

Press release / 11 February 2016



Vontobel increases net profit by 34% to CHF 180.1 million – strong growth in new money of 6.5% – advised client assets reach new record level of CHF 147.8 billion – proposal of increased dividend of CHF 1.85 per share

- **Vontobel is successfully moving ahead with the growth and international diversification of its business in a challenging environment impacted by the strong Swiss franc, negative interest rates, high levels of volatility in the equity markets and uncertainty in the emerging markets. Earnings per share rose by 43%.**
- **An intense client focus, first-class performance quality and targeted investments in organic growth were rewarded with a strong net inflow of new money of CHF 8.0 billion.**
- **In Asset Management, the diversification strategy is bearing fruit. In particular, fixed income assets grew by 93% to CHF 21.8 billion. With its global and flexible products and its expertise in the area of credit, Asset Management offers attractive investment solutions in the current environment. Wealth Management and Asset Management accounted for 76% of pre-tax profit generated by the divisions.**
- **Wealth Management was able to increase its advised client assets to CHF 42.5 billion as a result of organic growth and the acquisition of Finter Bank – thus achieving above-average growth compared to its peers.**
- **Financial Products secured a strong position as a provider of exchange-traded structured products and derivatives, with a market share of 7.1%. With deritrade® SmartGuide, Vontobel became the first provider globally to offer its clients a decision-making tool based on smart and crowd data.**
- **Vontobel's common equity tier 1 capital ratio (CET1 ratio) remains very solid at 17.9%. The Board of Directors will propose a 19% increase in the dividend to CHF 1.85 per share.**

Vontobel successfully moved ahead with the growth and international diversification of its business in 2015 in a challenging operating environment. Despite the strong Swiss franc, negative interest rates, high levels of volatility in the equity markets and uncertainty in the emerging markets, net profit increased by 34% compared to the already good result for the previous year to stand at CHF 180.1 million. Earnings per share rose by 43%. Asset Management and Financial Products delivered a significant increase in profit: pre-tax profit grew by 28% to CHF 139 million in Asset Management and by 27% to CHF 62 million in Financial Products. In

Wealth Management, operating income remained stable in spite of the difficult environment. Investments in the recruitment of additional client advisors, the number of whom increased by 7% in Private Banking, as well as negative interest rates had an impact on the overall positive result. At CHF 61 million, pre-tax profit in Wealth Management was 18% lower than in the previous year. The strong growth in the wealth and asset management business resulted in significantly higher net fee and commission income, which represents 71% of Vontobel's operating income. Net fee and commission income grew by 12% to CHF 701.1 million.

"Viewed overall, the financial year 2015 was an unusual year that called for a comprehensive, prudent and systematic approach. In a challenging environment, Vontobel once again delivered a good result. Our company proved once more in 2015 that it is pursuing a strategy that is focused on the achievement of sustained profitability and is therefore investing in the future. The acquisitions we made in 2015 and our good organic growth are part of this strategy," explained Zeno Staub, CEO of Vontobel.

Strong net inflow of new money – advised client assets reach a record level

Vontobel continued to generate a pleasing net inflow of new money: adjusted for acquisitions, it totalled CHF 8.0 billion (2014: CHF 6.2 billion). Including acquisitions, the inflow of client assets was CHF 16.1 billion. Both Wealth Management and Asset Management contributed to the positive growth in new money in 2015. Vontobel was able to successfully continue the trend seen in the first half of the year by generating growth in net new money of 6.5% and ranked as one of the strongest growing Swiss financial institutions for the full-year 2015. Despite adverse currency effects of around CHF 2 billion, advised client assets reached a new record level of CHF 147.8 billion, an increase of 8% compared to the previous year. Almost 40% of advised client assets stem from Vontobel's Swiss home market, followed by the focus markets US (19%), Emerging Markets (18%), the UK (8%), Germany (6%) and Italy (5%).

Continuing on a growth path

In future, Vontobel will continue to grow its business organically as well as through selective acquisitions. As part of this growth strategy, Vontobel acquired a majority stake in the successful fixed income specialist TwentyFour Asset Management LLP in London in spring 2015. TwentyFour Asset Management manages a total of CHF 8.1 billion of assets and its performance since the acquisition has already exceeded expectations. The acquisition of Finter Bank has enabled Vontobel to increase its proximity to the Italian wealth management market and to Swiss and international private banking clients in Ticino. As a result of the acquisition of Finter Bank, which will already be profitable in 2016, Vontobel acquired around CHF 1.6 billion of advised client assets.

In Wealth Management, the very pleasing developments in Vontobel's Swiss home market which grew by 9% contributed to the overall growth. The ever stronger fixed income activities within Asset Management, which contributed with CHF 3.8 billion to the net inflow of new money, also had a positive impact. As a result of another strong relative performance by equity products, the Quality Growth boutique reported net inflows in the Emerging Markets strategies despite extremely difficult market conditions. Following its successful entry into the Swedish market at the start of 2015, the Financial Products business continued its pan-European expansion in the area of structured products with its market debut in Finland during the same year. Vontobel once again received numerous awards in recognition of its service and products.

