

Acquisition of Notenstein La Roche Privatbank AG from Raiffeisen Switzerland

May 24, 2018

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Acquisition¹ of Notenstein La Roche – strengthening Vontobel’s position in Combined Wealth Management

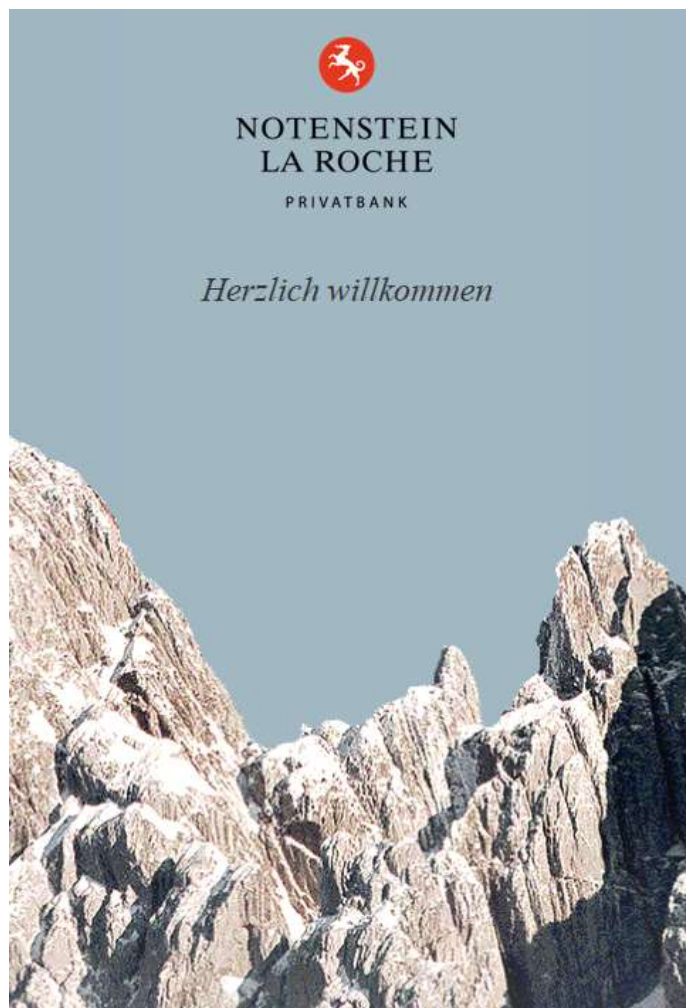
Transaction has strong economic rationale and is fully in line with Vontobel’s strategy

<p>Market position</p> <ul style="list-style-type: none"> – Substantial strengthening of position in Switzerland (70% of AuM) – Very good fit with international focus markets (20% of AuM) – 13 locations in Switzerland 	<p>High quality AuM</p> <ul style="list-style-type: none"> – CHF 16.5 bn – RoA of approx. 80 bps – 90% AuM in > CHF 1 mn wealth band 	<p>Cultural fit</p> <ul style="list-style-type: none"> – Client centric with clear focus – Similar roots (family-run wealth managers)
<p>AT1 issuance</p> <ul style="list-style-type: none"> – More efficient capital structure – Strong capital position supporting future growth 	<p>Synergies</p> <ul style="list-style-type: none"> – One booking platform – Marginal CIR of approx. 50% 	
<p>Price</p> <ul style="list-style-type: none"> – Approx. CHF 700 mn, consisting of <ul style="list-style-type: none"> – NAV plus – 1.78% goodwill premium on AuM 	<p>Profitability</p> <ul style="list-style-type: none"> – Positive profit contribution from 2019 – Fully EPS accretive 	

