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Vontobel delivers another very solid result in the first nine months of 2016



- **Advised client assets grow to CHF 143.7 billion**
- **Wealth Management attracts substantial net new money**
- **Deeper partnership with Raiffeisen in the investment business proves successful**
- **Integration of Vescore into Vontobel Asset Management is well on track**
- **Financial Products systemically expands market share**
- **Performance in Swiss home market is especially strong**
- **Operating environment to stay challenging for remainder of the year**

Vontobel produced another solid result in the third quarter of 2016. Despite the difficult operating environment, which continues to be impacted by negative interest rates, a slowdown in the global economy, nervous markets and political uncertainty, the business performed well across all areas. Advised client assets totalled CHF 143.7 billion as of 30 September 2016, an increase compared to the end of the first half of 2016. This included pleasing net inflows of new money in the Fixed Income, Multi Asset Class and Thematic Investing strategies in Asset Management. Wealth management clients also entrusted Vontobel with substantial new money in the first nine months of 2016, with very pleasing inflows in Vontobel's Swiss home market in particular. In spite of the challenging environment and significant investments in the future, Vontobel continues to achieve a good level of profitability in Wealth Management.

Vontobel will continue to follow its own path in future and invest in long-term profitable growth in its Swiss home market and its focus markets. Investments in innovative new platforms such as 'mein-zertifikat.de' and 'EAMNet' create value for our clients and show that Vontobel is mainly committed to achieving organic growth, driven by clear client benefits and innovation. Acquisitions remain part of the strategy, where attractive opportunities present themselves. In particular, the Vescore acquisition that was completed in September 2016, the immediate sale of non-strategic parts of the business and the integration process, which is advancing as planned, demonstrate Vontobel's skill in carrying out such transactions.

"The achievement of another very solid result in the first nine months of the year shows that Vontobel is moving in the right direction with its Swiss and international strategy that is focused on selected high-value services. The market share gains delivered across all businesses this year are a testimony to the trust that clients place in Vontobel's financial solidity and our ability to adapt to the future. All indicators point to us producing another very solid financial result for 2016 despite the adverse environment and the change within the team in the US – a result that signals our strong power to grow," stated Zeno Staub, CEO of Vontobel.

Growth above benchmark in Wealth Management

In Wealth Management, the growth in net new money for the first nine months of the year once again exceeded the benchmark and was within the target range of 3-5% defined by Vontobel. In particular, a very pleasing performance was achieved in Vontobel's Swiss home market, with further market share gains. This reflects the overall positive impact of investments in new relationship managers – primarily in Switzerland and Germany and in Asia – as well as in new technologies. In this context, the Vontobel Private Banking app, which can now be used around the globe, has met with a good response from clients and experts. Vontobel Mobile Private Banking, which is now also available across all markets and has a range of new functions – thus replacing the former E-Banking offering – has also met with a good response. In addition, Vontobel enhanced the quality of its range of services for external asset managers (EAM) and further expanded this offering with the launch of its new platform 'EAMNet' in the third quarter of 2016.

Further diversification in Asset Management

The Asset Management business remained highly profitable and also made a positive contribution to Vontobel's overall result. Advised client assets totalled CHF 93.1 billion as of 30 September 2016, an increase compared to the first half of 2016. Assets from the recent acquisition of Vescore will result in further asset growth as they were not yet included in the figures for the third quarter of 2016. A major part of the costs incurred in connection with the integration are expected to be recognized in the current reporting year. In the Quality Growth boutique, Vontobel recorded a net outflow of assets again in the third quarter in connection with the CIO transition that was completed in spring 2016, the flows in September were balanced though." As of 30 September 2016, the Quality Growth boutique had CHF 36.4 billion of assets under management, compared to CHF 37.0 billion at the end of the first half of 2016.

Excluding the Quality Growth boutique, the net new money performance in Asset Management of CHF 2.9 billion in the first 9 months of 2016 was pleasing. More than 50% of advised assets are now managed in the Fixed Income and Multi Asset Class boutiques. The further international expansion of the sales organization also contributed to the strategic goal of diversification in 2016. With the acquisition of Vescore, Asset Management further expanded its activities in the area of sustainable investments and acquired a new boutique, Quantitative Investments. The remaining areas of the former Vescore business will return to profitability by 2018 at the latest.

Additional growth momentum will be created by the expanded partnership with the Raiffeisen Group in the investment business, which extends well into the next decade and gives Vontobel access to more than 3.5 million clients in its Swiss home market. In the first nine months of 2016, this partnership generated more than CHF 300 million of asset inflows for Vontobel Asset Management. In particular, the two pension products 'Raiffeisen Pension Invest Futura Balanced' and 'Raiffeisen Pension Invest Futura Yield', which are managed by Vontobel, attracted demand from Raiffeisen clients.

Financial Products grows market share and successfully pursues international expansion

In Financial Products, Vontobel was able to offset the impacts of generally weak markets to a large extent through market share gains and its entry into new markets. In the structured products business in Switzerland, Financial Products defended its leading market position in the third quarter, with a market share of 23.5% as of 30 September 2016. It also increased its market share to 6.8% in its focus market of Germany, and to 27.0% in the Nordics. Vontobel already successfully made its debut in the Italian market for leverage products in the first half of the year. It is also planning to enter the French and Dutch markets. In Germany, Vontobel successfully launched the new platform 'mein.zertifikat.de', which enables clients to create and simulate investment certificates online for the first time and to later buy them on the stock market. This new online configuration and transaction platform, which – like other Vontobel platforms in the structured products business – is open to third-party issuers, will also be available in Switzerland by the end of 2016. In future, constant innovations should allow Vontobel to continue generating additional benefits for clients, and the expansion of existing sales channels should allow it to open up new income streams while securing its cost leadership.

Environment remains challenging

Vontobel believes that the fourth quarter of 2016 – which, based on experience, is always a weaker period – will also be characterized by a challenging environment. In addition to low interest rates and slower economic growth, conditions will be affected by uncertainty over the outcome of the US election and over how the Brexit process will develop. From a geopolitical perspective, there is also a latent risk of increasing radicalization globally and of resulting conflicts. Against this backdrop, Vontobel continues to concentrate on following its own path, which centres on achieving profitable growth in selected businesses in its home market of Switzerland and in its focus markets.

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 30 June 2016, Vontobel held around CHF 180 billion of client assets. Over 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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Calendar

Vontobel results 2016	8 February 2017
Annual General Meeting 2017	4 April 2017
Investor Day 2017	31 August 2017

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