Organic growth continued to be supported by innovations in 2015. One example is the further development of the deritrade® MIP open platform for structured products, which is setting a new industry standard, and the successful development of deritrade® SmartGuide, the world's first decision-making tool for investments in structured products based on smart and crowd data. In mid-2015, TwentyFour Asset Management successfully launched an attractive investment product in the area of asset-backed securities. In addition, an independent Swiss study found that with the mobile private banking app launched at the start of 2015, Vontobel offers one of the best mobile banking solutions among all Swiss private banks.

Return on equity for 2015 exceeds medium-term target – increased dividend

Vontobel generated a return on equity of 12.4% in the financial year 2015, thus exceeding its 10% target by 2.4 percentage points. Following the capital reduction of 12.5% of registered shares that was legally completed in September 2015, the BIS common equity tier 1 ratio (CET1 ratio) remains very solid at 17.9% and continues to substantially exceed the regulatory minimum requirement. Based on the renewed improvement in the result in 2015, the Board of Directors will propose an increased dividend to shareholders for the fourth consecutive year. The dividend for the financial year 2015 is to be increased by 19% to CHF 1.85 per share. "Vontobel successfully continued on its growth path in the last financial year. We therefore believe that shareholders should also participate in this good result by receiving an increased dividend," stated Herbert J. Scheidt, Chairman of the Board of Directors of Vontobel.

Outlook for 2016 – well positioned and optimistic

Vontobel successfully navigated the market turmoil in the first weeks of the year and is positioned for success. At the end of January 2016, advised clients assets were 3.5% higher than the average figure for 2015. In Private Banking, the achievement of further growth is to be supported through an even more intensive client focus and the further expansion of teams of client advisors, as well as through targeted investments in the advisory and investment processes, including in technology and in digitalization in general. Vontobel Asset Management will continue to diversify its business through its boutiques, placing a particular emphasis on the further expansion of its fixed income boutique. The Financial Products business will continue its international growth strategy, with the further expansion of deritrade® MIP in the Asia Pacific region, among other measures. In addition, Vontobel's technology leadership is to be further extended with the addition of new functionalities such as deritrade® SmartGuide.

The continuation of the cooperation between Raiffeisen and Vontobel beyond June 2017 will also have a positive impact in the medium term. On 9 February 2016, the two banks agreed that Vontobel will continue to act as a partner to Raiffeisen and its subsidiaries in certain areas of asset management and the securities business after the current cooperation agreement expires mid-2017.

Vontobel

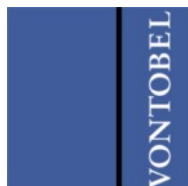
Vontobel's mission is to protect and build the wealth our clients have entrusted to us over the long term. Specializing in active asset management and tailor-made investment solutions, we provide responsible and forward-looking advice. In doing so, we are committed to Swiss quality and performance standards. With their good name, our owner family has stood by these principles for generations. As of 31 December 2015, Vontobel held CHF 187 billion of client assets. Around 1,500 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. www.vontobel.com

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Key dates

General Meeting of Shareholders 2016:	19 April 2015
Presentation of first-half results 2016:	26 July 2015



Presentation of Vontobel's 2015 results

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

Date:	11 February 2016
Time:	10.30 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 10.20 a.m. and ask for "Vontobel results 2015".

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

Consolidated income statement

	31-12-15 CHF mn	31-12-14 CHF mn	Change to 31-12-14	
			CHF mn	in %
Interest income	75.1	54.1	21.0	39
Interest expense	8.0	3.5	4.5	129
Net interest income	67.1	50.6	16.5	33
Fee and commission income	884.8	785.0	99.8	13
Fee and commission expense	183.7	156.7	27.0	17
Net fee and commission income	701.1	628.3	72.8	12
Trading income	221.4	206.2	15.2	7
Other income	(1.0)	(0.7)	(0.3)	
Total operating income	988.6	884.4	104.2	12
Personnel expense	528.4	484.0	44.4	9
General expense	167.1	164.0	3.1	2
Depreciation of property, equipment and intangible assets	66.1	61.9	4.2	7
Valuation adjustments, provisions and losses	3.1	1.7	1.4	82
Operating expense	764.7	711.6	53.1	7
Profit before taxes	223.9	172.8	51.1	30
Taxes	43.8	38.3	5.5	14
Group net profit	180.1	134.5	45.6	34
of which allocated to minority interests	2.9	0.0	2.9	
of which allocated to shareholders of Vontobel Holding AG	177.2	134.5	42.7	32
Share information				
Basic earnings per share (CHF) ¹	3.20	2.24	0.96	43
Diluted earnings per share (CHF) ¹	3.11	2.19	0.92	42

