

Vontobel increases profitability in 2018 and achieves growth

- **Good 2018 result confirms that Vontobel is on the right track**
- **Investments in talents and technology prove effective**
- **IFRS net profit increased by 11% to CHF 232.2 million**
- **Adjusted for Notenstein La Roche integration costs, net profit grew by 14% to CHF 249.2 million**
- **Higher profitability is driven by clear client focus and increasing economies of scale as a result of continued growth**
- **Advised client assets of CHF 192.6 billion exceed the figure for the previous year**
- **CHF 5.0 billion of net new money was entrusted to Vontobel**
- **Adjusted for Notenstein La Roche, net new asset growth in Combined Wealth Management was 6.1%, exceeding own target range**
- **Asset Management was again the main earnings driver in 2018 and reported a good net inflow of new money**
- **Financial Products grew its market share in Switzerland and international markets**
- **CET1 capital ratio of 12.3% and Tier 1 capital ratio of 18.9% substantially exceed regulatory minimum requirements**
- **Vontobel to once again propose the distribution of an attractive dividend of CHF 2.10 per share**
- **Challenging environment expected in 2019**
- **Vontobel remains on course as it works towards its even more ambitious targets for 2020**
- **Investments in talents and digitalization are designed to enhance the client experience**

Vontobel delivered a good result for the financial year 2018 and grew its market share in its Swiss home market as well as its international target markets. This reflects Vontobel's continued focus on generating organic growth through its special client focus, the excellent quality of its services, and innovations. Additional growth momentum was achieved through targeted, value-creating acquisitions. As a result of the Notenstein La Roche Privatbank AG transaction and the acquisition of the US-based private clients portfolio of Lombard Odier, Vontobel now has a broader basis for future growth.

With net profit of CHF 232.2 million, Vontobel exceeded the previous year's result by 11%. Adjusted for Notenstein La Roche integration costs, net profit totaled CHF 249.2 million, corresponding to an increase of 14%. Despite the strong stock market correction in the fourth quarter of 2018, advised client assets reached CHF 192.6 billion, thus exceeding the figure for the previous year (CHF 186.6 billion). The net inflow of new money at Group level was CHF 5.0 billion (CHF 5.9 billion), reflecting renewed contributions across all businesses. Adjusted for Notenstein La Roche integration costs, the cost/income ratio was 74.7% in 2018. The return on equity was 13.0% (13.1%). Vontobel is therefore well on track towards achieving the increased profitability targets for 2020 defined following the acquisition of Notenstein La Roche: Vontobel now wants to achieve a cost/income ratio of less than 72% (previous target: 75%) and a return on equity of more than 14% (12%) by 2020.

Vontobel continues to have a solid capital position that significantly exceeds regulatory minimum requirements, even after the acquisition of Notenstein La Roche. The BIS common equity tier 1 ratio (CET1 ratio) was 12.3% and the Tier 1 capital ratio was 18.9% at the end of 2018.

Based on the good financial result for 2018, the Board of Directors will once again propose a dividend of CHF 2.10 per share to the next General Meeting of Shareholders. Vontobel is thus offering its shareholders an attractive dividend. Based on the year-end closing price, the dividend yield is 4.2%.

“The 2018 result underscores the fact that Vontobel is well on track towards achieving our ambitious and, in some cases, increased targets for 2020. Following relatively favorable conditions in the first half of the year, the second half was characterized by increasingly difficult markets and growing political uncertainty around the globe, as expected. In 2019, Vontobel will remain on course, strengthen its market position and capture opportunities for organic growth. As a result of the acquisitions we have made in the past, we now have an even broader basis for growth – especially in our strong home market of Switzerland. In addition, we will use the power of digitalization to deliver an even better client experience and to thus generate additional growth momentum. In doing so, we are aware of the challenges facing the entire industry as a result of the changing market environment,” commented Zeno Staub, CEO of Vontobel.

Combined Wealth Management generates strong net new money from organic growth

Vontobel continued to achieve strong organic growth in Combined Wealth Management in 2018. The strongest inflows were generated in the Swiss market, as in previous years. Vontobel also grew its business with Latin American and Italian clients in particular. Adjusted for the flow of funds from Notenstein La Roche, net new asset growth totaled CHF 3.3 billion or 6.1%, and was thus slightly above the target range of 4-6%. The combination of this strong organic growth and the acquisition of Notenstein La Roche resulted in CHF 67.2 billion of advised client assets in Combined Wealth Management (CHF 55.8 billion), representing a new record level.

