

Vontobel half-year results 2017



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27 July 2017

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Overview

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Half-year results 2017

Strategy update

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Advised client assets reach record high – Vontobel delivers solid Group net profit

Key figures as of 30 June 2017



¹ Annualized

Significant investment in new markets, talent, technology and brand in order to generate future growth

Clients continue to endorse our services and products

- Impressive NNM growth of 6.8% in Wealth Management in 1H17
- NNM inflows of CHF 1.0 bn in Asset Management in 2Q17
- Further market share gains in Germany, Nordics and Italy by Financial Products

Vontobel enters new markets

- Financial Products entered France and Netherlands at the start of 2017
- Asset Management entered US market with Fixed Income in 1H17, starting with TwentyFour AM
- Vontobel to enter Hong Kong market with exchange-traded leverage products in 2H17

Vontobel invests in talent across all core activities

- FTEs up by 12% in front units since mid-2016

Vontobel leverages technology for the benefit of clients and to drive increased efficiency

- Continuous push into digital client journey and cloud technology

Vontobel sharpens brand positioning and invests in ‘Vontobel client experience’

- Focus on building a distinctive client experience based on our identity and value proposition
 - Investments in enshrining our beliefs and behaviors within our organization to further strengthen corporate culture
 - Redefined corporate design to be launched in September as a visual expression of our identity
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Overview

Highlights

Half-year results 2017

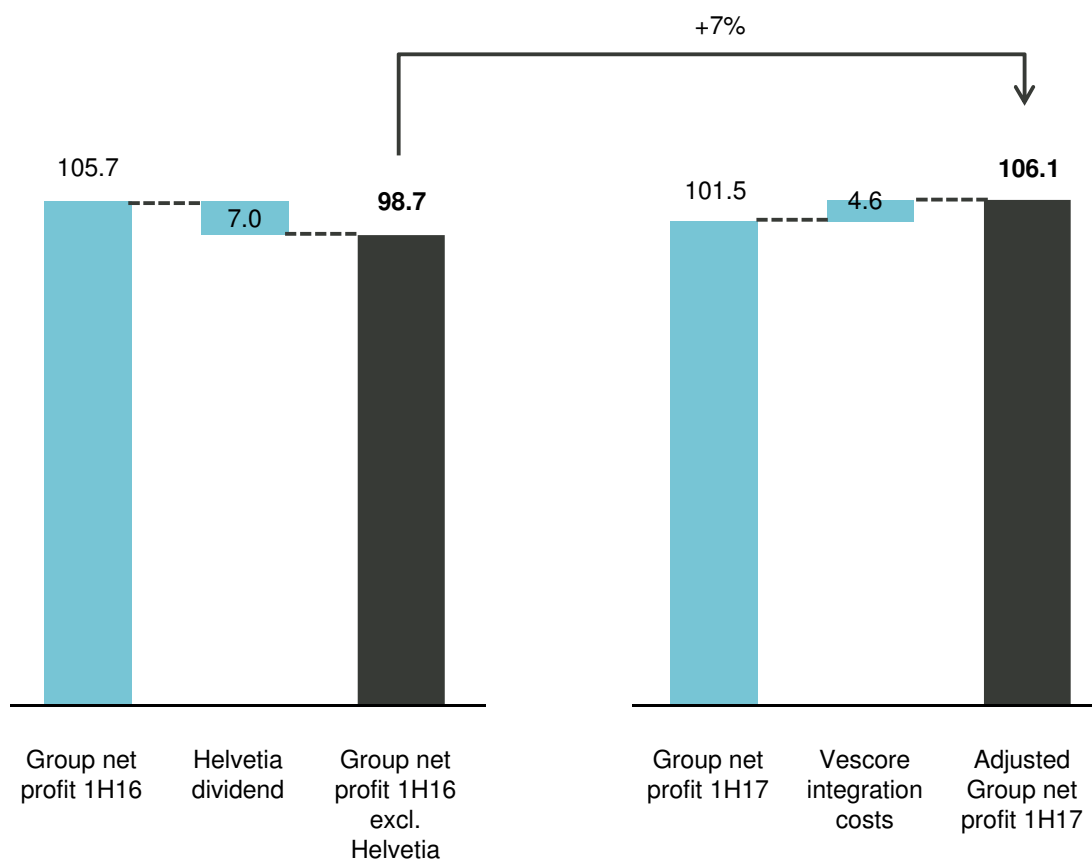
Strategy update

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Vontobel delivers solid 1H17 result

Group net profit (CHF mn)



Comments

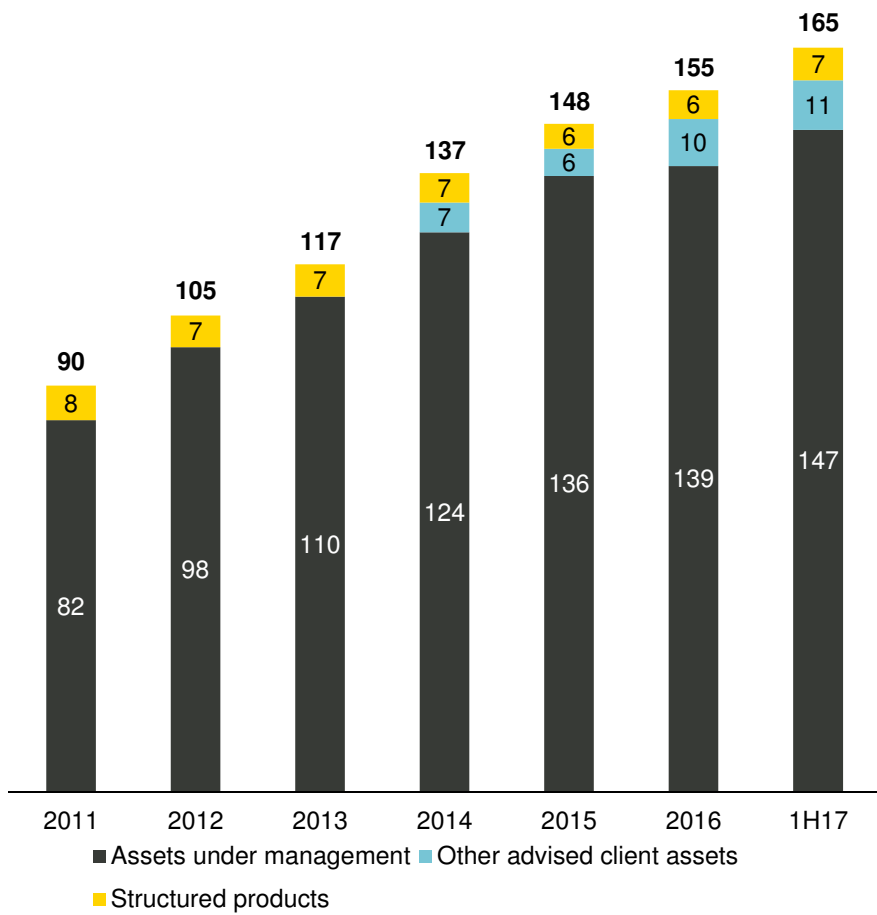
- Vontobel focused its capital on its own operations and sold its 4% stake in Helvetia – meaning it no longer receives a dividend from Helvetia (2016 dividend: CHF 7.0 mn after tax¹)
- Legal integration of Vescore completed: integration costs of CHF 4.6 mn after tax² incurred in 1H17. Final costs of approximately CHF 2 mn after tax to be booked in 2H17
- On an adjusted basis, Group net profit increased by 7% to CHF 106.1 mn

¹ CHF 7.6 mn before tax

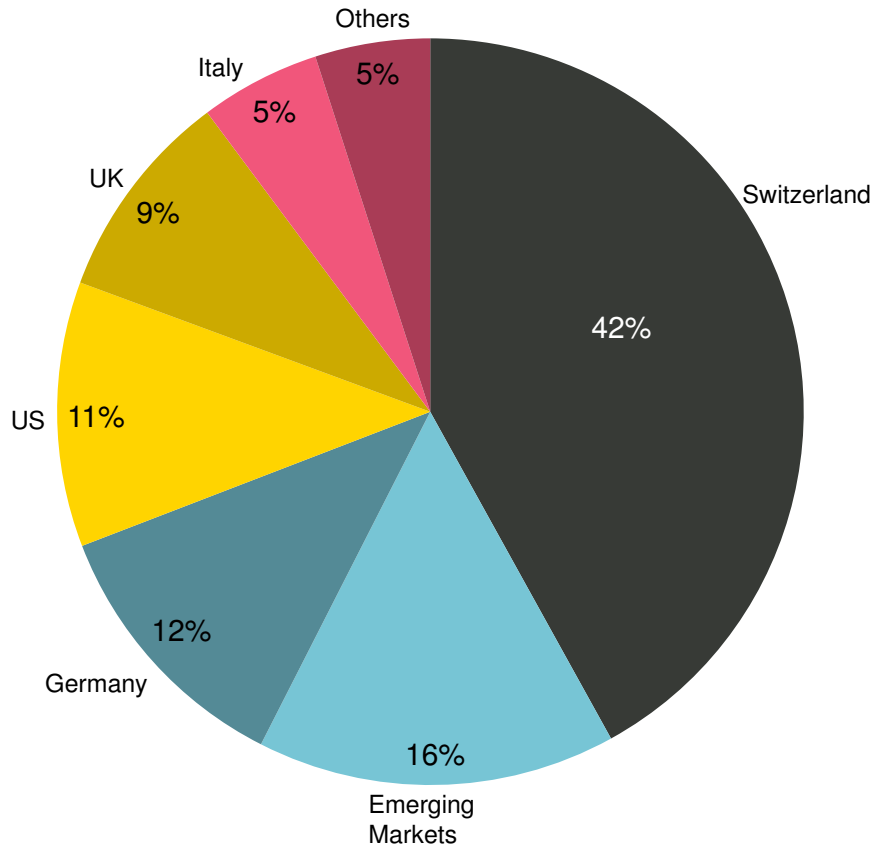
² CHF 5.1 mn before tax

Advised client assets reach record high at CHF 165 billion – 95% stem from clients in target markets

Advised client assets (CHF bn, end of period)

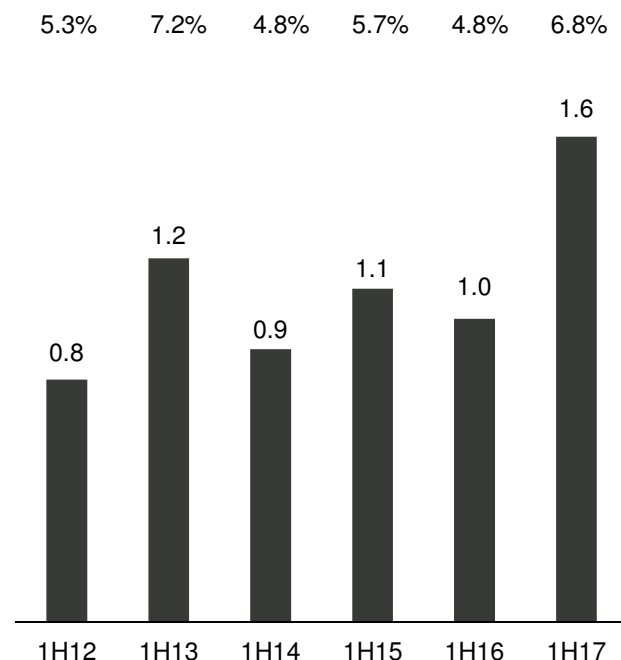


Advised client assets by client domicile (mid-2017)



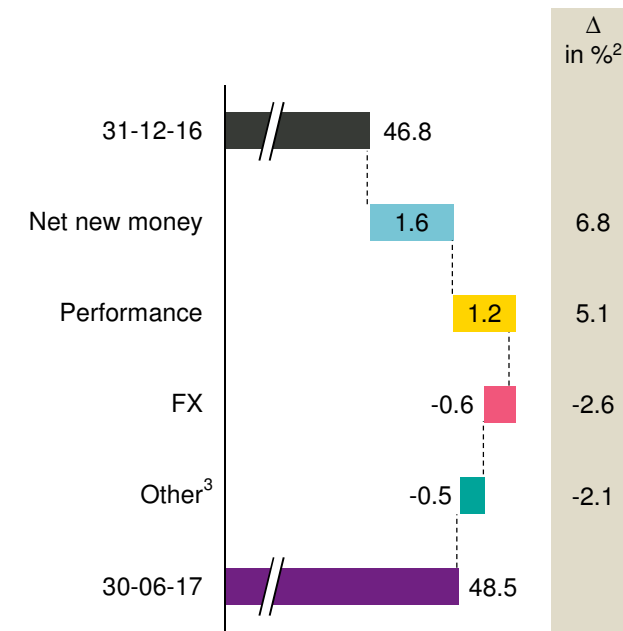
Wealth Management achieves impressive annualized net new money growth of 6.8% – advised client assets reach CHF 50 bn

Net new money¹ (CHF bn)



