

Media release / invitation to media conference

Raiffeisen further expands in-house investment business and sells Notenstein La Roche to Vontobel

St. Gallen/Zurich, 24 May 2018. In view of the pleasing performance of the Raiffeisen banks' investment business, the Board of Directors of Raiffeisen Switzerland has decided to reorganize its investment clients segment and, as a direct consequence, sell Notenstein La Roche Private Bank Ltd to Vontobel. This complements Vontobel's steady organic growth in wealth management over the past few years and, at the same time, strengthens its position as one of Switzerland's leading wealth managers.

Growth in Raiffeisen's investment business has accelerated markedly over the past few years. This strong organic growth prompted Raiffeisen to decide that it would in future focus systematically on the segment of private clients with low to medium assets in order to make the best possible use of the 255 Raiffeisen banks' advisory expertise. As a direct result of this strategic decision, Raiffeisen Switzerland is selling 100% of Notenstein La Roche Private Bank Ltd to Vontobel.

Vontobel strengthening Swiss home market

Vontobel's acquisition of Notenstein La Roche perfectly complements its above-average organic growth in wealth management for high-net-worth clients and allows it to strengthen its home market with the additional Notenstein La Roche locations while underscoring its position as one of the leading private banks in Switzerland.

Notenstein La Roche currently operates in 13 locations throughout Switzerland and has client assets totalling some CHF 16 billion in its wealth management and external asset managers businesses. Most of Notenstein La Roche's clients are in Switzerland. The private bank also serves clients in several other international markets, the most important being Germany. At the end of 2017, Vontobel's assets under management in combined wealth management (Wealth Management and EAM) in its strong Swiss home market and globally reached a new record level of CHF 54.0 billion (up from CHF 46.8 billion in 2016).

Raiffeisen investing in investment expertise

There are several reasons behind the sale of Notenstein La Roche. Firstly, Raiffeisen has proven in recent years – partly thanks to the impetus provided by Notenstein La Roche – that it can succeed in developing its investment business independently. At the same time, it has become clear that Notenstein La Roche will have the opportunity to make the most of its potential and meet clients' needs even more effectively in a traditional private banking environment. Moreover, the sale of Notenstein La Roche frees up regulatory capital that Raiffeisen can use for further growth in its core business.

Dr Patrik Gisel, Chairman of the Executive Board of Raiffeisen Switzerland and Chairman of the Board of Directors of Notenstein La Roche, explains: "The decision to sell does not represent a move away from Raiffeisen's diversification strategy. On the contrary, we want to focus on our established client base, which also includes wealthy private clients, and expand it together with our Raiffeisen banks by offering an even broader and more effective range of products and services."

The newly defined growth strategy for its investment business entails substantial investments in the investment clients segment over the next five years. A key step in this regard is the expansion of the in-house Investment Office with specialists from Notenstein La Roche who will in future serve the Raiffeisen banks with a client-oriented investment process and research services.

Moreover, it has been decided that the centre of expertise for wealth and tax planning will undergo a major expansion. It was established a number of years ago to support the Raiffeisen banks in relation to succession planning and complex financial advisory services. Investments are additionally planned in expanding the digital client interface, enhancing the advisory process and further developing the product range with an advisory mandate and new investment solutions. These will move forward with Vontobel as a partner, among others. "This comprehensive service offering puts the 255 operationally independent Raiffeisen banks in a position to make the best possible use of their proximity to clients by offering highly personal and individual advice," adds Michael Auer, Head of Department, Private and Affluent Clients at Raiffeisen Switzerland.

Acquisition perfectly complements Vontobel's strong organic growth in wealth management

"The acquisition of Notenstein La Roche and its branch network strengthens our service offering on our home market and vindicates our claim to be a leading global wealth manager with solid Swiss roots. Our future clients will benefit from the opportunities and expertise offered by an internationally active Swiss wealth manager that puts clients at the centre of everything it does. Notenstein La Roche perfectly complements the strong organic growth we have achieved in wealth management over a number of years. The enlarged client base gives us an opportunity to make even more effective use of our successful platforms. I am also pleased that our long-standing cooperation with Raiffeisen will be strengthened even further," says Vontobel CEO Dr Zeno Staub.