Vontobel's growth potential was additionally boosted by the acquisition of Notenstein La Roche. In July 2018, Vontobel acquired Notenstein La Roche Privatbank AG for a consideration of CHF 658 million and successfully integrated the business in only three months. With this acquisition, Vontobel has optimally complemented the foundations for organic growth in Wealth Management and in the business with External Asset Managers (EAMs). Furthermore, the seven additional Notenstein La Roche locations acquired by Vontobel will enable it to strengthen its own home market, underscoring its position as one of the leading private banks in Switzerland. As of the closing of the transaction, Notenstein La Roche held CHF 15.9 billion of advised client assets in its wealth management business and its business with EAMs.

Vontobel's continued organic growth and the acquisitions completed in the past are increasingly leading to economies of scale in Combined Wealth Management, resulting in higher profitability. This is reflected by the improvement in the cost/income ratio from 74.0% in the prior year to 71.3% in 2018. The gross margin in Combined Wealth Management was 68 basis points (66 basis points). In connection with the Notenstein La Roche transaction, the previous profitability target for Combined Wealth Management defined in the 2020 strategy was increased. The target cost/income ratio was reduced from 75% to 70% and the target gross margin was increased from 65 basis points to 68 basis points.

Combined Wealth Management recorded a 46% increase in pre-tax profit to CHF 121.6 million in 2018 (CHF 83.5 million). In the financial year 2018, net integration costs for Notenstein La Roche totaled CHF 20.3 million. Further integration costs of CHF 10 million are expected in 2019. As a result, total integration costs will be below the initial estimate of CHF 50 million.

Vontobel will continue to achieve strong organic growth in Combined Wealth Management in the future. For example, it will align its advisory and product offering even more closely with the needs and expectations of clients. To help achieve this, Vontobel will leverage its knowledge of its clients to deliver an optimal client experience. Digitalization allows Vontobel to offer individually tailored solutions faster and more efficiently than ever before.

Vontobel is also striving to achieve growth in its international target markets in Wealth Management. In spring 2019, Vontobel will therefore acquire the US-based private clients portfolio of Lombard Odier. Both companies signed a corresponding agreement in October 2018. Furthermore, Lombard Odier will, in future, recommend Vontobel as the preferred partner for wealth management clients in the US seeking a highly qualified, SEC-registered Swiss wealth manager.

Success of Asset Management's diversification strategy

The Asset Management division was once again Vontobel's main earnings driver in 2018. Its pre-tax profit totaled CHF 180.3 million (CHF 162.8 million). This result was driven by the successful diversification strategy that it has pursued consistently for a number of years. The continued international expansion of the business also had a positive effect, and the global sales network was selectively expanded during 2018. This included the expansion of sales channels for funds in Germany and in Vontobel's Swiss home market.

The strengthening of Asset Management's sales network and the high quality of its products are reflected by the net new money growth rate of 3.0%. In the low-margin Private Labelling Service, a consolidation measure relating to one client resulted in an

outflow of CHF 1.4 billion. Excluding this impact, the net new asset growth rate was 4.2% and was thus within the target range of 4-6%. Strong inflows were generated in particular by the fixed income boutiques, including TwentyFour Asset Management, as well as by Vescore and Sustainable & Thematic Investing. Advised client assets totaled CHF 117.5 billion at the end of 2018 (CHF 121.3 billion).

Following a phase of very strong growth over several years, Vontobel Asset Management has set itself the goal of achieving further organic growth within its ambitious target range, even in challenging markets. It will focus in particular on the high-margin business. Asset Management will make targeted investments in digitalization, focusing on those areas where new technologies can drive further improvements in products and enhance the client experience. In addition, the sales network will be further expanded, especially in the US and Japan.

Leading provider of financial products in difficult markets

In 2018, Vontobel Financial Products continued to leverage the strengths of its successful platform strategies to consolidate and further expand its market share in Switzerland and internationally in a weak market environment. Vontobel is today one of the leading providers of investment and leverage products with a market share of 13.1% in Europe and 28.4% in its Swiss home market, measured in terms of exchange-traded volumes in the target segment. Overall, Financial Products achieved a satisfactory turnover in a weaker environment, in which the fourth quarter was characterized by especially low volumes as a result of the general mood of caution among investors. Financial Products nevertheless continued to make targeted investments in innovations in 2018 to exploit new business opportunities. The app allowing private investors to select a structured product tailored to their individual preferences and have it issued immediately via their smartphone was introduced in Germany following its successful launch in Switzerland. With cosmofunding, Vontobel has developed a digital platform for private placements and loans for Swiss companies and public-sector bodies. With the new Pension Investments platform, Vontobel Financial Products is digitalizing the Swiss market for pension products. Relationship managers from more than 70 banks, as well as 550 External Asset Managers, can use Pension Investments to offer their clients pension solutions and banking services from a single source at significantly lower costs. In difficult markets, Vontobel Financial Products generated pre-tax profit of CHF 63.1 million (CHF 89.1 million).

