2,601.7	2,063.6	2,340.1	1,787.0
Undiluted weighted average number of shares	55,082,263	55,375,938	60,042,271	63,726,002	63,693,221

¹ Basis: weighted average number of shares

² As per proposal submitted to the General Meeting, consisting of an ordinary dividend of CHF 1.90 and a special dividend of CHF 0.10



Share information	
Stock exchange listing	SIX Swiss Exchange
ISIN	CH001 233 554 0
Security number	1 233 554
Par value	CHF 1.00
Bloomberg	VONN SW
Reuters	VONTZn.S
Telekurs	VONN

BIS capital ratios	31-12-16	31-12-15	31-12-14	31-12-13	31-12-12
CET1 capital ratio (%)	19.0	17.9	21.3	25.5	27.2
CET1 capital (CHF mn)	1,018.4	895.1	1,117.3	1,348.2	1,364.2
Risk weighted positions (CHF mn)	5,360.8	5,001.9	5,236.1	5,294.1	5,019.4

At present, Vontobel's equity consists exclusively of Common Equity Tier 1 capital. From 2013, calculations are based on the fully applied Basel III framework.

Risk ratio	31-12-16	31-12-15	31-12-14	31-12-13	31-12-12
(CHF mn)					
Average Value at Risk market risk	2.7	3.0	5.9	8.0	14.1

Average Value at Risk 12 months for positions in the Financial Products division of the Investment Banking business unit. Historical simulation Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period.

Rating			
	31-12-16	31-12-15	31-12-14
Moody's Rating Bank Vontobel AG (long-term deposit rating)	Aa3	Aa3	A2

Income statement					
CHF mn	31-12-16	31-12-15	31-12-14	31-12-13	31-12-12
Total operating income	1,081.1	988.6	884.4	849.3	775.0
Operating expense	759.8	764.7	711.6	695.9	627.0
Group net profit	264.4	180.1	134.5	122.3	124.1
of which allocated to minority interests	4.6	2.9	0.0	0.0	0.0
of which allocated to the shareholders of Vontobel Holding AG	259.8	177.2	134.5	122.3	124.1

Segments (pre-tax profit)					
CHF mn	31-12-16	31-12-15	31-12-14	31-12-13	31-12-12
Private Banking	47.2	46.1	57.1	59.4	38.0
Asset Management	163.5	138.5	108.2	103.3	75.5
Investment Banking	84.6	77.0	66.1	56.6	69.1
Corporate Center	26.0	(37.7)	(58.6)	(65.9)	(34.6)

Balance sheet					
CHF mn	31-12-16	31-12-15	31-12-14	31-12-13	31-12-12
Total assets	19,393.9	17,604.8	18,472.8	19,643.2	21,062.3
Shareholders' equity (excl. minority interests)	1,514.1	1,425.2	1,411.5	1,626.0	1,552.0
Loans	2,601.9	2,365.1	2,116.2	1,839.7	2,478.6
Due to customers	9,058.5	8,775.8	8,960.6	9,303.8	8,658.9

Client assets					
CHF bn	31-12-16	31-12-15	31-12-14	31-12-13	31-12-12
Assets under management	138.5	136.3	123.8	109.6	98.4
of which under discretionary management	90.2	93.9	82.3	70.6	63.8
of which under non-discretionary management	48.3	42.4	41.5	39.0	34.6
Other advised client assets	10.4	6.0	6.6	–	–
Structured products outstanding	6.4	5.5	6.5	7.0	7.0
Total advised client assets	155.3	147.8	136.9	116.6	105.4
Custody assets	40.1	39.4	53.8	46.5	44.2
Total client assets	195.4	187.2	190.7	163.1	149.6

Net new money					
CHF bn	31-12-16	31-12-15	31-12-14	31-12-13	31-12-12
Net new money	5.1 ¹	8.0	6.2	9.1	8.6
Net new money Quality Growth boutique	(15.7)				

¹ Excluding Quality Growth boutique

Headcount (full-time equivalents)					
	31-12-16	31-12-15	31-12-14	31-12-13	31-12-12
Number of employees Switzerland	1,347.0	1,201.2	1,135.5	1,097.2	1,117.1
Number of employees abroad	327.4	292.7	242.1	240.6	266.3
Total number of employees	1,674.4	1,493.9	1,377.6	1,337.8	1,383.4