¹ Subject to legal and regulatory approvals and customary closing conditions

Vontobel is acquiring a first-class, client-centric wealth manager

Swiss-focused and sizeable private bank



- Notenstein La Roche specializes in wealth management for private clients seeking high-quality service and advice
- Geographic focus on domestic market of Switzerland, with Swiss-domiciled clients representing around 70% of AuM
- Assets originating predominantly from the non-US business of Bank Wegelin (2012) and La Roche Privatbank (2015) – two renowned Wealth Managers
- Head office in St. Gallen, 13 locations across Switzerland
- Around 330 full-time employees, 106 relationship managers
- **Key figures¹:**
 - Total client assets: CHF 21.2 bn
 - Assets under management: CHF 16.8 bn, incl. 11% AuM from EAM
 - Total assets on balance sheet: CHF 4.3 bn
 - Loans: CHF 0.8 bn
 - Equity: CHF 0.5 bn
 - CET1 capital ratio: 24.1%
 - RWA: CHF 1.51 bn
 - Net profit: CHF 23.3 mn

¹ End-2017

Win-win situation for clients and relationship managers joining Vontobel – leading to limited attrition risk

Our clients actively recommend Vontobel

- Vontobel has one of the highest Net Promoter Scores¹ among our Swiss competitors – a strong sign of client satisfaction
- More than half of our clients are promoters of Vontobel and are thus willing to recommend us



78% of clients are very or extremely satisfied

Vontobel offers an attractive environment for relationship managers

- Entrepreneurial/ownership culture
- Long-term strategy supported by stable shareholder structure

Future-proof partner

- Strong investment-led value proposition
- Best-in-class advisory as well as discretionary offering
- International footprint
- State-of-the-art digital platforms and support system
- Best-practice cross-border set-up with full compliance
- Recognized leadership in excellence, as confirmed by markets through numerous awards

Ranked as one of the leading private banks by the Swiss business magazine Bilanz

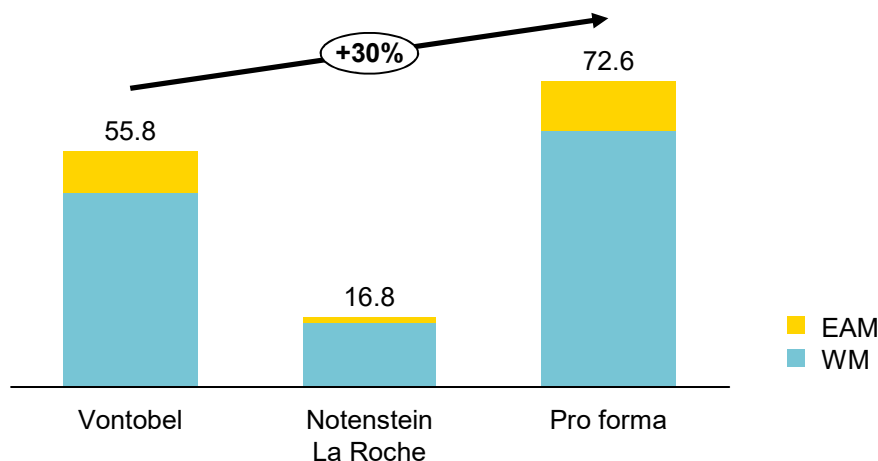
Top score in Germany 2014, 2015 and 2016



¹ The Net Promoter Score measures the willingness of clients to recommend their private bank. It is calculated based on the question: How likely is it that you would recommend the company to a friend or colleague?

Acquired client portfolio fits well with strategic focus of Vontobel's Combined Wealth Management and existing business

Substantial increase in advised client assets¹ (in CHF bn)



- 70% of AuM are from Swiss-domiciled clients and 20% from Vontobel's international focus markets
- Cross-border overlap allows for leveraging of international portfolio
- Limited legacy risk as AuM base of Notenstein La Roche stems from two recent asset deals; in addition, AIA has been in place for most key markets since start of 2018
- Similar client profile: 90% of AuM are in wealth bands > CHF 1 mn per client
- Very attractive RoA of approx. 80 bps

13 locations in Switzerland, of which 6 overlap with Vontobel



- Vontobel Wealth Management has established itself as one of the leading players in Switzerland over the last 5 years through strong organic growth and the acquisition of Finter Bank
- Acquisition of Notenstein La Roche is another significant milestone
- Vontobel is strengthening its footprint in Switzerland, especially in the Eastern region and Basel

