

Vontobel delivers good 2019 result

- **IFRS net profit increases by 14% to CHF 265.1 million**
- **Adjusted for one-off exceptional items, net profit grows 4% to CHF 258.9 million compared to 2018**
- **Higher profitability achieved through client focus and investment expertise, as well as rising economies of scale**
- **Return on equity of 14.2% exceeds mid-term target**
- **Advised client assets total CHF 226.1 billion, up 17% compared to 2018**
- **Net new money growth of 6.9% exceeds target range**
- **Clients entrust Vontobel with CHF 11.7 billion of net new money**
- **Asset Management is growth engine once again; advised assets rise by 17%**
- **Combined Wealth Management delivers 21% increase in pre-tax profit to CHF 147.4 million**
- **Financial Products defends market share**
- **Vontobel proposes 7% increase in dividend to CHF 2.25 per share**
- **CET1 capital ratio increases from 12.3% to 13.5% and BIS Total Capital Ratio rises from 18.9% to 19.9%**
- **Positioned for future growth with focus on pure investment management**
- **Vontobel confirms 2020 targets; new capital market targets to be communicated in July**

Vontobel delivered another good result in the financial year 2019. Despite the still challenging operating environment, which continued to be affected by low interest rates, geopolitical uncertainty, markets with low transaction volumes, and strong competition, Vontobel remained on course. At the end of 2019, Vontobel also laid the foundations for further growth in the future. It is taking steps to evolve into an internationally active, focused investment manager that offers clients deep, global investment expertise. Vontobel will make targeted use of the power of technology to deliver a first-class, customized client experience. Using digital platforms and ecosystems, it also aims to reach new client groups. Vontobel has positioned itself in a way that will ensure all businesses think and act exclusively from the client's perspective.

Vontobel is operating from a position of strength. This is reflected by its financial result for 2019, with IFRS net profit growing by 14% to CHF 265.1 million compared to the previous year. Adjusted for one-off exceptional items such as integration costs related to Notenstein La Roche, net profit was CHF 258.9 million, an increase of 4% compared to the adjusted result for 2018. Advised client assets totaled CHF 226.1 billion at the end of 2019 and were thus significantly higher than in the prior year (CHF 192.6 billion). This increase was partly driven by client assets invested according to sustainability criteria, which grew twice as strongly as other assets under management in 2019. The volume of sustainable investments at Vontobel rose from CHF 23.3 billion in 2018 to CHF 30.7 billion. The net inflow of new money at Group level was CHF 11.7 billion (CHF 5.0 billion) and was mainly driven by Asset Management. This corresponds to growth in new money of 6.9%, exceeding the 4-6% target range.

The return on equity for 2019 was also above the mid-term target, increasing from 13.0% in 2018 to 14.2%. The cost/income ratio, adjusted for one-off items, was 75.1%. Vontobel has set itself a cost/income ratio target of below 72% for 2020. At the same time, Vontobel has always emphasized that the securing of long-term growth opportunities takes precedence over the short-term optimization of costs.

Vontobel wants to increase its already attractive dividend by 7% to CHF 2.25

In view of the good performance of the business, the Board of Directors will propose a 7% increase in the dividend to CHF 2.25 per share compared to the previous year (CHF 2.10) to the General Meeting of Shareholders on March 30, 2020. Shareholders will thus participate directly in the positive performance of the company. Overall, Vontobel has distributed CHF 1.2 billion to its shareholders in the form of dividends and through share buybacks over the last 10 years.

Vontobel's robust equity position, which significantly exceeds regulatory minimum requirements, underscores its financial solidity. At the same time, this forms the basis for further growth. At the end of 2019, the BIS CET1 ratio was 13.5% and the BIS Total Capital Ratio was 19.9%.

"Our good financial result confirms the positive growth and earnings trend that was already visible in mid-2019. Vontobel remained on course again last year. Our investments in new talents and technologies in recent years have paid off. Vontobel will continue to focus on growth in the future. As a pure-play investment manager, we want to swiftly and actively seize the opportunities for growth resulting from the increasing demand for professional solutions across all client groups and from changes in client behavior. With our focused approach, we want to continue to set Vontobel apart from our competitors in future – leading the way in terms of the quality of our performance and client experiences," stated Zeno Staub, CEO of Vontobel.

Growth targets for 2020 confirmed – new capital market targets in July 2020

Vontobel remains committed to the growth targets for 2020, which were raised again last year. "We recognize that since defining our targets, the operating environment has not become any easier and we expect economic conditions and the geopolitical climate to remain difficult in 2020. Vontobel is committed to achieving profitable growth even in challenging markets and to offering the best possible client experience through our absolute focus on our clients. This will also be reflected by the new capital market targets that we will present in July 2020 and explain in detail at our Investor Day in September 2020. In the future, we will also pursue our strategy of investing in growth – and thus also in employees and technology – while managing our costs," added Zeno Staub.