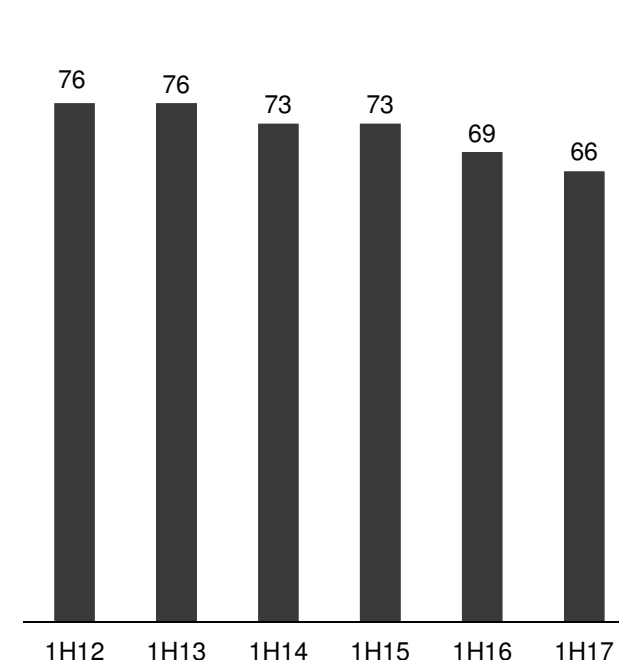
- Growth in Wealth Management exceeds 3-5% target range
- Broad-based inflows from home market of Switzerland, the Emerging Markets and Italy
- Private Banking contributed CHF 1.0 bn – growth rate of 5.1%¹

Development of AuM (CHF bn)



- Continued growth driven by net new money and positive investment performance
- Total advised client assets⁴ reach record high of CHF 49.9 bn

Gross margin on AuM (bps)



- Ongoing shift towards larger clients led to lower gross margin
- Margin still impacted by low levels of client activity and negative interest rates (effect of negative rates: ~2 bps)
- Compared to 2H16 margin increased by 1 bp to 66 bps⁵

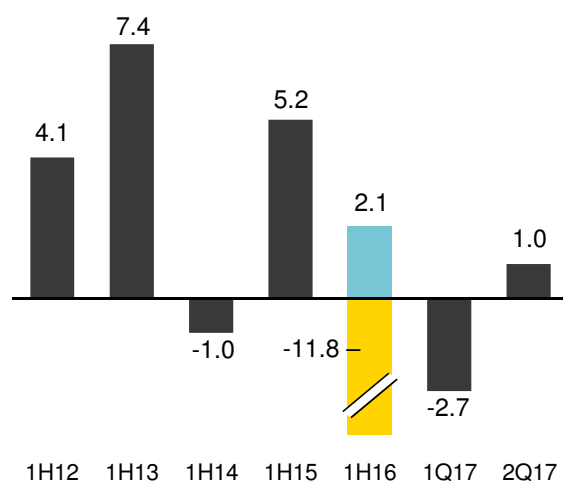
¹ Growth in AuM attributable to net new money is annualized; ² Annualized; ³ Reclassification of certain assets (CHF 0.5 bn) that are not held for investment purposes;

⁴ Includes other advised client assets (CHF 1.4 bn); ⁵ Of which 53 bps are commission driven, including 37 bps from recurring fee income

Asset Management with CHF 1.0 bn of net new money in 2Q17 – Delivery of strong investment performance for our clients

Net new money¹ (CHF bn)

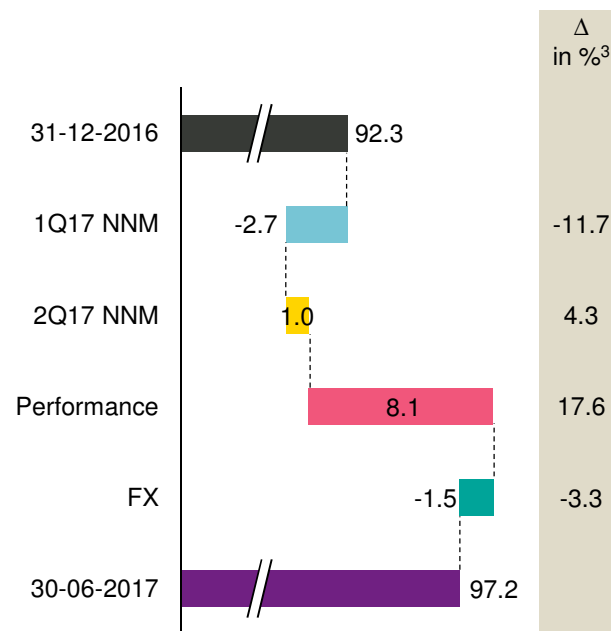
9.0% 24.7% -3.0% 13.4% 4.4%² -11.7% 4.3%



- Net new money turned positive in 2Q17
- Raiffeisen contributed CHF 0.3 bn to net new money in 1H17

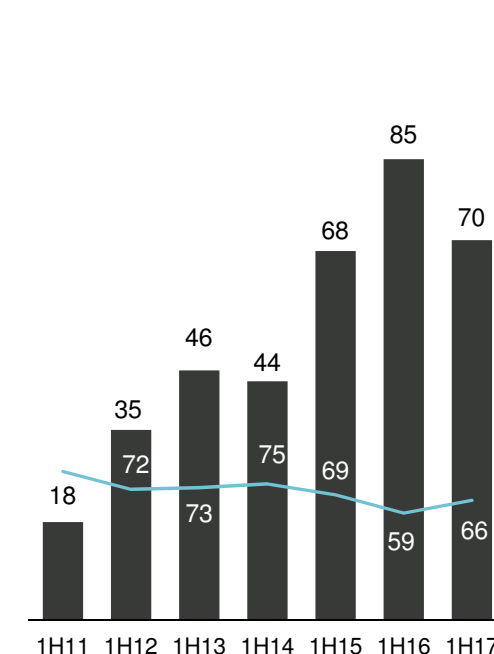
Total Asset Management
 Asset Management excl. Quality Growth
 Quality Growth boutique

Development of AuM (CHF bn)



- Strong organic growth in Fixed Income, TwentyFour AM, Multi Asset Class and Sustainable Investing
- Higher AuM driven by performance – 79% of our assets outperformed their benchmark⁴

Pre-tax profit and CIR (CHF mn; %)



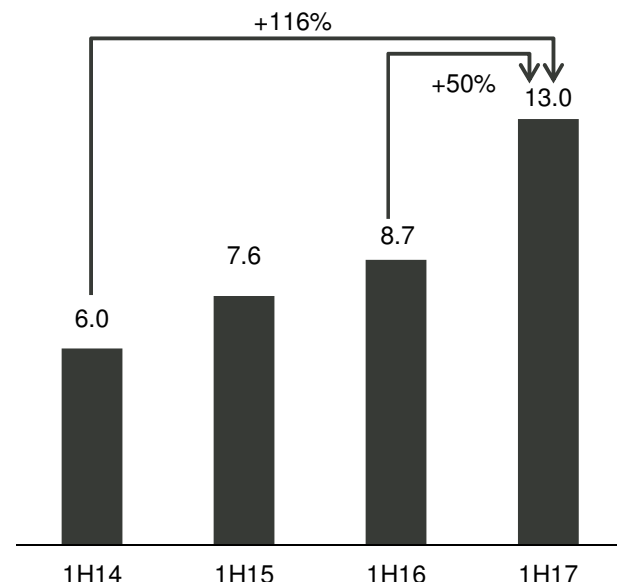
- Gross margin declined to 43 bps, mainly reflecting change in product mix but also due to slightly lower fees, given low return environment and trend towards passive
- Legal integration of Vescore completed

Pre-tax profit (CHF mn)
 Cost/income ratio (%)

¹ Growth in AuM attributable to net new money is adjusted for double counting and annualized; ² Excluding net new money of Quality Growth boutique; annualized; ³ Annualized; ⁴ Net of fees

Financial Products with expansion in Europe and increase in trading volumes of own products and on deritrade® MIP

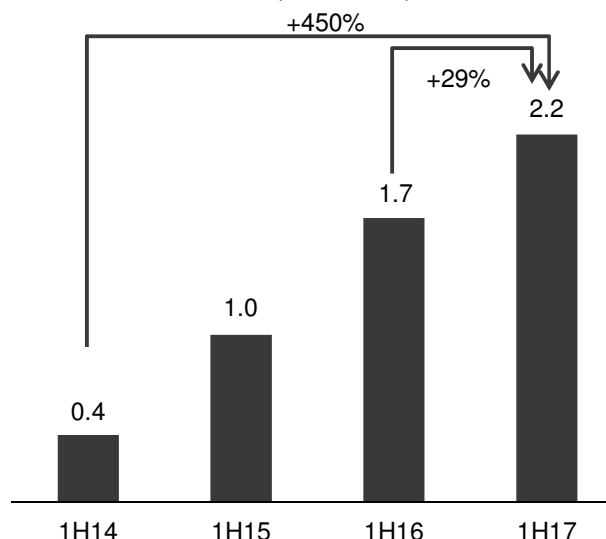
Turnover in listed and non-listed Vontobel products¹ (CHF bn)



Listed products² in Europe (1H17)

MARKET	RANK	MARKET SHARE	
		TURNOVER	# TRADES
Switzerland	#2	24.7%	43.4%
Germany	#5	9.0%	9.8%
Nordics ³	#3	34.4%	32.5%
Italy ⁴	#4	3.7%	6.6%
France ⁴	#7	0.2%	0.4%
Netherlands ⁴	#7	0.1%	0.2%
Europe		10.4%	11.4%

Notional volume issued on deritrade® MIP (CHF bn)



- Vontobel grew turnover through significant market share gains on exchanges and by increasing primary issuance through platform business
- Shortening maturity of products also drove up volumes
- Shift from exchange-traded products to primary issuance continues
- Market share on European exchanges grew to 10.4% from 8.5% in 1H16

7 issuers⁵

Numerous distributors

- 50 banks (37 banks at mid-2016)
- >500 external asset managers (>400 at mid-2016)

2 collaboration agreements in place

- UBS Wealth Management
- Raiffeisen

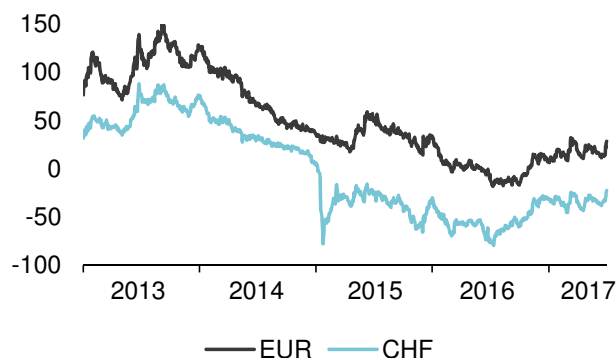
¹ Notional volume issued and volume traded; ² Investment and leverage products; ³ Sweden and Finland (NGM); leverage products; product categories plain vanilla, knock out and certificates; ⁴ Leverage products; ⁵ Deutsche Bank, JP Morgan, Morgan Stanley, Société Générale, UBS, Vontobel and ZKB

Interest rates and capital focus on operating business reduce Corporate Center income – stable operating expense

Treasury revenues

- Low interest rates continue to negatively impact Treasury’s interest income, as higher yielding bonds expire

Swap rates (5 years, in bps)



- In 2016, Vontobel focused its capital on its own operations and sold its 4% stake in Helvetia
- Vontobel no longer receives a dividend from Helvetia; in 2016, it contributed CHF 7.0 mn to Group net profit

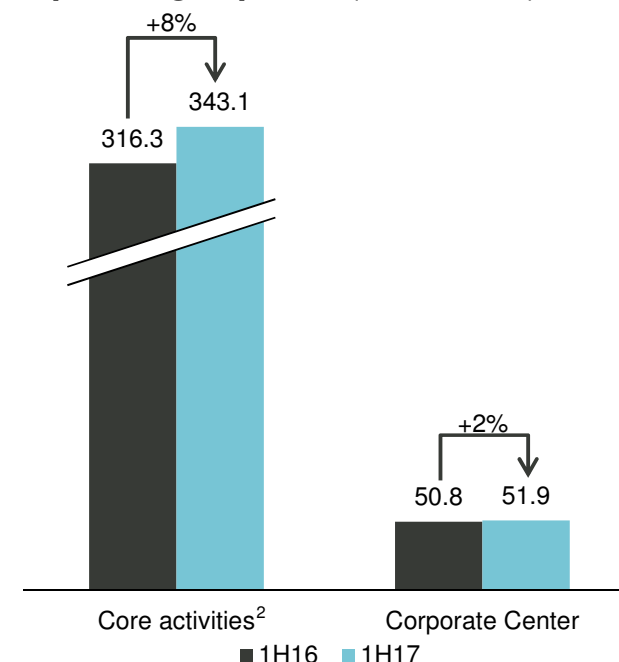
Integration of Vescore

- In 2016, Raiffeisen and Vontobel extended long-term partnership to well beyond 2020
- Successful partnership resulted in NNM inflows of CHF 400 mn in 2016 and CHF 300 mn in 1H17
- Vontobel acquired Vescore in context of extended partnership
- Strategic boutiques Quantitative Investments and Sustainable Investments were successfully integrated into Vontobel Asset Management’s multi-boutique model
- Legal integration completed in 1H17; related costs total CHF 4.6 mn¹. Final costs of approximately CHF 2 mn¹ to be booked in 2H17

Operating expense

- Operating expense in Corporate Center increased by only 2%, demonstrating scalability of operating platform

Operating expense (in CHF mn)