In 2019, Vontobel Financial Products will continue to pursue its strategy and consolidate its market position, as well as exploiting new business opportunities. For example, Vontobel has offered a comprehensive custody and execution solution for digital assets since the start of the year. In January, it made its market debut with leverage products in Denmark. In addition, the warrants product offering in Hong Kong, the world's largest market for derivatives, has been continuously expanded.

Corporate Communications

peter.dietmaier@vontobel.com
+41 58 283 59 30

rebeca.garcia@vontobel.com
+41 58 283 76 69

Investor Relations

michele.schnyder@vontobel.com
+41 58 283 76 97

susanne.borer@vontobel.com
+41 58 283 73 29

Vontobel

At Vontobel, we actively shape the future. We create and pursue opportunities with determination. We master what we do – and we only do what we master. This is how we get our clients ahead. As a globally operating financial expert with Swiss roots, we specialize in wealth management, active asset management and investment solutions. We empower our employees to take ownership of their work and bring opportunities to life. Because we are convinced that successful investing starts with assuming personal responsibility. We relentlessly question the achieved, striving to exceed the goals and expectations of our clients. The registered shares of the Vontobel Holding AG are listed on the SIX Swiss Exchange. The Vontobel families' close ties to the company guarantee our entrepreneurial independence. We consider the resulting freedom an obligation to assume social responsibility as well. As of December 31, 2018 Vontobel held CHF 247.3 billion of total client assets. Around the world and in our home market, we serve our clients from 26 locations.

Key dates

General Meeting of Shareholders 2019	April 2, 2019
Half-year results 2019	July 25, 2019

Presentation of Vontobel's 2018 results

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

Date	February 12, 2019
Time	09.30 (CET)
Speakers	Zeno Staub, CEO Vontobel Martin Sieg Castagnola, CFO Vontobel
Location	Vontobel head office, 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
Webcast link	<p>Please dial in by no later than 09.20 a.m. and ask for 'Vontobel results 2018'.</p> <p>www.vontobel.com/en-ch/about-vontobel/investor-relations/financial-reporting/</p> <p>A video recording of the results press conference will be available on the Internet to replay at: www.vontobel.com/ir</p>

Financial results documents

Annual Report 2018	www.vontobel.com/en-ch/about-vontobel/investor-relations/financial-reporting/
Annual results presentation	www.vontobel.com/en-ch/about-vontobel/investor-relations/financial-reporting/
Tables (Excel)	www.vontobel.com/en-ch/about-vontobel/investor-relations/financial-reporting/

Legal information

This media release is intended solely for information purposes and is expressly not addressed to any person who by domicile or nationality is prohibited to receive such information according to the applicable law. The information and views contained in it do not constitute a request, offer or recommendation to use a service, to buy or sell investment instruments or to conduct other transactions. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved.

Vontobel
Gotthardstrasse 43, 8022 Zurich
Switzerland
T +41 58 283 71 11

vontobel.com

Ratios

	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Return on shareholders' equity (ROE) (%) ¹	13.0	13.1	18.0	12.4	8.7
Cost ² /income ratio (%)	76.5	75.3	68.2	77.0	80.3
Equity ratio (%)	6.5	7.1	7.8	8.1	7.6
Basel III leverage ratio (%)	4.9	4.7	5.2	5.1	6.0