Asset Management delivers strong net new money and income growth in 2019

Asset Management was once again Vontobel's engine of growth in the second half of 2019. At CHF 11 billion or 10.8%, its growth in net new money for 2019 far exceeded the ambitious 4-6% target range. In particular, the Fixed Income boutique, including TwentyFour Asset Management, Multi Asset and Sustainable Equities, attracted strong inflows. Advised client assets rose by 17% to CHF 137.7 billion compared to the previous year. Vontobel thus grew at a significantly faster rate than the market. This growth reflects good performance and, above all, the fact that Vontobel is leveraging its product expertise to deliver needs-oriented solutions to its clients. Vontobel also benefited from the expansion of the international sales organization. The very positive performance achieved in recent years confirms the effectiveness of its boutique strategy and its clear positioning as a high-conviction asset manager. Due primarily to its clear focus and good performance – and despite the general pressure on margins within the industry – Vontobel improved its gross margin from 42 basis points in the previous year to 45 basis points. Pre-tax profit increased from CHF 180.3 million to CHF 198.3 million.

With its asset management solutions, Vontobel today ranks as one of the top 3 providers of actively managed mutual funds in Europe, measured in terms of net new money. In Switzerland, Vontobel is now one of the six largest asset managers and the no. 3 in the area of sustainable investment solutions. At an international level, Vontobel is also one of the leading experts in the area of emerging markets.

Vontobel wants to achieve further growth in Asset Management in 2020. It will therefore further expand its international sales organization with investments in the US, Japan and France. In addition, it aims to further strengthen the services for global banks that want to use the expertise of Vontobel Asset Management. In future, it will once again focus on achieving organic growth coupled with high quality earnings.

Good performance and increased profitability in Combined Wealth Management

Combined Wealth Management continued its positive earnings trend in the second half of 2019, with pre-tax profit growing by 21% from CHF 121.6 million to CHF 147.4 million. The cost/income ratio improved from 71.3% in the financial year 2018 to 69.5%. Despite the fiercely competitive environment, the gross margin in Combined Wealth Management remained stable at 68 basis points. This positive earnings trend reflects the systematic client focus, the competence-driven product offering and especially also the economies of scale of the broader business base following the acquisition of Notenstein La Roche Privatbank AG and the US-based private clients portfolio of Lombard Odier.

As a result of good performance and newly acquired client assets, which offset outflows related to the changes to the Vontobel team in Basel, advised client assets in Combined Wealth Management reached a new record level of CHF 76.5 billion in 2019, compared to CHF 67.2 billion at the end of 2018. In the year under review, the overall net inflow of new money was again influenced by the integration of Notenstein La Roche Privatbank AG, which was completed in 2019 as announced. Continued low transaction volumes in markets also had an adverse impact on growth. Even though it was not able to reach its own ambitious growth targets in all regions, Vontobel remains confident about the future. Overall, Combined Wealth Management recorded CHF 0.5 billion (CHF 2.2 billion) of net new money, corresponding to growth of 0.8%.

Following the successful integration of previous acquisitions, Wealth Management will harness this increased potential and target client groups such as UHNWIs even more intensively than before. The integration of the experts from the former Corporate Finance unit into the Wealth Management team will give additional impetus to the advisory offering for entrepreneurs and their families. This expertise is supported by the buy-side focus of Vontobel's market-leading bottom-up Swiss equity research. Following the completion of the Notenstein La Roche integration, Vontobel will once again increase investments in the further expansion of teams of relationship managers. In its Swiss home market, the company will continue to seize the opportunities emerging from the "silent consolidation" that is underway. With its offerings, Vontobel will meet the increasing desire of its international clients to find opportunities for diversification and it will thus enter additional growth opportunities.

In 2020, Vontobel will also expand services for financial intermediaries such as External Asset Managers (EAMs), banks and securities dealers, as well as multi-family offices that are bundled in Platforms & Services. This is an area in which Vontobel has identified growth potential not only in its Swiss home market but especially also in Germany and Asia. For example, Vontobel intends to grow its business with EAMs in Singapore. In 2019, Vontobel in Singapore was granted a new license, enabling it to strengthen its activities related to EAMs and multi-family offices in this region.

Services for financial intermediaries comprise Vontobel investment solutions, such as structured products, funds, buy-side research and multi-manager mandates. Vontobel will continue to provide financial intermediaries and their clients with Swiss portfolio management and best-execution trading services. All of Vontobel's institutional platforms – from deritrade to investertest, Plug'n'Trade, eFX and EAMNet – are bundled in the platform offering. It also includes MARS, the state-of-the-art investment advisory platform tailored to the needs of Wealth Management. Vontobel aims to offer MARS to other banks and wealth managers in Switzerland that don't want to build their own platform.