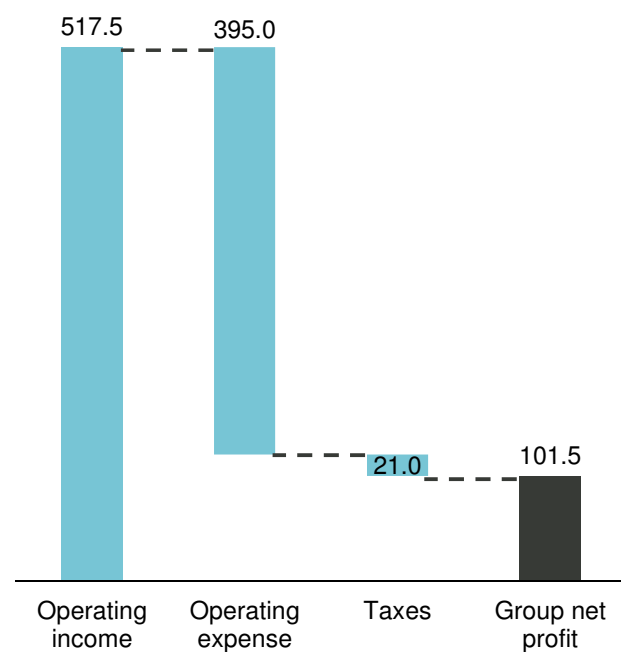
¹ After tax

² Wealth Management, Asset Management and Financial Products

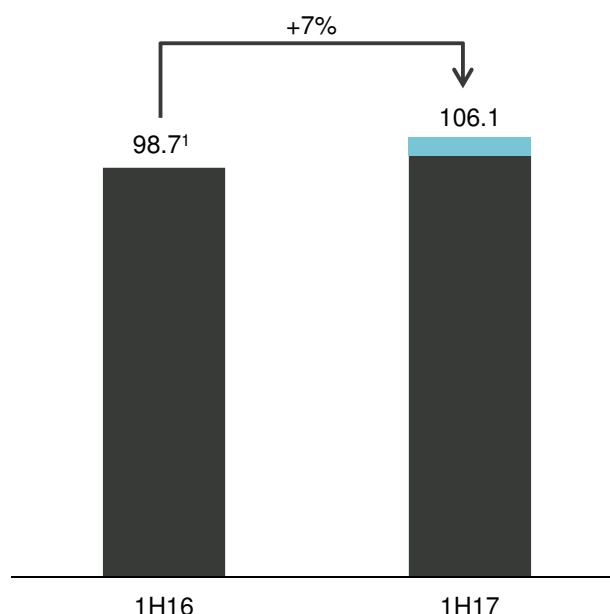
Vontobel delivered solid adjusted Group net profit of CHF 106.1 mn while making further investments in future growth

27 July 2017

Breakdown of 1H17 net profit (CHF mn)



Comparison with net profit in previous year (CHF mn)



■ Vescore restructuring costs
■ Group net profit¹

Comments

- Operating income grew to over CHF 500 mn despite tough market conditions in wealth and asset management
- Corporate Finance was very successful in 1H17; revenues grew sharply to CHF 9.9 mn from CHF 1.7 mn in 1H16²
- Significant investments in new markets, talent, technology and brand led to higher operating expenses
- Number of FTEs grew to 1,643 from 1,494 at mid-2016 but declined by 2% from end-2016

¹ Excl. Helvetia dividend in 1H16

² Corporate Finance is reported under the core activity Financial Products

Vontobel increases operating income by 4% – Group net profit higher on comparable basis despite investment in growth

27 July 2017

Development of key figures

	30-06-16	30-06-17	Δ
Operating income (CHF mn)	496.8	517.5	+4%
Operating expense (CHF mn)	367.1	395.0	+8%
Profit before taxes (CHF mn)	129.7	122.5	-6%
Group net profit (CHF mn)	105.7	101.5	-4%
<i>excl. Helvetia dividend and Vescore integration costs</i>	98.7	106.1	+7%
Cost/income ratio (%)	72.9	76.1	+3.2 pp
Basic earnings per share (CHF)	1.87	1.78	-5%
<i>excl. Helvetia dividend and Vescore integration costs</i>	1.75	1.87	+6%
Return on equity (%)	14.4	12.9	-1.5 pp
CET1 ratio (%; Basel III fully applied)	18.3	19.3	+1.0 pp
Average LCR (%; liquidity coverage ratio)	219%	194%	-25 pp

Comments

- Operating income rose 4% due to increased asset base and higher turnover in Financial Products
- Operating expense increased due to significant investments in new markets, talent, technology and brand
- Adjusted for Helvetia dividend and Vescore integration costs, Group net profit increased by 7%
- At 19.3%, CET1 ratio substantially exceeds regulatory requirements
- LCR of 194% significantly above FINMA requirements (80% in 2017, 90% in 2018 and 100% from 2019)

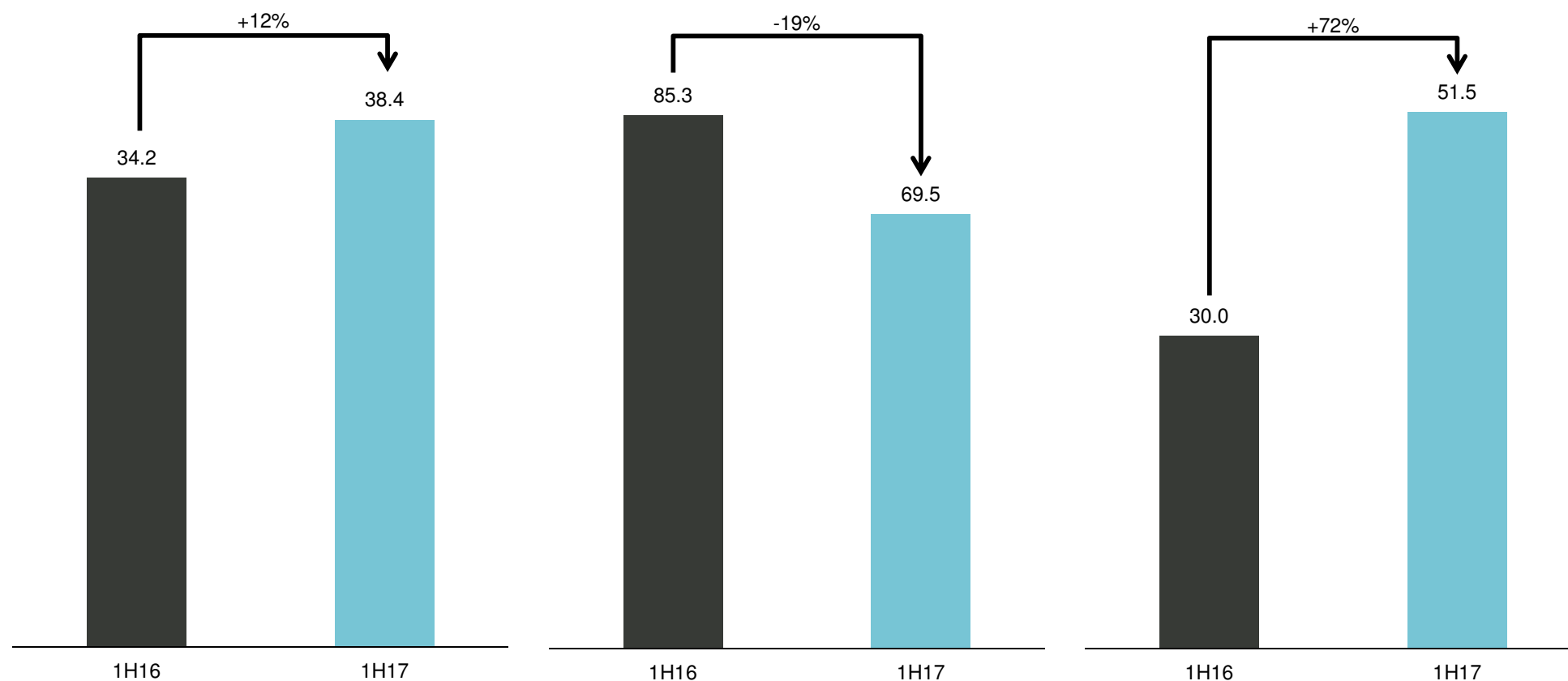
Asset Management is most important earnings driver – Wealth Management and Financial Products increase pre-tax profit

Pre-tax profit of core activities (IFRS, CHF mn)

Wealth Management¹

Asset Management

Financial Products



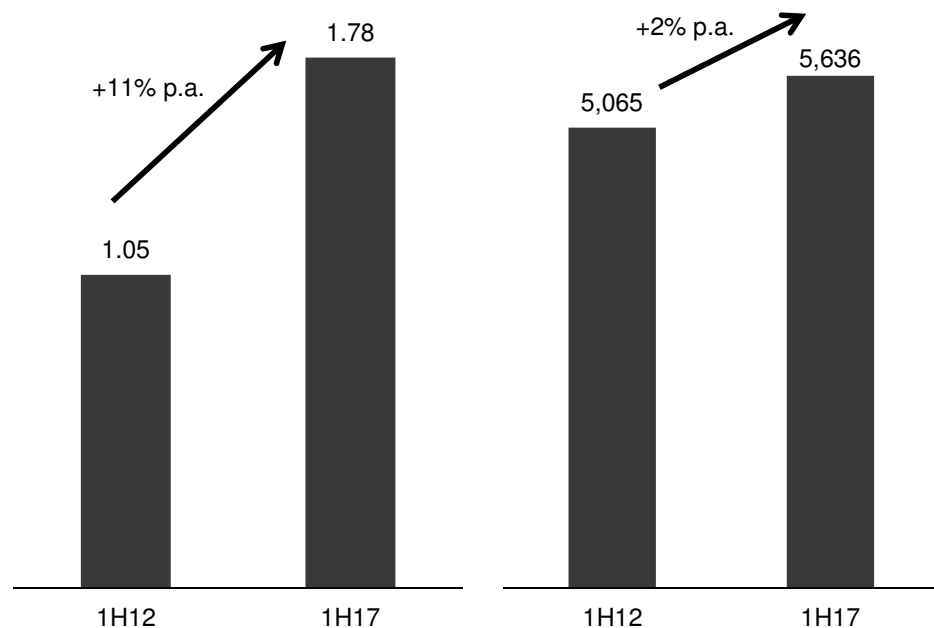
¹ Segment Private Banking and business unit External Asset Managers

Focus on capital-light business models leads to strong growth with little incremental risk – ample capital for acquisitions

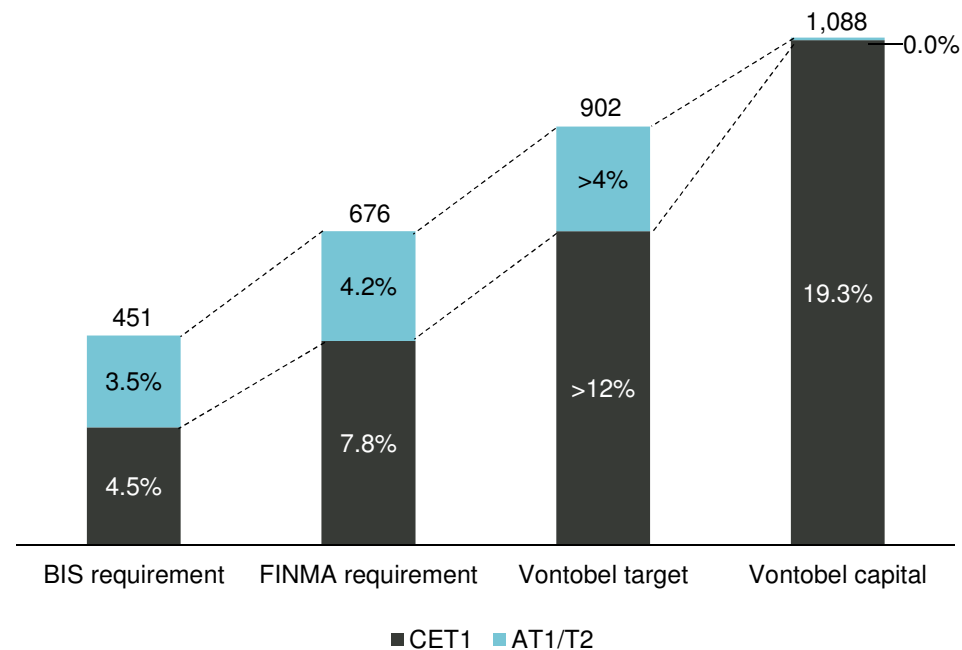
Focus on capital-light business models

Earnings per share
(in CHF)

Risk-weighted positions
(in CHF mn)



Regulatory capital (CHF mn; mid-2017; fully applied)



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Vontobel is focused on solidly growing markets and is delivering value through a distinctive first-class offering

Wealth management

- Strong growth of HNWI population and HNWI wealth since 2010
- Vontobel is targeting this market with prime services from Private Banking as well as its offering for EAMs

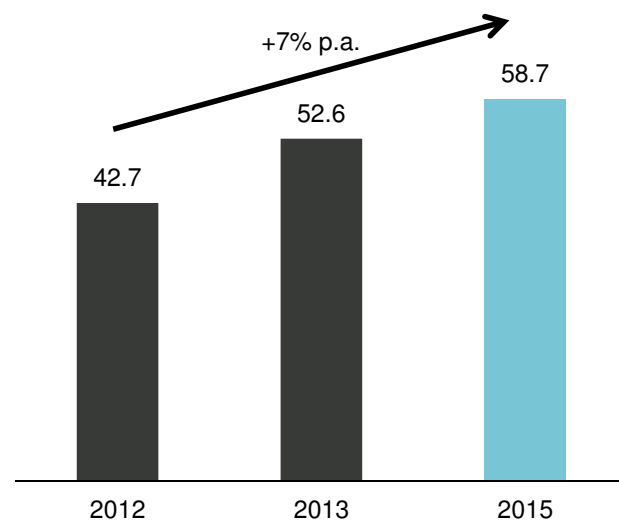
Active asset management

- Industry AuM grew by an average of 7% p.a. over last 13 years
- Vontobel’s growth exceeded market average due to focused multi-boutique approach and outstanding performance quality