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

² Operating expense, excl. provisions and losses

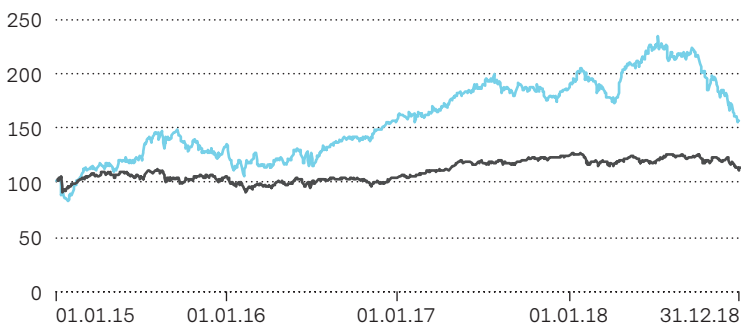
Share data

	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Basic earnings per share (CHF) ¹	3.96	3.65	4.72	3.20	2.24
Diluted earnings per share (CHF) ¹	3.88	3.56	4.59	3.11	2.19
Equity per share outstanding at balance sheet date (CHF)	30.81	29.31	27.65	26.02	25.65
Dividend per share (CHF) ²	2.10	2.10	2.00	1.85	1.55
Price/book value per share	1.6	2.1	1.9	1.8	1.5
Price/earnings per share	12.7	16.8	11.3	14.8	16.7
Share price at balance sheet date (CHF)	50.40	61.50	53.45	47.50	37.50
High (CHF)	76.05	66.35	54.15	53.45	37.50
Low (CHF)	49.60	53.25	36.90	30.25	30.10
Market capitalization nominal capital (CHF mn)	2,866.5	3,497.8	3,040.0	2,701.6	2,437.5
Market capitalization less treasury shares (CHF mn)	2,786.3	3,400.1	2,927.4	2,601.7	2,063.6
Undiluted weighted average number of shares	55,769,779	55,376,259	55,082,263	55,375,938	60,042,271

¹ Basis: weighted average number of shares

² Financial year 2018: As per proposal submitted to the General Meeting

Performance of Vontobel Holding AG registered share (indexed)



■ Vontobel Holding AG registered share (Total Return)
■ Swiss Performance Index (SPI)

Source: Bloomberg

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

	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
CET1 capital ratio (%)	12.3	18.4	19.0	17.9	21.3
CET1 capital (CHF mn)	835.1	1,098.6	1,018.4	895.1	1,117.3
Tier 1 capital ratio (%)	18.9	18.4	19.0	17.9	21.3
Tier 1 capital (CHF mn)	1,282.7	1,098.6	1,018.4	895.1	1,117.3
Risk weighted positions (CHF mn)	6,801.1	5,955.6	5,360.8	5,001.9	5,236.1

Risk ratio

CHF MN	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Average Value at Risk market risk	5.4	2.5	2.7	3.0	5.9

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

	31.12.2018	31.12.2017	31.12.2016
Moody's Rating Bank Vontobel AG (long-term deposit rating)	Aa3	Aa3	Aa3

Consolidated income statement

CHF MN	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Operating income	1,157.8	1,060.1	1,081.1	988.6	884.4
Operating expense	881.6	800.8	759.8	764.7	711.6
Group net profit	232.2	209.0	264.4	180.1	134.5
<i>of which allocated to minority interests</i>	<i>11.5</i>	<i>6.6</i>	<i>4.6</i>	<i>2.9</i>	<i>0.0</i>
<i>of which allocated to the shareholders of Vontobel Holding AG</i>	<i>220.7</i>	<i>202.4</i>	<i>259.8</i>	<i>177.2</i>	<i>134.5</i>

Segment profits before taxes

CHF MN	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Wealth Management	93.0	60.5	47.2	46.1	57.1
Asset Management	180.3	162.8	163.5	138.5	108.2
Investment Banking	91.7	112.1	84.6	77.0	66.1
Corporate Center	-88.7	-76.1	26.0	-37.7	-58.6

Consolidated balance sheet

CHF MN	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Total assets	26,037.3	22,903.7	19,393.9	17,604.8	18,472.8
Shareholders' equity (excl. minority interests)	1,703.5	1,620.5	1,514.1	1,425.2	1,411.5
Loans	4,904.6	3,310.5	2,601.9	2,365.1	2,116.2
Due to customers	12,649.2	9,758.2	9,058.5	8,775.8	8,960.6

Client assets

CHF BN	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Assets under management	171.1	165.3	138.5	136.3	123.8
<i>of which under discretionary management</i>	<i>107.3</i>	<i>107.1</i>	<i>90.2</i>	<i>93.9</i>	<i>82.3</i>
<i>of which under non-discretionary management</i>	<i>63.8</i>	<i>58.2</i>	<i>48.3</i>	<i>42.4</i>	<i>41.5</i>
Other advised client assets	13.5	12.8	10.4	6.0	6.6
Structured products outstanding	7.9	8.5	6.4	5.5	6.5
Total advised client assets	192.6	186.6	155.3	147.8	136.9
Custody assets	54.7	59.9	40.1	39.4	53.8
Total client assets	247.3	246.5	195.4	187.2	190.7

Net new money

CHF BN	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Net new money	5.0	5.9	-10.6	8.0	6.2

Personnel (full-time equivalents)

	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Number of employees Switzerland	1,662.2	1,353.8	1,347.0	1,201.2	1,135.5
Number of employees abroad	333.5	334.4	327.4	292.7	242.1
Total number of employees	1,995.7	1,688.2	1,674.4	1,493.9	1,377.6