In the area of Digital Investing, Vontobel will take targeted steps to realize scalable opportunities for growth by delivering its offering directly to end-clients in digital form. In Europe, the existing end-clients business with structured products is gradually being combined or complemented with the other digital offerings. To achieve this, Vontobel is leveraging digital innovations such as "Volt" or focusing on building and participating in ecosystems.

Further expansion of structured products expertise

In 2019, the existing Vontobel Financial Products business defended its market share despite increasingly fierce competition. With a market share of 12.5% in Europe and 32.0% in its Swiss home market, measured in terms of exchange-traded volumes in the target segment, Vontobel is one of the leading providers of investment and leverage products. This mainly reflects the quality of its products, good service and its innovative strength in the area of product development. The continued, targeted expansion and scaling-up of its own platforms, including its market debut in Denmark and the expansion of its product offering in Hong Kong, also had a positive impact. deritrade, the successful multi issuer platform for asset managers and banks, grew its turnover at a time of declining stock market volumes. cosmofunding, the digital platform for private placements and loans for Swiss companies and public-sector bodies, also performed well. Around CHF 2.1 billion of private placements and loans have been issued via this digital platform since its launch in October 2018. Pre-tax profit declined to CHF 47.2 million – while the risk profile remained unchanged – reflecting a combination of subdued levels of demand, the general pressure on margins, and investments in the business.

Validation of audit firm

The audit firm's independence, performance and fees are evaluated annually using a defined process and a structured set of criteria. In addition, a detailed review is conducted every five years. A review of this nature was carried out in 2018 and it was decided that the mandate should be put out to tender in 2019 to ensure a comprehensive validation process.

The tendering process carried out in 2019 evaluated potential audit firms using a set of criteria that are relevant for Vontobel. Based on the outcome of this process, the Board of Directors decided to propose to the General Meeting of Shareholders that EY be elected as the statutory auditors. The audit firm's mandate will continue to be subject to annual evaluations in the future.

Invitation to Vontobel press conference

with Dr. Zeno Staub, CEO, and Dr. Martin Sieg Castagnola, CFO

Wednesday, February 12, 2020, at 10.00 a.m. (CET), Gotthardstrasse 43, Zurich.

Access to webcast:

Dial-in numbers:

Switzerland/Europe	+41 (0) 58 310 50 00
UK:	+44 (0) 207 107 06 13
US:	+1 (1) 631 570 56 13

Key dates

General Meeting of Shareholders 2020 March 30, 2020

Update on future reporting June 2020

Half-year results 2020 July 28, 2020

Investor Day September 23, 2020

9-month trading update November 4, 2020

Full-year results 2020 February 11, 2021

Alternative Performance Measures (APM)

We measure performance using alternative financial measures that are not defined in the International Financial Reporting Standards (IFRS). Details can be found in the glossary on pages 243 and 244 of the annual report.

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Link to financial reporting, including the Annual Report: vontobel.com/financial-reporting

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 active investment manager with Swiss roots, we specialize in wealth management, active asset management and investment solutions. We harness the power of technology to deliver a high-quality, individual client experience and to deploy our investment expertise across multiple platforms and ecosystems. We empower our employees to take ownership of their work and bring opportunities to life. We do so based on the conviction that successful investing begins with the assumption of personal responsibility. We continuously scrutinize our achievements as we strive to exceed the 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 as an obligation to also assume our social responsibility. As of December 31, 2019, Vontobel held CHF 288.4 billion of total client assets. Around the world and in our home market, we serve our clients from 32 locations.

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Ratios

	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Return on shareholders' equity (ROE) (%) ¹	14.2	13.0	13.1	18.0	12.4
Cost ² /income ratio (%)	75.6	76.5	75.3	68.2	77.0
Equity ratio (%)	6.9	6.5	7.1	7.8	8.1
Basel III leverage ratio (%)	5.2	4.9	4.7	5.2	5.1