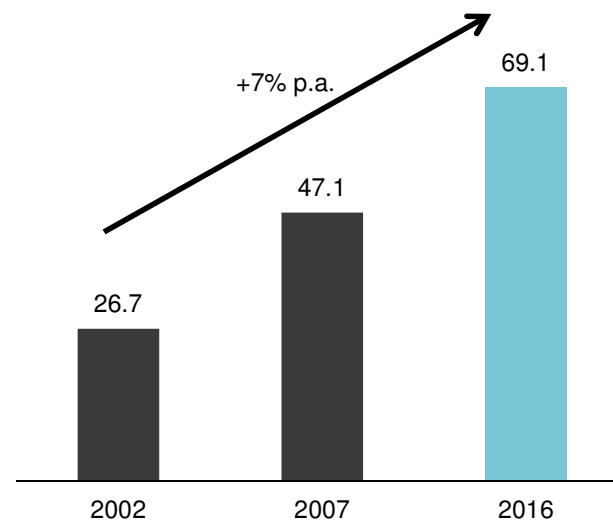
Financial products

- Long-term increase in demand for financial products
- Vontobel is well positioned with its leading technology, innovation capabilities and cost structure

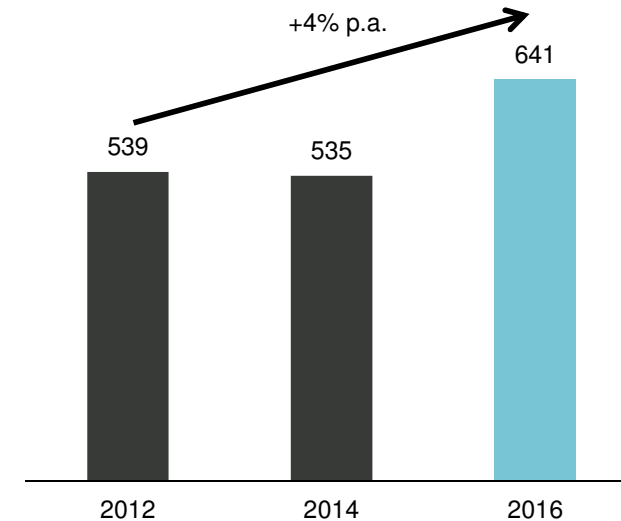
Global HNWI wealth
(USD tn)



Assets managed globally
(USD tn)



Exchange turnover in Europe/Asia¹
(USD bn)



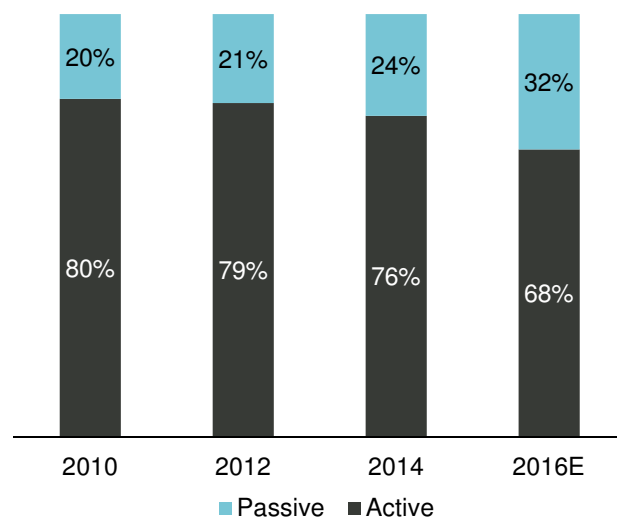
¹ Austria, France, Germany, Hong Kong, Italy, Sweden and Switzerland
Source: World Wealth Report 2016 / Capgemini, BCG Global Asset Management 2017, eusipa, Hong Kong exchange

Trend towards passive and truly active investing is challenging industry – Vontobel well positioned as high-conviction manager

Shift to passive investing

- Passive investing allows clients to invest in indices at low costs
- Passive products are attracting significant inflows and gaining market share
- Continued demand for active investing and size of market is significant

Distribution of funds



Our perspective

- Active asset managers investing close to benchmark and charging active fees will remain under pressure – and rightly so
- Over-innovation of passive managers leads to proliferation of products and blurring of boundaries
- The more investors turn to passive investing – not analyzing markets and companies – the greater the opportunities for truly active managers
- Shift to passive investing accompanied by a shift from closet tracking to truly active management

Our positioning and results

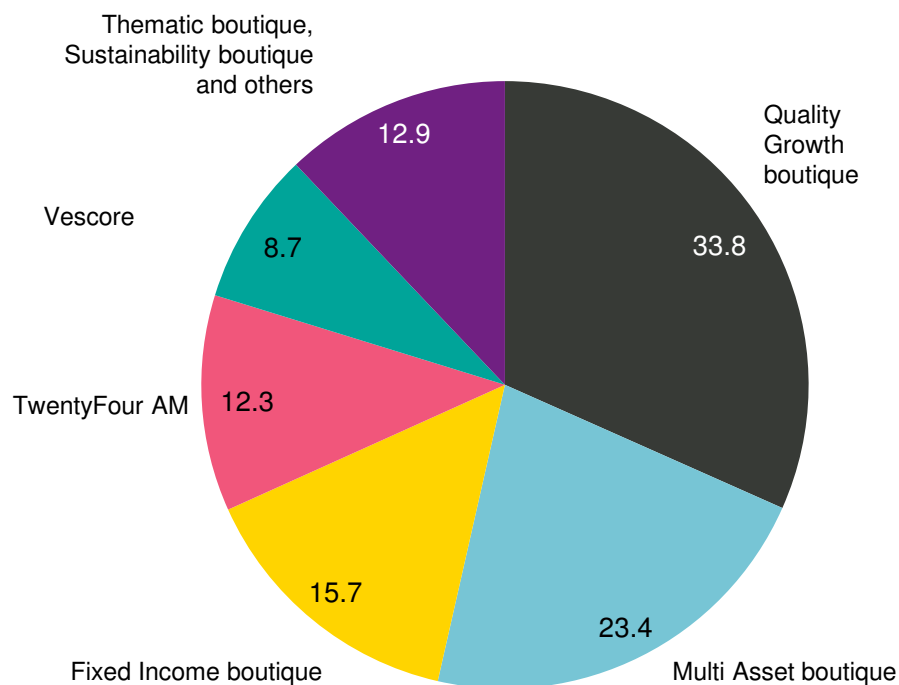
- Vontobel is specialized and committed to truly active investing
- As a high-conviction active manager, we invest in concentrated portfolios and have a large active share
- Investment performance was strong across the board in 1H17:
 - 79% of assets in Asset Mgmt. outperformed their benchmark¹
 - 69% of mandates in Wealth Mgmt. are above benchmark²
 - 62% of advisory calls in Wealth Mgmt. with positive performance
- Vontobel uses passive products from third parties as building blocks when appropriate and in the client's best interests

¹ Net of fees; ² Gross of fees
Source: Roland Berger / Morningstar

Asset Management’s strategy is to run a well-diversified, institutional-focused and global book of specialized boutiques

Diversified book of business (CHF bn; mid-2017)

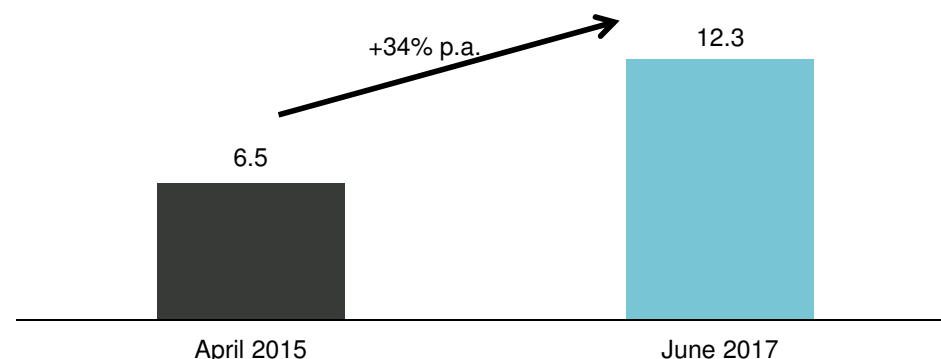
Total advised client assets: CHF 106.8 bn



Well positioned for future growth

- Business has never been as diversified and has never had as many products with significant growth potential
- 79% of our AuM outperformed their benchmark this year¹
- NNM in 2Q17 were positive at CHF 1.0 bn
- Quality Growth boutique is well positioned
 - YTD investment performance significantly ahead of benchmark across all strategies, e.g. 711 bps for global and 487 bps for Emerging Markets¹
 - Stable and scalable team approach with co-PMs
 - Launch of new strategy “Global Equity Income”
- Successful TwentyFour AM entered US market this year – Growth clearly exceeding expectations of 20% p.a.

Assets of TwentyFour AM (CHF bn)

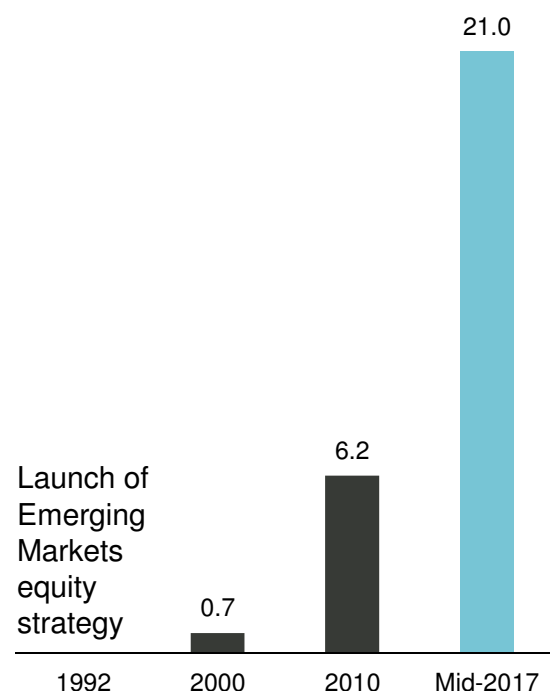


¹ Gross returns of composites as of 30 June 2017

Vontobel has been managing Emerging Markets strategies since 1992 – significant growth potential

Vontobel has been investing in Emerging Markets for 25 years

Emerging Markets strategies
(AuM in CHF bn)



We offer equity, fixed income and sustainability products

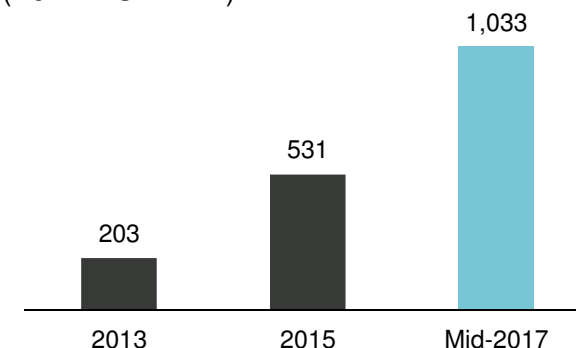
- Vontobel has a broad Emerging Markets offering and delivers outstanding investment results
- Morningstar assigned majority of funds 5-star rating
 - Emerging Markets equities
 - Far East equities
 - Sustainable Emerging Markets equities
 - Sustainable Asian Leaders equities
 - China Leaders equities
 - Emerging Markets debt



Our offering has significant growth potential

- Our Emerging Markets Debt fund generated significant excess returns over 1 and 3 years for our clients and grew strongly – the fund now has AuM of CHF 1 bn
- Vontobel enhanced its offering with an Emerging Markets Corporate Bond and Emerging Markets Blend¹ strategy

Emerging Markets Debt fund
(AuM in CHF mn)



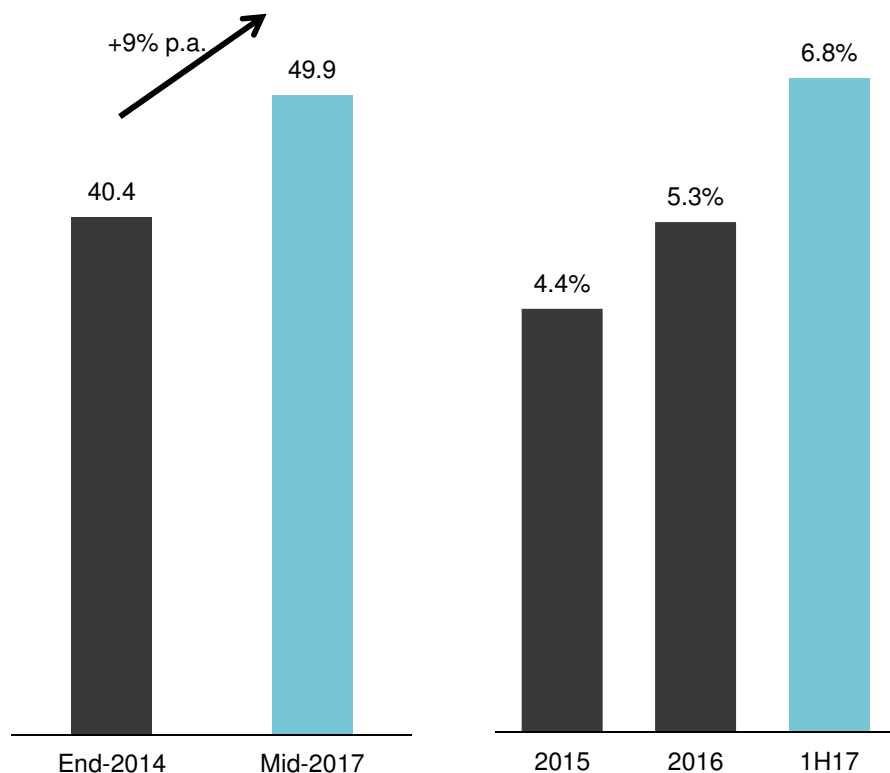
¹ Hard and soft currency

Wealth Management advised client assets reach CHF 50 bn due to net new money inflows and strong performance

Advised client assets grew by 9% p.a.

