

Vontobel achieves strong client growth in first nine months of 2020

- **Pre-tax profit as of September 30, 2020, exceeded result for prior-year period.**
- **Growth in net new money reached 10% annualized for Asset Management clients in first three quarters of the year.**
- **Annualized growth in Wealth Management net new money rose to over 6% for first nine months of 2020.**
- **Advised client assets reached new record level of CHF 230.0 billion.**
- **Continuous improvement in investment performance.**
- **2020 targets unchanged.**

Vontobel continued on its growth path in the first nine months of 2020. This is underscored by its strong net inflow of new money, resulting in annualized growth of 9%, which significantly exceeded its own ambitious target range of 4-6%. Overall, clients entrusted Vontobel with CHF 12.9 billion of new money in the first nine months of this year. This increase was once again driven by the business with institutional clients in Asset Management, which generated 10% growth in net new money (annualized). Positive developments were also reported in the institutional business with External Asset Managers, where annualized growth in net new money slightly exceeded the target range. For Wealth Management clients, annualized growth in net new money rose to over 6% for the first nine months of 2020, compared to just 1% as of mid-2020.

The continued strong growth in net new money and the good performance of Vontobel investment solutions, which improved continuously following the sharp fall in markets in the spring, resulted in a new record level of advised client assets of CHF 230.0 billion (prior year: CHF 217.1 billion).

Overall, Vontobel generated a satisfactory pre-tax profit for the first nine months of 2020 that exceeded the figure for the prior-year period. The result reflects continued good gross margins as well as a slight improvement in the cost/income ratio compared to the first nine months of 2019. The return on equity for the first nine months of 2020 was close to the 14% target for the full year 2020. As an investment firm that has no corporate lending business and thus intentionally avoids leveraging its Wealth Management business through additional financing, Vontobel is building on the revenues from its stable commission base, which are increasing over the long term. Consequently, its risk profile is not focused on short-term transaction-based revenues. More than 80% of its business is generated through the delivery of advisory and wealth management services.

“Our result for the first nine months of this year shows that Vontobel remains on track, even during these exceptional times. As a pure-play investment firm, we were always at our clients’ side, offering them unlimited access to our investment expertise and our services, and we are well prepared for the second wave of the coronavirus that is unfolding. For the remainder of 2020 and beyond, we expect the pandemic and its economic consequences, as well as political uncertainty and the low interest rate environment, to impact further on markets. In this operating environment, the principle that investing is the new form of saving continues to apply. As a client-centric investment firm that makes targeted use of modern technology to ensure an outstanding client experience and professional investment processes, Vontobel will profit from this rising demand for investments. We remain committed to our targets for the current year and want to achieve growth even in this challenging market environment, as we underscored with the extension of our ambitious targets to 2022, as announced this summer,” commented Zeno Staub, CEO Vontobel.

Strong demand for investment solutions from Asset Management

In its business with asset management clients, Vontobel generated further growth while continuing to achieve good margins. Asset Management remained its most profitable division in a highly competitive environment. For the first nine months of 2020, Asset Management recorded a CHF 9.3 billion increase in net new money (+10%, annualized). This growth was driven primarily by the Fixed Income Boutique, including TwentyFour Asset Management, as well as the Multi Asset and Sustainable & Thematic Investing boutiques. At the same time, Vontobel reinforced its positioning in its global markets as a proven high-conviction asset manager. Asset Management also grew its presence in Asia. With the opening of its offices in Singapore and Tokyo, Vontobel wants to expand its business with both international and regional banks.

External Asset Managers, who also count as institutional clients at Vontobel, entrusted it with CHF 0.7 billion of net new money, corresponding to an annualized growth rate of 6%. Vontobel offers its expertise in the area of structured products and ‘deritrade’, its successful multi issuer platform for structured products, to both banks and EAMs. In addition to structured products and Custody & Execution solutions, Vontobel offers EAM clients investment advisory services.

Growth in Wealth Management net new money exceeds target range

The business with wealth management clients experienced strong growth in net new money in recent months: On an annualized basis, growth reached more than 6% for the first nine months of 2020, exceeding Vontobel's own ambitious target range. This compares to annualized growth of just 1% as of June 30, 2020. Advised client assets in Wealth Management totaled CHF 60.8 billion as of September 30, 2020 (prior year: CHF 60.6 billion). This positive development underscores Vontobel's systematic client focus as well as its competency-driven product offering. Wealth Management maintained a good level of profitability in the third quarter of 2020, even if the gross margin once again reflects the normalization of client trading activities from spring onwards, as expected.

Vontobel also wants to achieve growth in the business with private clients in the future – as demonstrated by the opening of the new Wealth Management advisory office in Milan. From fall 2020, Vontobel will also offer its clients purely digital access to investment opportunities in the area of Pillar 3a pensions. With markets remaining volatile, individual investors are making intensive use of its structured products expertise through their usual bank or via digital channels. As a result, the demand for leverage products in the first nine months of the year far exceeded the level in the prior-year period.

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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 September 30, 2020, Vontobel held CHF 294.1 billion of total client assets. Around the world and in our home market, we serve our clients from 26 locations.

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