¹ Pro forma at end-2017

Smooth migration and significant scalability expected from integration

Migration

- Notenstein La Roche's 'one booking system' approach in Switzerland should facilitate a smooth migration process
- Vontobel already successfully migrated the Eastern European portfolio of Notenstein La Roche, acquired in December 2017, to its state-of-the-art platform
- Merger of offices in locations where both banks are present

State-of-the-art Vontobel platform

- Target operating model with centralized high-quality production in Switzerland and global distribution
- High degree of automation and efficiency

Integration costs

- One-off integration costs (split over 2018 and 2019) of CHF 50 mn, to be booked in the corporate center

Expected marginal CIR of approx. 50%

More efficient capital structure by issuing AT1 bond

Vontobel to improve its equity capital usage

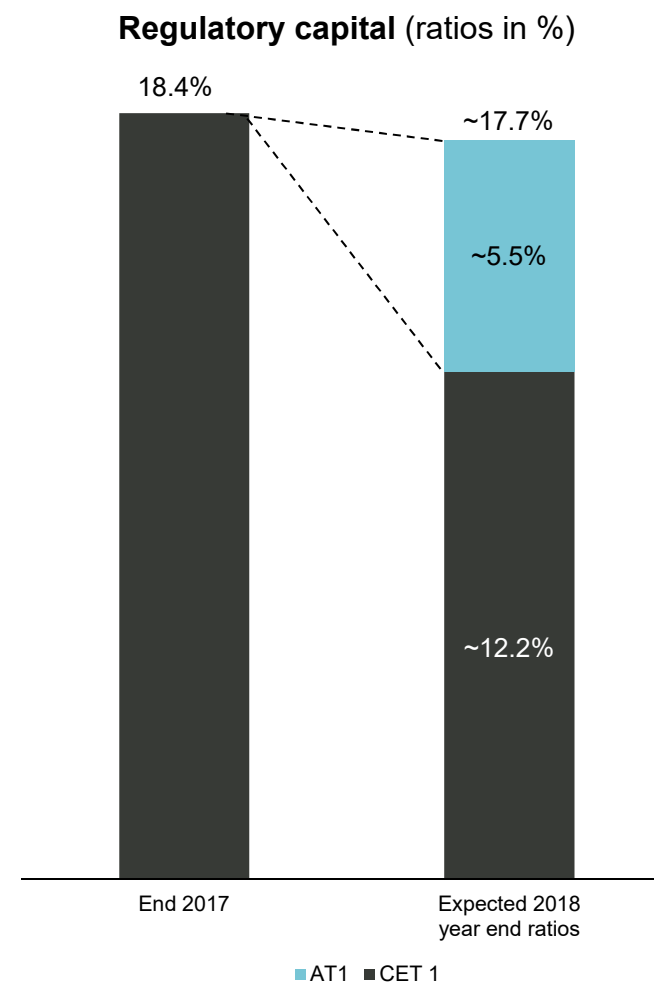
Expected key features of bond:

- Nominal CHF 350 mn – 450 mn
- Perpetual non-callable 5.5 or 6.0 years
- Non-dilutive principal write-down if CET1 ratio < 7.0% or at the Point of Non-Viability (PONV)
- Non-cumulative discretionary coupons, exempt from withholding tax under Swiss law