Advised client assets
(in CHF bn)

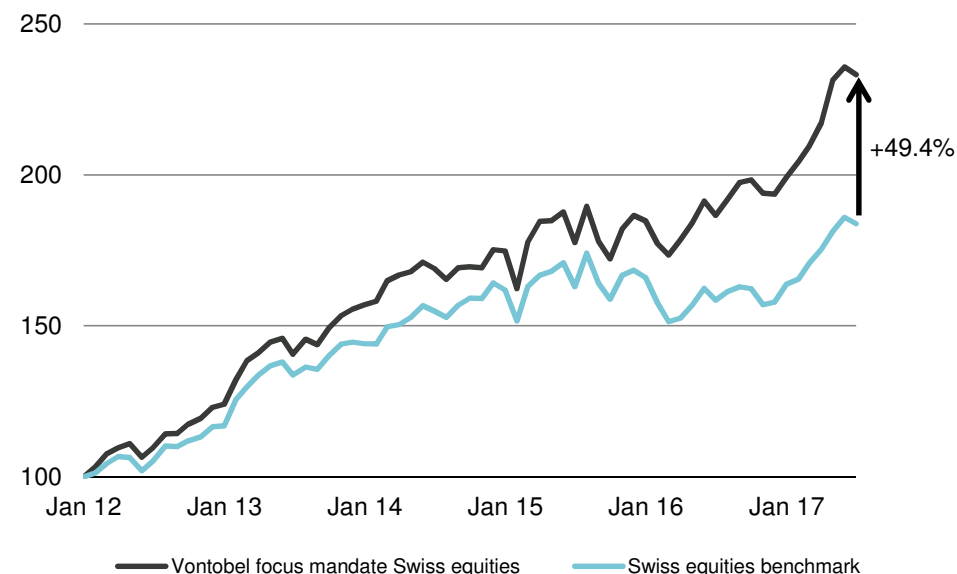
Net new money
(in %)



Our clients gain access to our investment expertise

- Vontobel serves its clients according to their behavioral patterns and needs
- All clients gain access to our specialized investment skills according to their needs – one of our very successful offerings is our Swiss Equity mandate

Performance of Swiss equity mandate¹ (since inception)



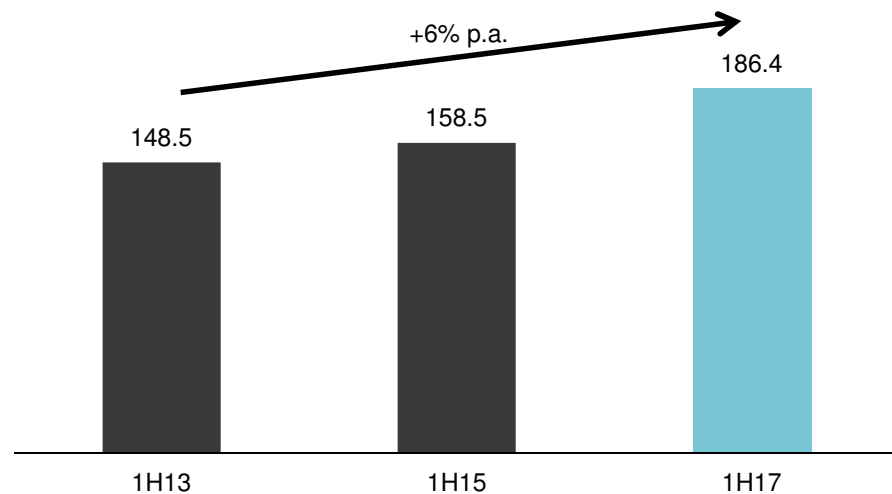
¹ Gross of fees, since 1.1.2012

Wealth Management attracts top-tier talent – highly scalable platform – organic growth can be complemented by M&A

Vontobel attracts top-tier talent

- Vontobel attracts and retains top talent
- Vontobel is a preferred employer given its:
 - Client-centric culture
 - Entrepreneurial environment
 - Outstanding product and service offering
 - Leading technology
 - Long-term stability
- Vontobel will continue to profit from the ‘silent consolidation’ in the industry

Relationship managers (in FTEs)

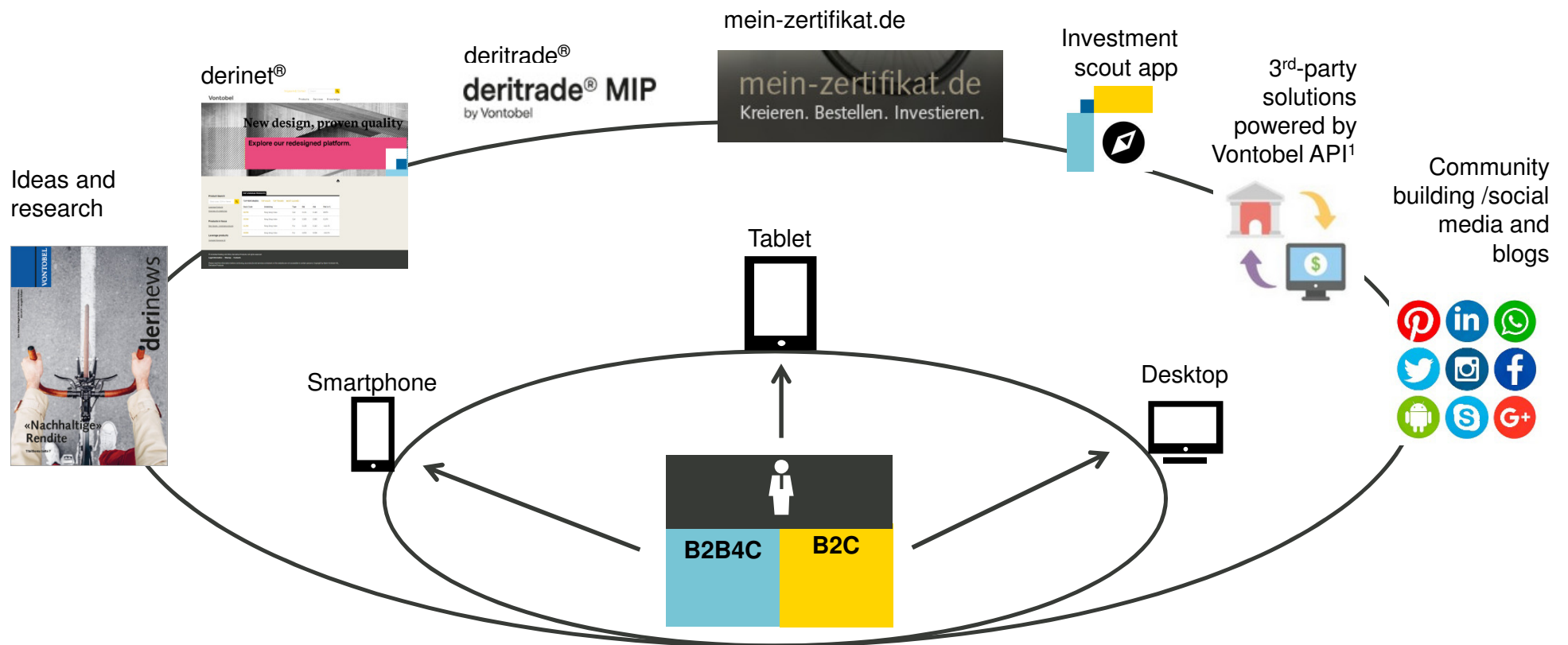


Vontobel’s platform is highly scalable

- Vontobel’s modern platform is highly scalable and capable of absorbing significant additional assets
- Additional assets lead to an improvement in operating efficiency due to operating leverage – additional assets can be managed at a marginal CIR of around 50% (after one-off integration costs)
- Vontobel’s ambition is to gain market share and grow organically by attracting significant net new money each year
- Vontobel has the financial flexibility to acquire significant assets without diluting shareholders

Financial Products with unique world-leading network and provides services through a comprehensive digital ecosystem

Financial Products' digital ecosystems

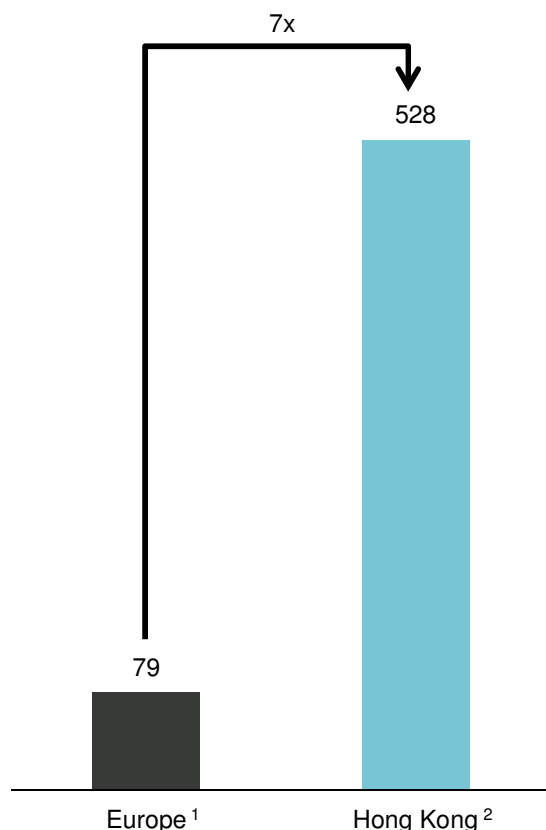


¹ Direct and controlled technical access to selected features of Vontobel's platform

Financial Products is about to make its debut in Hong Kong – one of the world’s largest markets for leverage products

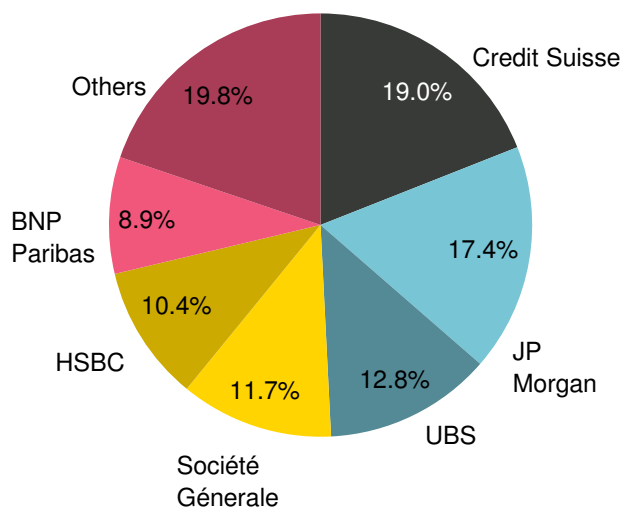
Hong Kong is one of the largest markets globally

Turnover in leverage products (2016, USD bn)



Swiss financial institutions have strong positions in Hong Kong

Market share in Hong Kong² (mid-2017, in %)



Vontobel to enter Hong Kong market in 2H17

- Financial Products already has well-established operation in Singapore
- Hong Kong to become hub for exchange-traded products in Asia



¹ Leverage products
² Warrants and CBBC; premium outstanding
 Source: eusipa, Hong Kong exchange, DB Power

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Rapidly changing world creates opportunities for Switzerland and Vontobel as an international wealth and asset manager

The world is undergoing the same fundamental changes

- Common truths – e.g. ‘free markets beat command economies’, ‘democracy beats autocrats’ or ‘diversity beats homogeneity’ – are being seriously challenged
- Policy mix and real world issues in the Western world are becoming less synchronized
- Significant political tail risks remain despite recent elections in Europe

Emergence of new truths and opportunities is unchanged

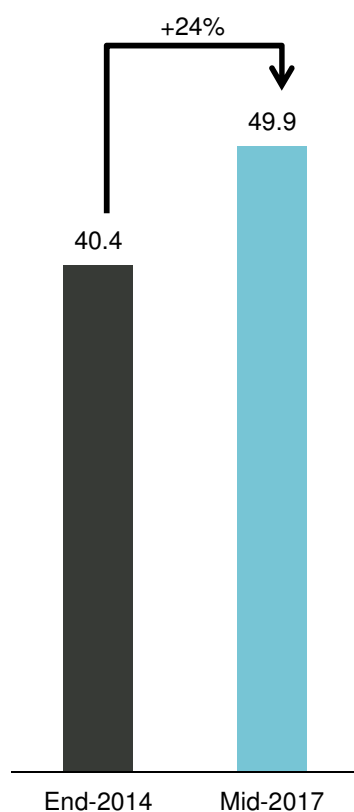
- Prepare for a more regional, multipolar world; expect conflict between identity politics and protectionism
- New truths are: ‘agility beats size’, ‘smart beats strong’ and ‘authenticity beats façade’
- Digital innovation and industry 4.0 remain major disruptive forces
- Clients are increasingly looking for stability and a clear standpoint and are asking companies what they stand for – emotional brand loyalty is growing in importance
- Switzerland is well positioned in a more uncertain world, given its political stability, dedication to quality and global orientation
- Vontobel will remain agile, be swift to act and will deploy our content-driven global business model – providing specialist service and advice in everything we do



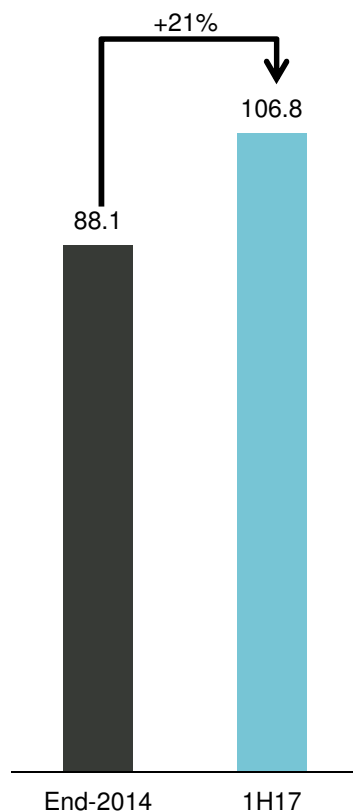
After three years of strong growth, Vontobel is refining its strategy and defining new targets for 2020

Vontobel delivered strong growth over the last three years ...