"We are really looking forward to welcoming a lot of new clients and team members to Vontobel shortly. We carefully channel our independent mindset and belief in the future directly into new opportunities for our clients. These are qualities that we also see in our new colleagues from Notenstein La Roche, which bodes well for a successful integration," says Georg Schubiger, Head of Vontobel Wealth Management.

Financing structure gives Vontobel scope for further growth

Vontobel Wealth Management has set itself the target of achieving organic net new money growth of 4-6% a year up to 2020, with growth of more than 10% targeted in the Swiss home market and selected others.

Raiffeisen and Vontobel agreed a purchase price of around CHF 700 million, calculated on the basis of the capital as at closing plus a goodwill multiple of 1.78 percent related to the assets under management as at signing. Vontobel will finance the acquisition through available capital and an additional Tier 1 bond. Vontobel will provide details of the bond issue in due course. The financing structure concentrates earnings per share and ensures that Vontobel will retain a robust capital ratio in excess of 16%, well above the regulatory requirement, going forward. It also leaves scope for further growth in the future. Raising subordinated capital has no impact on the voting rights of Vontobel shareholders. Once the transaction is completed, Notenstein La Roche will be integrated into Vontobel, contributing significantly to Vontobel Wealth Management's earnings as soon as 2019 through the use of synergies.

Subject to approval by the regulatory authorities, the parties hope to complete the transaction in the third quarter of 2018.

Invitation to Vontobel's analyst call

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

Thursday, 24 May 2018, 07.30 a.m. (CET).

Dial-in

Switzerland/Europe +41 (0) 58 310 50 00

UK: +44 (0) 207 107 0613

US: +1 (1) 631 570 56 13

Invitation to the joint media conference

On the occasion of this acquisition, we would like to invite you to a media conference at 10.30 a.m. this morning, Thursday, 24 May, in the Park Hyatt Hotel at Beethovenstrasse 21 in Zurich.

**For further
information,
contact:**

Raiffeisen Switzerland Media Relations

+41 71 225 84 84, medien@raiffeisen.ch

Cécile Bachmann / Dominik Chiavi

+41 71 225 96 27 / +41 71 225 80 58

cecile.bachmann@raiffeisen.ch / dominik.chiavi@raiffeisen.ch

Vontobel Corporate Communications

Peter Dietlmaier / Rebeca Garcia

+41 58 283 59 30 / +41 58 283 76 69

peter.dietlmaier@vontobel.com / rebeca.garcia@vontobel.com

Vontobel Investor Relations

Michèle Schnyder / Susanne Borer

+41 58 283 76 97 / +41 58 283 73 29

michele.schnyder@vontobel.com / susanne.borer@vontobel.com

Raiffeisen: Third-largest banking group in Switzerland

The Raiffeisen Group is the leading Swiss retail bank. The third largest force in the Swiss banking sector has 1.9 million cooperative members and 3.7 million clients. The Raiffeisen Group is present at 912 locations throughout Switzerland. The 255 legally autonomous Raiffeisen cooperative banks are amalgamated into Raiffeisen Switzerland Cooperative, which is the strategic leader of the entire Raiffeisen Group. Through group companies, partnerships and participations, Raiffeisen offers private individuals and corporate clients the full range of products and services. As of 31.12.2017, the Raiffeisen Group had CHF 210 billion in assets under management and CHF 181 billion in loans to clients. The market share in the mortgage business amounts to 17.5 percent. Total assets are CHF 228 billion.

www.raiffeisen.ch

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 colleagues 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 31 December 2017 Vontobel held over CHF 247 billion of client assets. Throughout our 20 offices worldwide more than 1,700 employees service our clients.

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