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

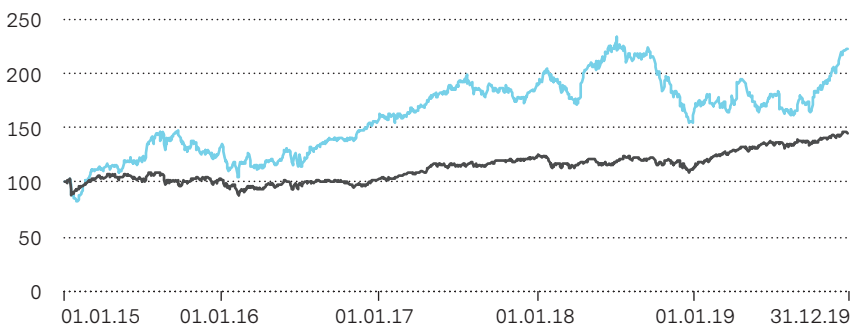
Share data

	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Basic earnings per share (CHF) ¹	4.49	3.96	3.65	4.72	3.20
Diluted earnings per share (CHF) ¹	4.39	3.88	3.56	4.59	3.11
Equity per share outstanding at balance sheet date (CHF)	32.71	30.81	29.31	27.65	26.02
Dividend per share (CHF) ²	2.25	2.10	2.10	2.00	1.85
Price/book value per share	2.1	1.6	2.1	1.9	1.8
Price/earnings per share	15.4	12.7	16.8	11.3	14.8
Share price at balance sheet date (CHF)	69.15	50.40	61.50	53.45	47.50
High (CHF)	69.70	76.05	66.35	54.15	53.45
Low (CHF)	49.72	49.60	53.25	36.90	30.25
Market capitalization nominal capital (CHF mn)	3,932.9	2,866.5	3,497.8	3,040.0	2,701.6
Market capitalization less treasury shares (CHF mn)	3,833.2	2,786.3	3,400.1	2,927.4	2,601.7
Undiluted weighted average number of shares	55,901,396	55,769,779	55,376,259	55,082,263	55,375,938

¹ Basis: weighted average number of shares

² Financial year 2019: 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

	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
CET1 capital ratio (%)	13.5	12.3	18.4	19.0	17.9
CET1 capital (CHF mn)	949.4	835.1	1,098.6	1,018.4	895.1
Tier 1 capital ratio (%)	19.9	18.9	18.4	19.0	17.9
Tier 1 capital (CHF mn)	1,397.5	1,282.7	1,098.6	1,018.4	895.1
Risk weighted positions (CHF mn)	7,039.3	6,801.1	5,955.6	5,360.8	5,001.9

Risk ratio

CHF MN	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Average Value at Risk market risk	5.0	5.4	2.5	2.7	3.0

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

	31.12.2019	31.12.2018	31.12.2017
Moody's Rating Bank Vontobel AG (long-term deposit rating)	Aa3	Aa3	Aa3

Consolidated income statement

CHF MN	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Operating income	1,261.9	1,157.8	1,060.1	1,081.1	988.6
Operating expense	955.2	881.6	800.8	759.8	764.7
Group net profit	265.1	232.2	209.0	264.4	180.1
<i>of which allocated to minority interests</i>	14.1	11.5	6.6	4.6	2.9
<i>of which allocated to the shareholders of Vontobel Holding AG</i>	251.0	220.7	202.4	259.8	177.2

Segment profits before taxes

CHF MN	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Wealth Management	117.2	93.0	60.5	47.2	46.1
Asset Management	198.3	180.3	162.8	163.5	138.5
Investment Banking	77.5	91.7	112.1	84.6	77.0
Corporate Center	-86.2	-88.7	-76.1	26.0	-37.7

Consolidated balance sheet

CHF MN	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Total assets	26,240.3	26,037.3	22,903.7	19,393.9	17,604.8
Shareholders' equity (excl. minority interests)	1,813.3	1,703.5	1,620.5	1,514.1	1,425.2
Loans	5,046.2	4,904.6	3,310.5	2,601.9	2,365.1
Due to customers	10,506.4	12,649.2	9,758.2	9,058.5	8,775.8

Client assets¹

CHF BN	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Assets under management	198.9	171.1	165.3	138.5	136.3
<i>of which under discretionary management</i>	130.6	107.3	107.1	90.2	93.9
<i>of which under non-discretionary management</i>	68.2	63.8	58.2	48.3	42.4
Other advised client assets	16.5	13.5	12.8	10.4	6.0
Structured products and debt instruments outstanding	10.7	7.9	8.5	6.4	5.5
Total advised client assets	226.1	192.6	186.6	155.3	147.8
Custody assets	62.3	54.7	59.9	40.1	39.4
Total client assets	288.4	247.3	246.5	195.4	187.2

Net new money¹

CHF BN	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Net new money	11.7	5.0	5.9	-10.6	8.0

Personnel (full-time equivalents)

	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Number of employees Switzerland	1,636.8	1,662.2	1,353.8	1,347.0	1,201.2
Number of employees abroad	344.8	333.5	334.4	327.4	292.7
Total number of employees	1,981.6	1,995.7	1,688.2	1,674.4	1,493.9

¹ Definition see Vontobel Annual Report 2019, note 35