

Vontobel achieves good profitability

- Overall result for first nine months of 2019 exceeds prior-year period
- Advised client assets up year on year to new record level of CHF 217.1 billion
- Highly profitable Asset Management business continues to generate strong growth in net new money
- Combined Wealth Management confirms increased profitability
- Financial Products defends market position through innovations and expansion of deritrade platform
- Ambitious profit and growth targets for 2020 as well as differentiated and carefully considered cost management approach confirmed
- Vontobel will actively shape changes in the industry, acting from a position of strength and making targeted investments in the future

Vontobel remained on track in the third quarter of 2019. In particular, its financial result once again reflected the high profitability of Combined Wealth Management and Asset Management, as well as strong inflows in Asset Management. Overall, Vontobel generated a respectable result in the first nine months of 2019 that exceeded the figure for the same period of 2018. The result was in line with our expectations in view of the increasingly uncertain market conditions. The environment for both clients and Vontobel was shaped in particular by political uncertainty, weakening economic trends and a protracted phase of low interest rates.

In the first nine months of 2019, Vontobel generated a satisfactory cost/income ratio in markets that continue to be characterized by low transaction volumes; the cost/income ratio remained above the 2020 target, which it had already surpassed in mid-2019. At the same time, Vontobel reported higher profit compared to the prior-year period and generated a return on equity that was above the 2020 target.

Advised client assets rose to CHF 217.1 billion, as both Combined Wealth Management and Asset Management benefited from the general development of the market and especially also from the good performance of investment strategies for Vontobel clients. In addition, Asset Management in particular recorded a pleasing strong inflow of net new money. In total, the net inflow of new money generated by Vontobel for the last nine months was over its 4-6% target range.

“The result for the first nine months of 2019, as well as our new business initiatives such as Volt, show that Vontobel remains on track and is focusing both on profitability and growth. By making targeted investments, we are harnessing future opportunities for the benefit of our clients and thus also of Vontobel. We are actively addressing change within our industry and are acting from a position of strength. This means that in the future – like today – we won’t forego longer-term opportunities for growth in order to achieve short-term cost targets. We remain committed to our ambitious profit and growth targets for 2020 and will, at the same time, pursue our differentiated and carefully considered cost management approach”, stated Zeno Staub, CEO of Vontobel. In the final quarter of 2019, Vontobel expects the market environment to be characterized once again by low interest rates, geopolitical uncertainty and a slowing economy.

Asset Management drives growth

Asset Management continued on its growth path in the third quarter of 2019 and was once again Vontobel’s most profitable division in a market environment that remains highly competitive. At 14% (annualized), growth in net new money significantly exceeded the ambitious 4-6% target range. Growth was driven primarily by the Fixed Income Boutique, including TwentyFour Asset Management, as well as Multi Asset and Sustainable & Thematic Investing. Advised client assets rose to CHF 131.9 billion in the first nine months of 2019, compared to CHF 117.5 billion at the end of 2018. In its markets around the globe, Vontobel has positioned itself as a proven high-conviction asset manager with a clear focus on client-oriented, actively managed solutions. With its plans to launch a new presence in Japan, it aims to further expand its distribution network. Vontobel will also make future investments in its distribution channels in the US – the world’s largest market for asset management solutions.

Profitable Combined Wealth Management business

The good profitability achieved by Combined Wealth Management in the first half of the year was reaffirmed in the third quarter, reflecting its systematic client focus, competency-based product offering and finally also the economies of scale generated as a

result of its broader-based business. Vontobel will fully complete the integration of the former Notenstein La Roche Privatbank by the end of 2019. Following the closing of the transaction, Vontobel will not only acquire new clients but will also deepen its business activities with existing clients. In doing so, it will continue to place a particular emphasis on the quality of earnings without losing sight of its growth targets.

Advised client assets in Combined Wealth Management reached CHF 73.6 billion at the end of the third quarter of 2019 (end-2018: CHF 67.2 billion). The good performance of the markets and our products were the main drivers of this result. In line with the industry, the growth in new money was below our 4-6% target range and did not accelerate last quarter. As a result, Combined Wealth Management recorded CHF -0.2 billion of net new money in the third quarter of 2019. We nevertheless remain convinced of the structural drivers of growth in wealth management and are committed to our growth targets.

Financial Products underscores pioneering role

Vontobel Financial Products was once again affected by the general mood of caution among investors in the third quarter of 2019. The trend towards lower-margin products also continued during this period. In contrast to 2018, which saw strong transaction volumes in the first half of the year, 2019 has not so far been characterized by any phases that could positively impact on the profitability of Financial Products.

Despite difficult market conditions, Vontobel succeeded in consolidating its overall position in the market for structured products. It achieved this as a result of product innovations, such as the world's first classic structured product for trading and custody using blockchain technology. In addition, BNP Paribas became the eighth issuer to join deritrade, Vontobel's platform for structured products.

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Key dates

Full-year results 2019 February 12, 2020

General Meeting of Shareholders 2020 March 30, 2020

Link to financial news: <https://www.vontobel.com/en-ch/about-vontobel/investor-relations/financial-news/>

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 September 30, 2019, Vontobel held CHF 276.7 billion of total client assets. Around the world and in our home market, we serve our clients from 27 locations

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