¹ Basis: weighted average number of shares

Consolidated balance sheet

Assets	31-12-15 CHF mn	31-12-14 CHF mn	Change to 31-12-14 CHF mn	in %
Cash	5,355.5	3,275.2	2,080.3	64
Due from banks	1,007.3	878.1	129.2	15
Cash collateral for reverse-repurchase agreements	1,013.5	1,387.4	(373.9)	(27)
Trading portfolio assets	2,199.6	2,049.4	150.2	7
Positive replacement values	144.8	181.7	(36.9)	(20)
Other financial assets at fair value	2,352.2	6,156.5	(3,804.3)	(62)
Securities lent or delivered as collateral	275.0	161.1	113.9	71
Loans	2,365.1	2,116.2	248.9	12
Accrued income and prepaid expenses	165.3	183.1	(17.8)	(10)
Financial investments	2,150.4	1,623.8	526.6	32
Investments in associates	0.5	0.5	0.0	0
Property and equipment	165.9	185.3	(19.4)	(10)
Goodwill and other intangible assets	219.8	116.2	103.6	89
Current tax assets	21.9	15.0	6.9	46
Deferred tax assets	27.8	12.3	15.5	126
Other assets	140.2	131.0	9.2	7
Total assets	17,604.8	18,472.8	(868.0)	(5)
Liabilities and equity				
Due to banks	341.9	333.9	8.0	2
Cash collateral from repurchase agreements	76.1	0.0	76.1	
Trading portfolio liabilities	100.3	97.2	3.1	3
Negative replacement values	645.5	614.7	30.8	5
Other financial liabilities at fair value	5,430.9	6,420.9	(990.0)	(15)
Due to customers	8,775.8	8,960.6	(184.8)	(2)
Accrued expenses and deferred income	349.7	341.9	7.8	2
Current tax liabilities	8.0	9.3	(1.3)	(14)
Deferred tax liabilities	50.4	48.1	2.3	5
Provisions	18.4	22.1	(3.7)	(17)
Other liabilities	382.6	212.6	170.0	80
Total liabilities	16,179.6	17,061.3	(881.7)	(5)
Share capital	56.9	65.0	(8.1)	(12)
Treasury shares	(94.6)	(337.0)	242.4	
Capital reserve	(156.1)	135.1	(291.2)	(216)
Retained earnings	1,536.8	1,480.9	55.9	4
Other components of shareholders' equity	82.2	67.5	14.7	22
Shareholders' equity	1,425.2	1,411.5	13.7	1
Minority interests	0.0	0.0	0.0	
Total equity	1,425.2	1,411.5	13.7	1
Total liabilities and equity	17,604.8	18,472.8	(868.0)	(5)

Segment reporting

Segment reporting	Private Banking CHF mn	Asset Management CHF mn	Investment Banking CHF mn	Corporate Center CHF mn	Total Group CHF mn
31-12-15					
Net interest income	17.2	0.2	2.0	47.7	67.1
Other operating income	216.0	453.7	258.0	(6.2)	921.5
Operating income	233.2	453.9	260.0	41.5	988.6
Personnel expense	95.0	225.1	95.7	112.6	528.4
General expense	12.1	34.9	39.0	81.1	167.1
Services from/to other segment(s)	75.8	46.3	42.9	(165.0)	0.0
Depreciation of property, equipment and intangible assets	2.7	8.5	5.1	49.8	66.1
Value adjustments, provisions and losses	1.5	0.6	0.3	0.7	3.1
Operating expense	187.1	315.4	183.0	79.2	764.7
Segment profit before taxes	46.1	138.5	77.0	(37.7)	223.9
Taxes					43.8
Net profit					180.1
of which minority interests					2.9
Additional information					
Segment assets	2,206.9	267.6	5,361.2	9,769.1	17,604.8
Segment liabilities	6,419.0	955.5	7,887.3	917.8	16,179.6
Allocated equity according to BIS ¹	145.7	194.3	177.8	100.5	618.3
Client assets (CHF bn)	35.1	100.8	55.0	(3.7)	187.2
Net new money (CHF bn)	1.3	7.9	(0.8)	(0.4)	8.0
Capital expenditure	0.3	0.0	0.0	35.0	35.3
Employees (full-time equivalents)	364.9	308.4	355.4	465.2	1,493.9

1 The allocation of the regulatory capital required in accordance with BIS standards to the individual segments is based on the principle of origination. With regard to capital requirements for credit risks related to balance sheet assets, allocation is based on guidelines analogous to those used for reporting segmental assets. The prescribed deduction of CHF 219.8 mn from core capital for intangible assets has been included in the figures above of the segments Private Banking and Asset Management. The valuation adjustments of own liabilities are assigned to the Investment Banking segment. The deduction of CHF 94.6 mn from core capital for treasury shares is not included in the figures above.

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