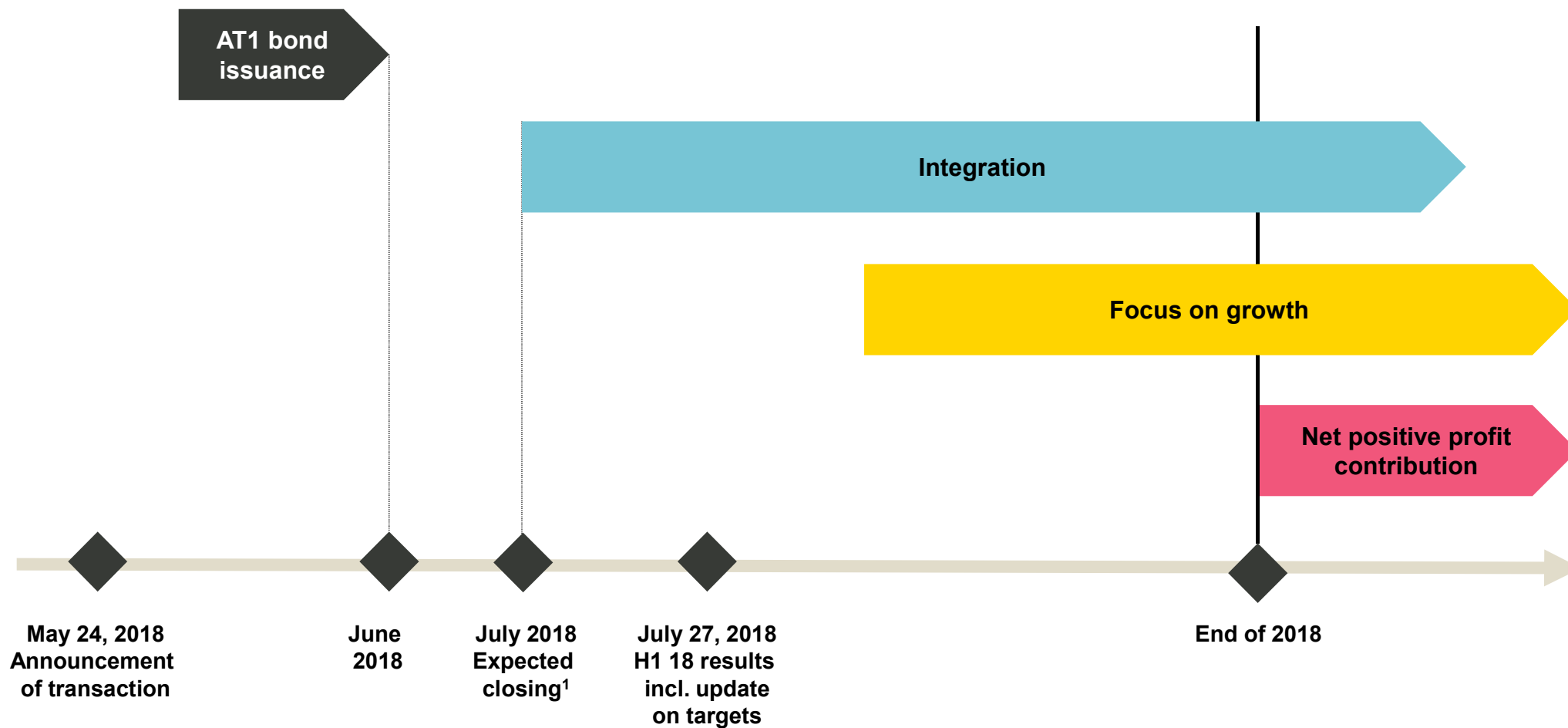
- Strategy supports Vontobel’s minimum risk-based capital targets of 12% CET1 capital ratio and 16% total capital ratio
- Non-dilutive for Vontobel shareholders to maintain the current shareholder structure, which is focused on the long term
- Supports our commitment to our dividend policy