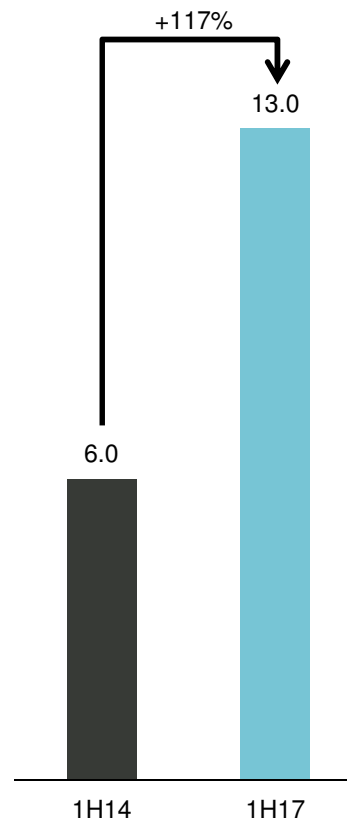
Wealth Management
Advised client assets
 (CHF bn)



Asset Management
Advised client assets
 (CHF bn)



Financial Products
Turnover¹
 (CHF bn)



... and has ambitious goals for the upcoming three years

- Vontobel is refining its strategy and defining new targets for 2020 – an update will be provided at Investor Day on 31 August
- All core activities will leverage their strength and unique positions to achieve our growth ambitions
- Vontobel is already investing in new markets, talent, technology and our brand to support future growth
- Vontobel is sharpening its brand positioning – a redefined corporate design to be launched in September as a visual expression of our identity

¹ Turnover in listed and non-listed Vontobel products

Overview

Highlights

Half-year results 2017

Strategy update

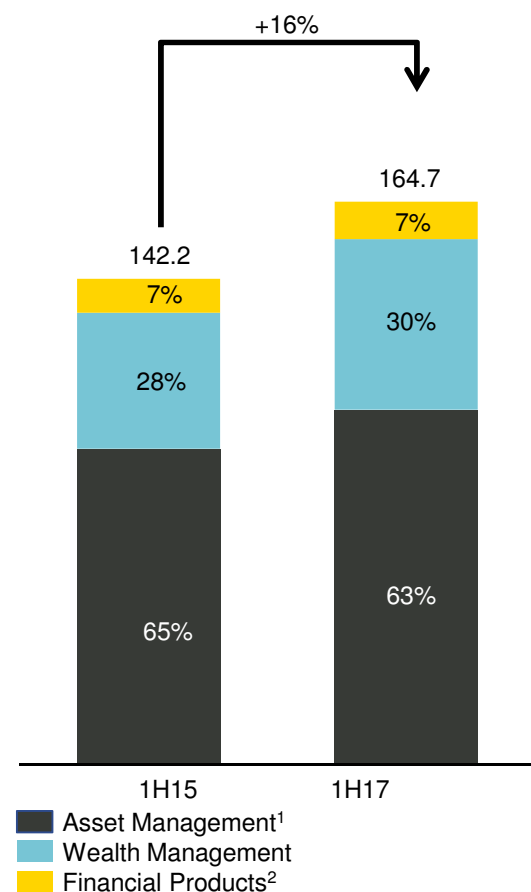
Outlook

Questions and answers

Appendix

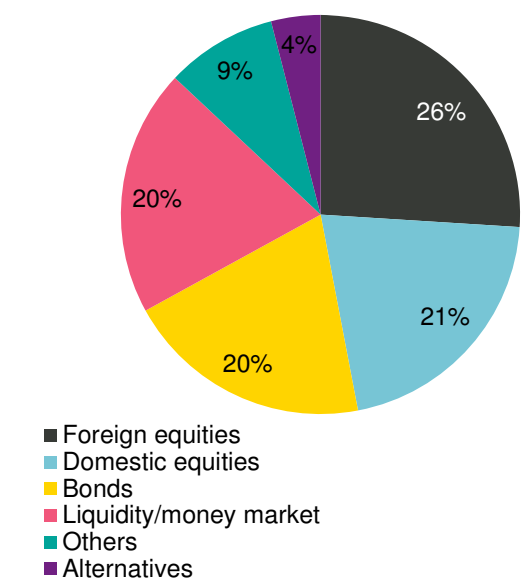
Advised client assets have grown by 16% since 1H15 – good diversification across asset classes

Advised client assets (CHF bn)



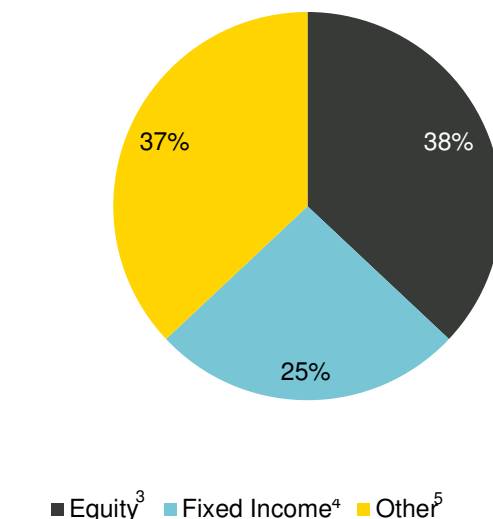
Advised client assets by asset class (mid-2017)

Wealth Management



– Wealth Management clients currently hold 20% of their assets in cash (unchanged from end-2016)

Asset Management



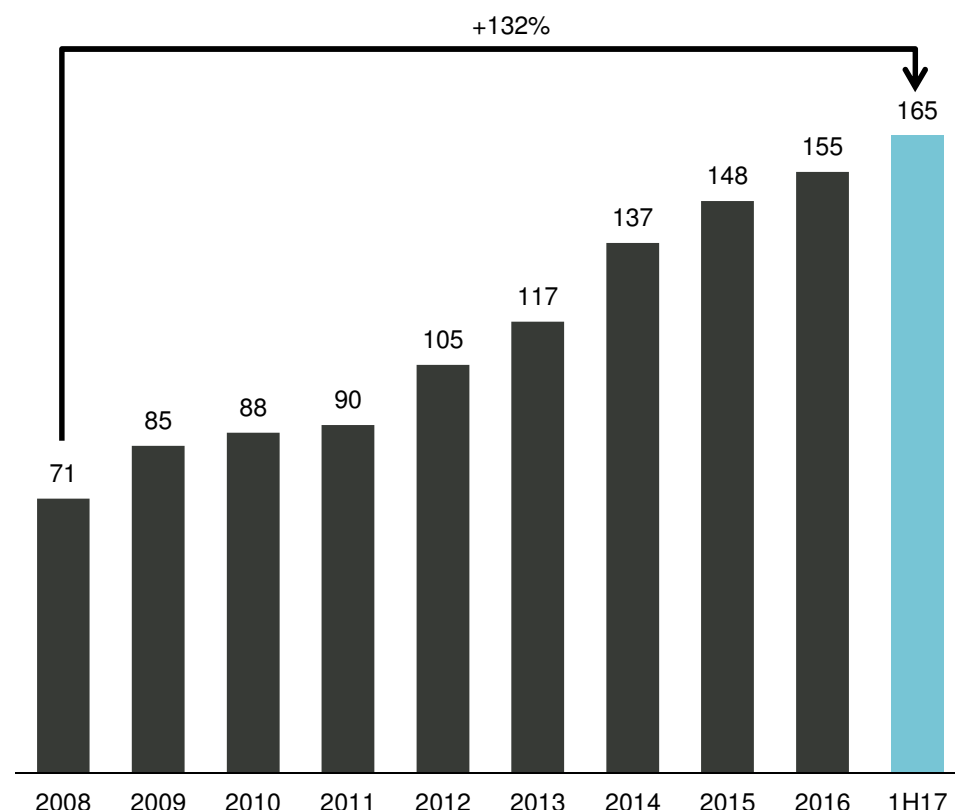
– Large proportion of assets from institutional clients (69%)
 – Asset Management with low proportion of money market funds

¹ Excluding assets managed on behalf of other segments
² Including structured products
³ Quality Growth Boutique, Thematic Boutique
⁴ Fixed Income Boutique, TwentyFour Asset Management
⁵ Multi Asset Boutique, Sustainable Boutique, Vescore

Advised client assets have more than doubled since 2008 – demonstrating Vontobel’s successful focus on its core capabilities

27 July 2017

Advised client assets (CHF bn, period-end)



Vontobel’s business model

- **Vontobel’s core capabilities** are to protect and build wealth, to manage assets actively and to deliver tailor-made investment solutions
- **Advised client assets** are a key financial indicator to measure performance in Vontobel’s core capabilities. They consist of:
 - Assets under management
 - Other advised client assets
 - Structured products outstanding
- Advised client assets have more than doubled since 2008 – demonstrating Vontobel’s successful focus on its core capabilities
- Proportion of operating income from stable and recurring fee and commission income grew from 54% in 2009 to 64% in 1H17– this large share is typical for a **wealth and asset manager**
- Vontobel’s client-centric business model enables it to tap into the growing **pool of global wealth**

96% of advised client assets stem from home and focus markets

Advised client assets by client domicile as of mid-2017 (CHF bn)

	Home market	Focus markets					Other markets	Total
	SWITZERLAND ¹	GERMANY	ITALY	UK	US	EMERGING MARKETS ²		
Advised client assets	69.1	19.2	8.6	15.1	18.9	25.6	8.2	164.7
Wealth Management	Full offering	Onshore Cross-border	Cross-border	Cross-border	Onshore ³ and EAM	Onshore Cross-border	Cross-border	49.9
Asset Management	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	103.9 ⁴
Financial Products	FP, Brokerage, CF, TB	FP Brokerage	FP (cloud services)	Brokerage	Brokerage	FP	FP (cloud services), Brokerage	10.9
Breakdown								
Assets under mgmt.	63.0	13.7	8.6	15.1	18.9	19.2	8.0	146.5
Other adv. client assets	0.4	4.0	-	-	-	6.4	0.2	11.0
Structured products	5.7	1.5	-	-	-	-	-	7.2

¹ Including Liechtenstein

³ Vontobel Swiss Wealth Advisors AG (SEC-registered investment advisor)

² Asia Pacific Region, CEE, LATAM, Middle East and Africa

⁴ Excluding assets managed on behalf of other segments (CHF 2.9 bn)

Strong performance culture is confirmed by the market

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We have received 166 awards for our investment funds and our investment expertise since 2011



Asset Management boutiques focus on clearly defined investment strategies

Equities

Quality Growth Boutique

High Quality Growth at Sensible Prices – A single investment philosophy applied across all strategies

33.8

Thematic Boutique

“Themes” in the equity portfolio offer added value, the range extends from Global Leaders to global megatrends through to Swiss companies

7.2

Fixed Income

Fixed Income Boutique

Actively managed fixed-income investment strategies: global expertise and specific focus on flexible, corporate and emerging market bonds

15.7



Highly transparent, actively managed fixed-income products that generate attractive risk-adjusted returns, with a strong focus on capital preservation

12.3

Multi Asset Class

Multi Asset Boutique

Global, benchmarked multi-asset portfolios or strategies with defined risk budgets

23.4

Sustainable Boutique

Equity, bond and real estate investments founded on the principles of sustainable development

3.2

vescore

Quantitative investment solutions focused on stable returns and customised asset allocation overlays

8.7

Client Assets¹ (CHF bn)

¹ Advised client assets at mid-2017, including double counting

Expansion of partnership with Raiffeisen based on Vontobel's compelling asset management offering for financial institutions