Resulting capital ratios¹ expected to remain above Vontobel targets



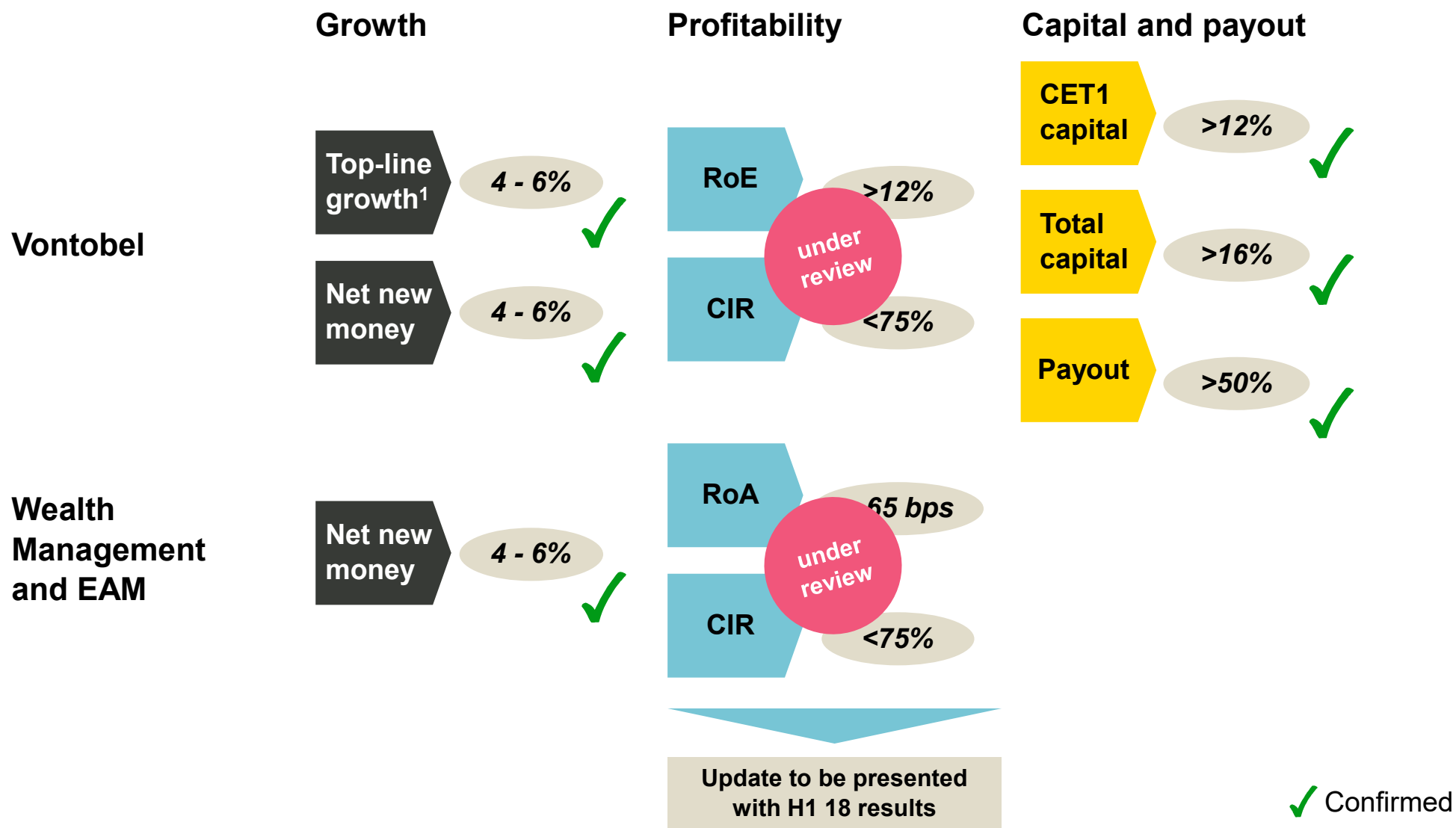
¹ Indicative, depending on final price and size of AT1 issuance as well as other parameters

We envisage a fast track integration



¹ Subject to legal and regulatory approvals and customary closing conditions

Vontobel has ambitious financial targets for 2020 and sees further upside potential from this transaction



¹ w/o market performance

Shareholder value accretive

Transaction adds substantial economies of scale

Portfolio

- CHF 16.5 bn of high-quality AuM at RoA of approx. 80 bps
- High cultural fit and win-win for clients and relationship managers should lead to low attrition
- Positive mix effect on gross margin in Combined Wealth Management

Synergies

- Significant economies of scale after integration, marginal CIR of 50% in Combined Wealth Management
- Cost/income ratio at company and Combined Wealth Management level expected to decrease after integration

Capital structure

- More efficient capital structure
- Supports our commitment to our dividend policy
- Capital ratios expected to remain above Vontobel targets, leaving buffer for realization of growth ambitions

Integration costs

- One-off integration costs of CHF 50 mn
- Smooth migration expected due to compatible IT platforms

Impact

- Underpins the longstanding partnership with Raiffeisen, a trusted partner
 - Transaction creates significant shareholder value, all accretion after AT1-coupon goes to EPS
 - Positive contribution to Combined Wealth Management results from 2019
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Questions and answers