Vontobel's offering for asset management partners

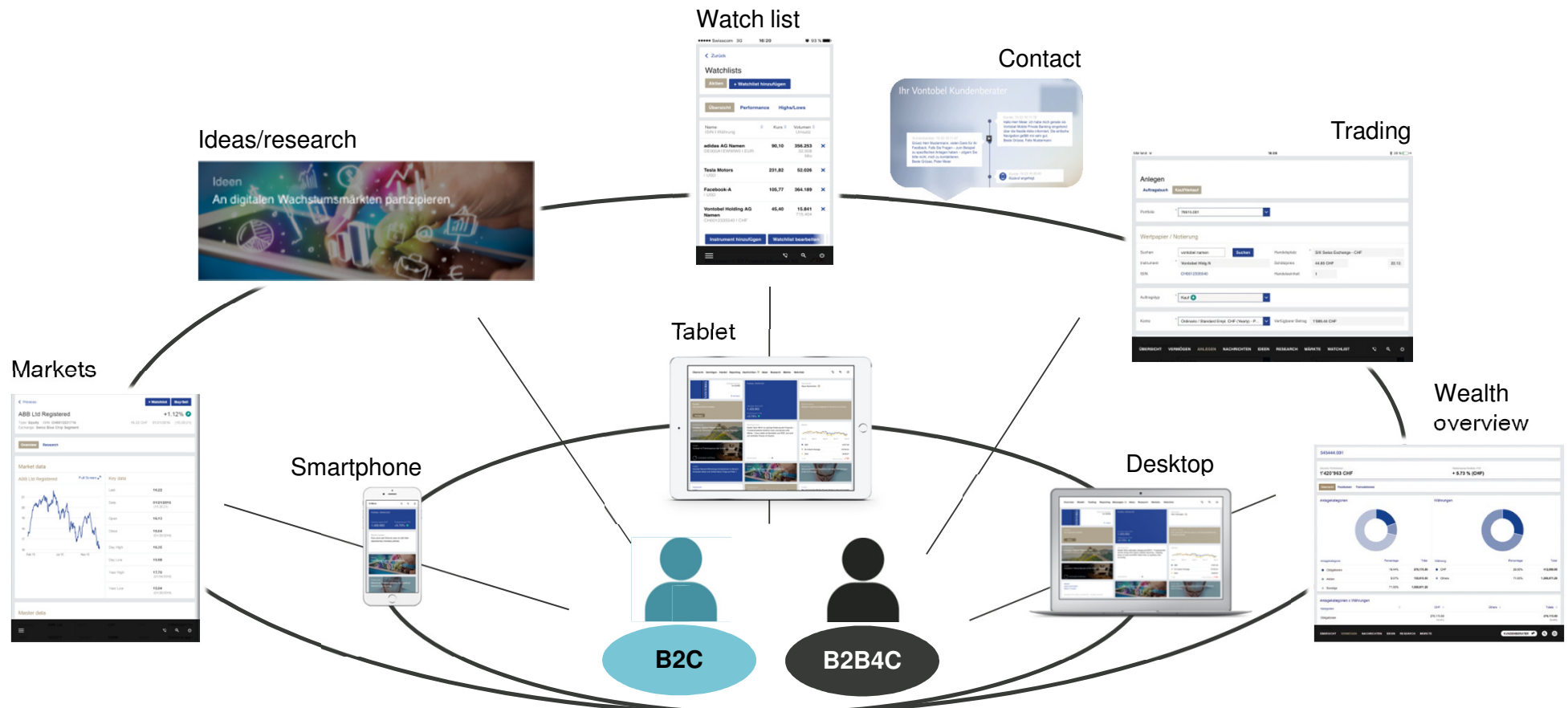
- Distinctive offering for financial institutions focusing on core competencies such as client relationships and advisory, marketing, communication and distribution
- Vontobel offers flexible asset management services depending on client needs
- All-inclusive services range from asset allocation to management of mandates and mutual funds
- Specific services can be selected, such as research, portfolio advisory and sales support

Partners across the globe rely on Vontobel's offering

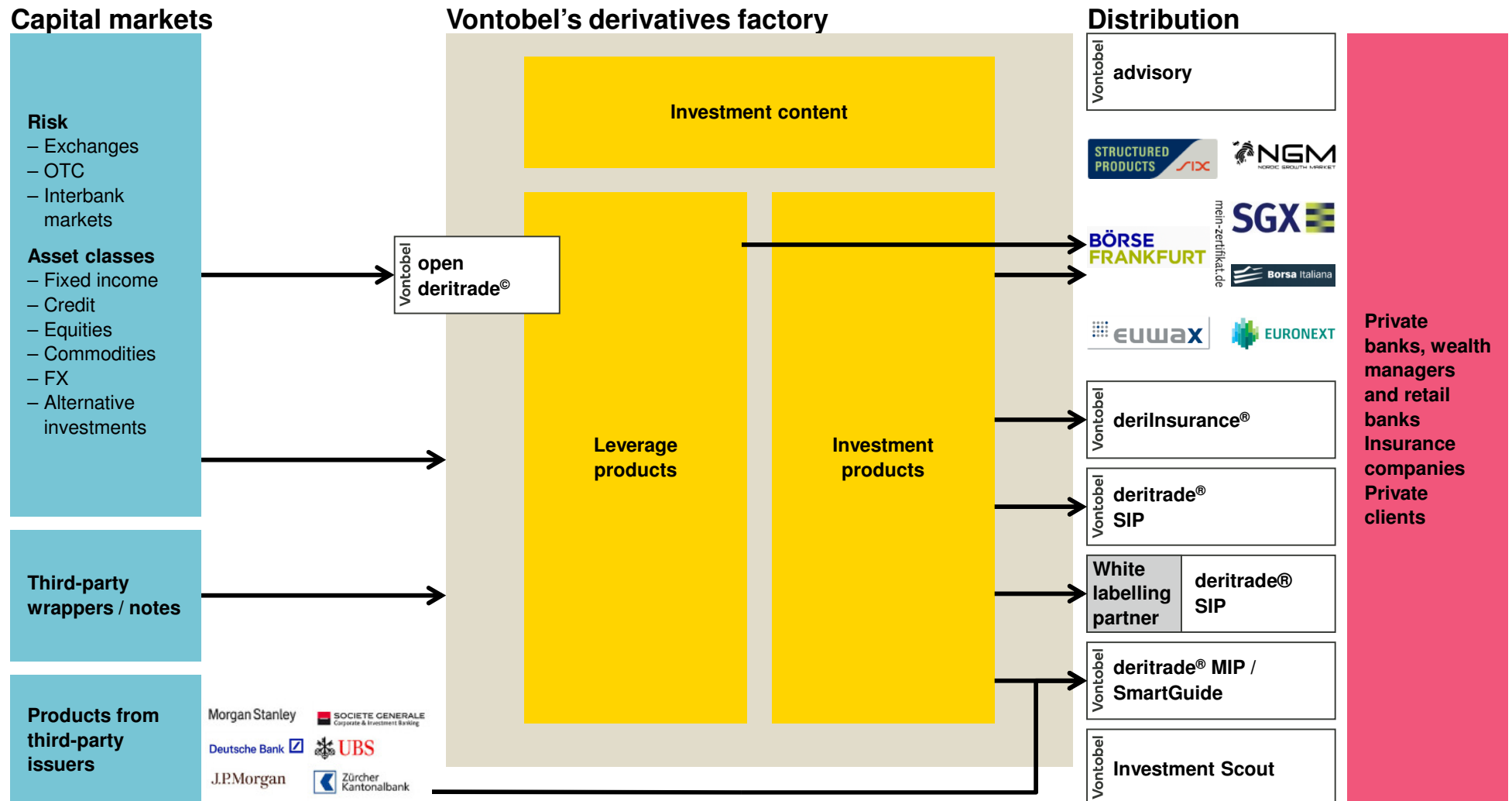


Vontobel's omni-channel offering gives Wealth Management clients a coherent, seamless experience – 'anytime and anywhere'

Vontobel's omni-channel offering



Vontobel Financial Products provides investment content and bespoke structured products through a well-balanced business model



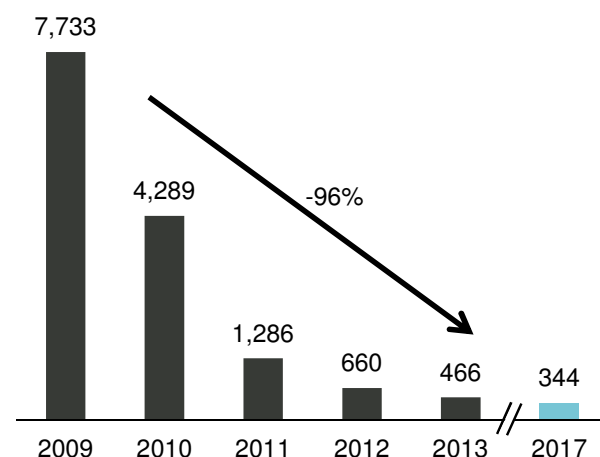
Financial Products leverages technology and cost structure to gain market share in Europe and to enter Hong Kong market

Technology leadership

- Leading technology platform enables Vontobel to rapidly enter new markets and to establish platform business
- Digitization allows Vontobel to enter new markets at low marginal costs and to reduce average cost per unit

Cost leadership

Cost per unit¹ (CHF)



Leverage products in Europe and Asia

	MARKETS	VOLUME IN 1H17 (EUR MN)	VONTOBEL MARKET SHARE IN 1H17 VOLUME (TRADES)	FUTURE VONTOBEL VOLUME
Europe	Switzerland	2,851	38.9% (49.1%)	⇒
	Germany	10,222	10.9% (10.1%)	⇒
	Nordics ²	2,240	37.5% (32.5%)	⇒
	Italy	7,020	6.9% (6.6%)	↗
	France	1,746	0.2% (0.4%)	↗
	Netherlands	2,792	0.1% (0.2%)	↗
	Total	26,871	13.2% (11.4%)	↗
Asia	Hong Kong	230,261	0.0% (0.0%)	↗

¹ Calculated as total operating expense of Financial Products business unit divided by number of products issued

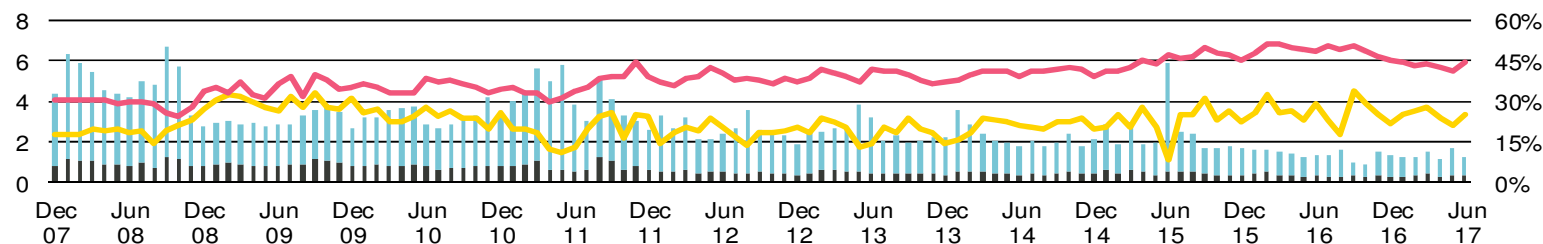
² Sweden and Finland; product categories plain vanilla, knockouts and certificates

Source: eusipa, DDV, Technolab, NGM, Borsitaliana, Vontobel

Financial Products with stable or growing market share across all markets (1/2)

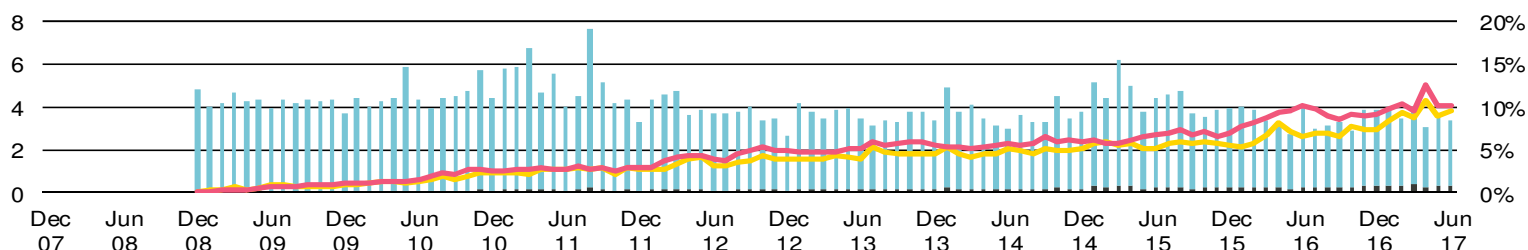
Switzerland (CHF bn)

Rank	#2 ¹
MARKET SHARE	
Turnover	24.7% ¹
# of trades	43.4% ¹



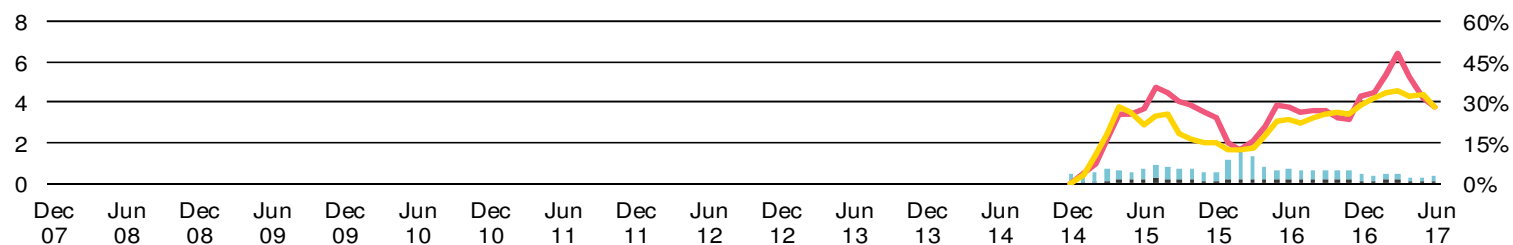
Germany (EUR bn)

Rank	#5 ¹
MARKET SHARE	
Turnover	9.0% ¹
# of trades	9.8% ¹



Nordics² (EUR bn)

Rank	#3 ¹
MARKET SHARE	
Turnover	34.4% ¹
# of trades	32.5% ¹



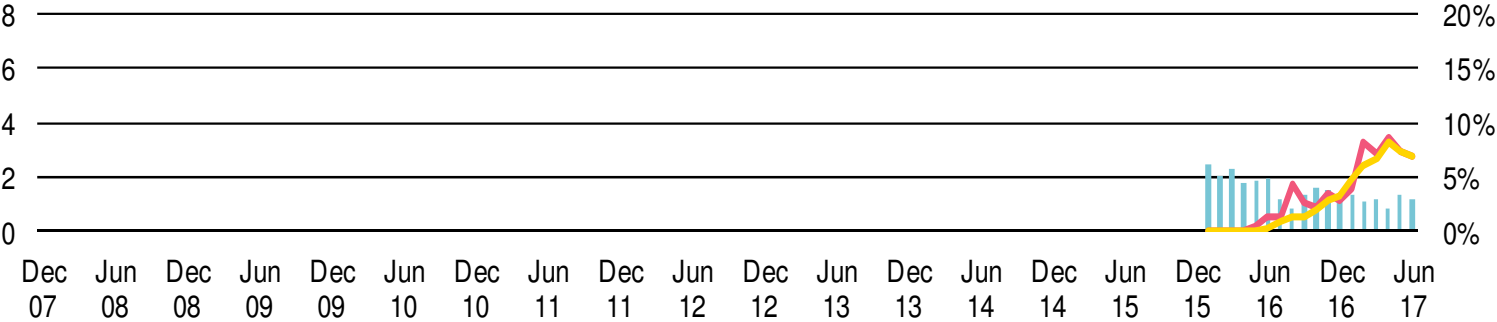
■ Market turnover (lhs)
 ■ Vontobel turnover (lhs)
 — Vontobel market share by volume (rhs)
 — Vontobel share by number of trades (rhs)

¹ 1H17
² Sweden and Finland; leverage products; product categories plain vanilla, knock-out and certificates

Financial Products with stable or growing market share across all markets (2/2)

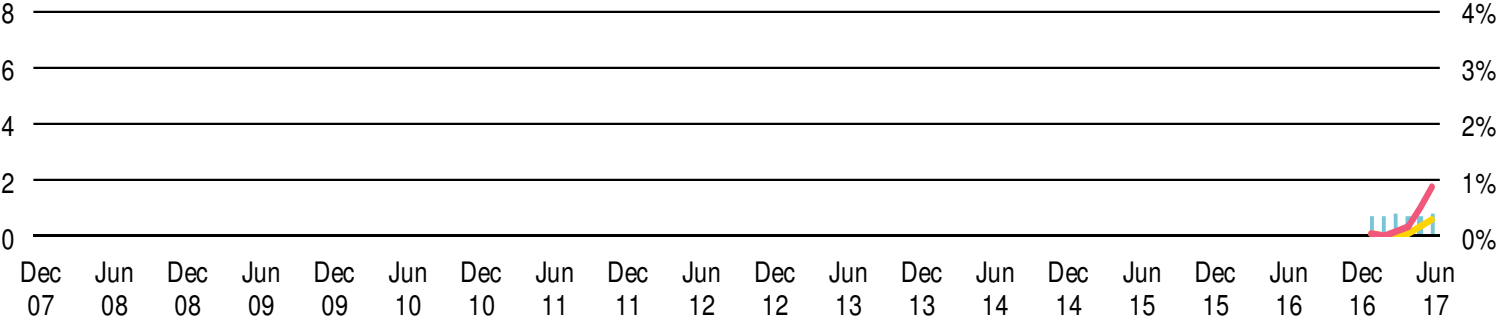
Italy² (EUR bn)

Rank	#4 ¹
MARKET SHARE	
Turnover	3.7% ¹
# of trades	6.6% ¹



France/Netherlands (EUR bn)

Rank	#7 ¹
MARKET SHARE	
Turnover	0.1% ¹
# of trades	0.3% ¹

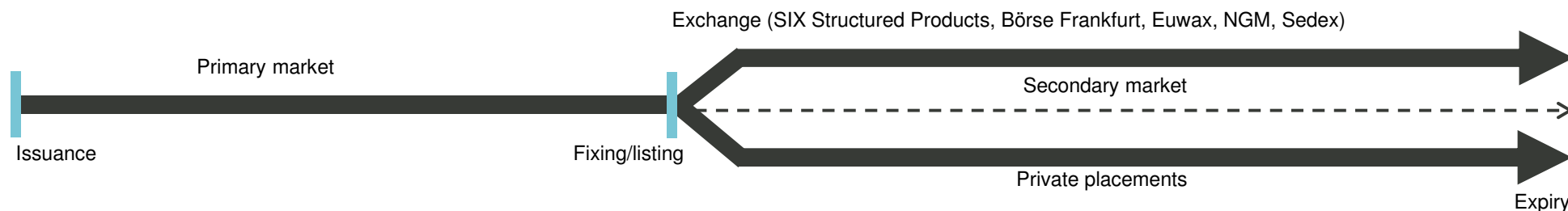


■ Market turnover (lhs) ■ Vontobel turnover (lhs) — Vontobel market share by volume (rhs) — Vontobel share by number of trades (rhs)

¹ 1H17
² Leverage products

Distribution strategy for Financial Products geared towards high-growth areas

Derivatives market



Exchange-traded volume (1H17)

Market	Switzerland	Germany ²	Nordics	Italy	France/Netherlands
– Turnover	CHF 8.1 bn	EUR 21.3 bn	EUR 2.4 bn	EUR 7.0 bn	EUR 4.5 bn
– Ø trade size	CHF 26.5 k	EUR 8.1 k	EUR 3.3 k	EUR 6.9 k	EUR 3.3 k
– Listed products ¹	> 30,000	> 1,400,000	> 10'000	> 6'000	n.a.
Vontobel					
– Rank	#2	#5	#3	#4	#7
– Turnover	CHF 2.0 bn	EUR 1.9 bn	EUR 0.8 bn	EUR 0.5 bn	EUR 0.0 bn
– Market share	24.7%	9.0%	34.4%	6.9%	0.1%
– Ø trade size	CHF 15.1 k	EUR 7.4 k	EUR 3.8 k	EUR 7.2 k	EUR 1.2 k
– Vontobel products listed ¹	> 10'000	> 100'000	> 3'000	> 1'000	> 3'500

deritrade® MIP (1H17)

Leading multi-issuer platform

- Notional issued CHF 2.2 bn
- Ø product size about CHF 165 k
- >13,000 products issued

Increasing importance of non-listed products in Switzerland due to:

- Cost reduction for clients and issuers
- High level of confidence in Vontobel as an issuer
- Significant proportion of trading volume generated with non-listed products

¹ At end-HY1/2017 ² Data for Germany do not include OTC trading of listed products (estimated to be double of exchange trading volume)

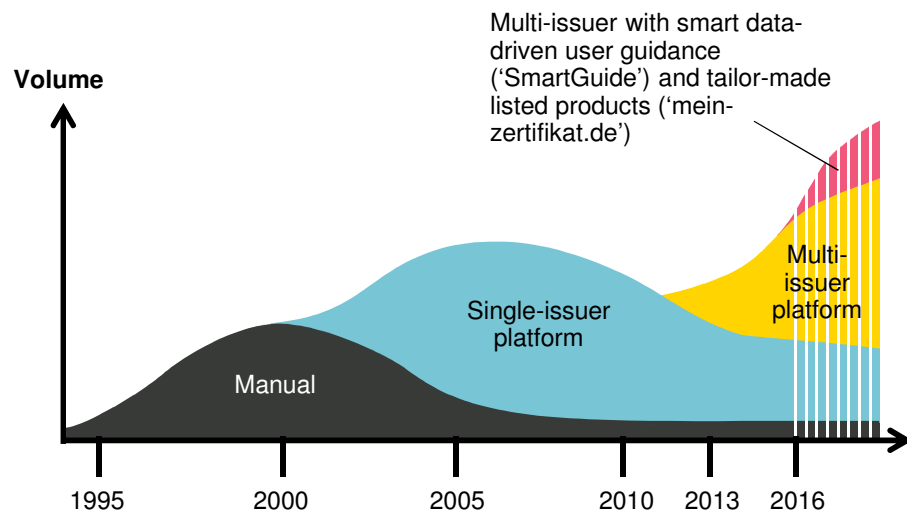
³ Start in January 2017

Sources: SIX Structured Products, Börse Frankfurt, Technolab, DDV, NGM and SNB, SVSP, Euwax, Borsa Italiana, Vontobel estimates

deritrade® MIP – the world's 1st decision-making tool for designing and buying structured products using smart and crowd data **Vontobel**

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Innovation cycles



Benefits of Vontobel's multi-issuer platform

- deritrade® MIP provides full customization capabilities at best prices – bringing the Internet revolution to structured products and empowering the consumer
- Vontobel's multi-issuer platform provides numerous benefits such as:
 - Best execution
 - Higher client returns
 - Increased market reach for issuers
 - Scalability and lower costs
- In addition, Vontobel is leveraging its smart and crowd data capabilities to support clients in their decision making ('SmartGuide'). SmartGuide suggests alternative products based on client preferences, e.g. products with similar characteristics or products with higher relative performance
- In 2016, Vontobel launched the innovative 'mein-zertifikat.de' platform in Germany, which allows clients to create tailor-made listed products

→ deritrade® SmartGuide was introduced in 2015 and was very well received by deritrade® users

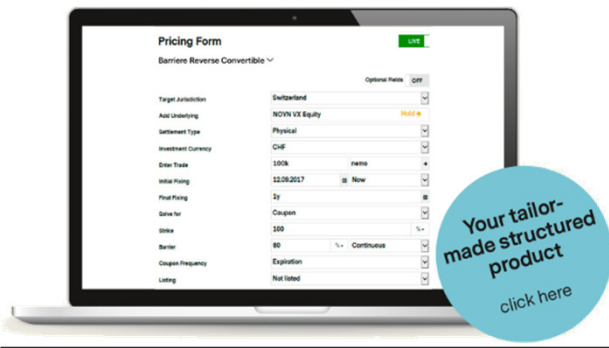
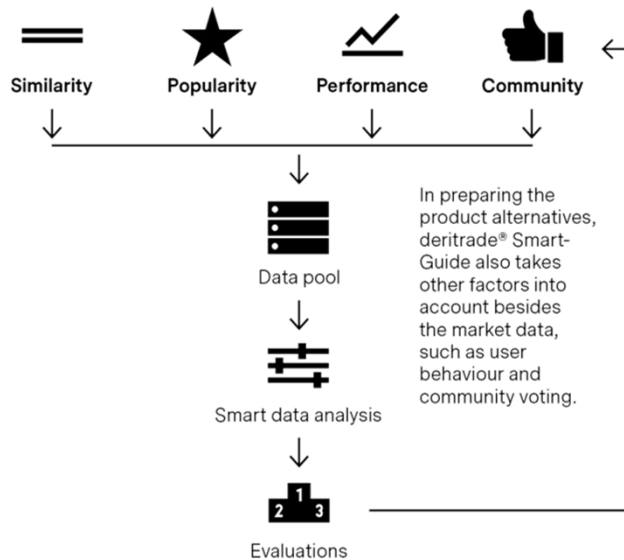
deritrade® SmartGuide – the intelligent decision-making tool

27 July 2017

The new standard of tomorrow

...is already operating in today's world

How deritrade® SmartGuide works



- Technology that transforms big data into smart data
- Technological analysis intelligence with direct access to the vast amounts of digital data held on our deritrade® Multi Issuer Platform
- Intelligent technology and this extensive array of data are used to prepare product alternatives for relationship managers - all in real time
- Individual user behaviour is taken into account
- Users can define the weightings for selected criteria ('similarity', 'popularity', 'performance', 'community') together with their clients
- Increased quality of decision-making process with automated, tailor-made product alternatives

Platform partners benefit from our best execution for all product components and our large distribution network

Open architecture as a mission statement

- Vontobel gives platform partners the ability to issue structured products on a fully automated basis in their own name and with own counterparty risk – platform partners have access to an additional funding source
- With our unique White Labelling 2.0 offering, Vontobel provides best execution on all product components
- Platform partners gain access to Vontobel’s large distribution network (> 550 distributors and > CHF 1,000 bn in addressable AuM¹)
- Business model is fee-based and has low capital requirements

Value propositions

- Best execution for all product components
 - Including the option component – a real USP
 - Fully MIFID compliant
 - Best price increases potential for profitability margin
- Access to a large distribution network
 - 50 banks and > 500 EAMs already onboard
 - > CHF 1,000 bn of addressable AuM¹
- Low operational risk and improved offering
 - ‘Best-in-class’ with Vontobel as enabler
 - Fast time to market

Market potential

- Primary targets:
 - Banks with a significant wealth management business...
 - ...and the wish to distribute structured products under their own strong brand
 - At least ‘A’ rating and/or strong reputation
 - Balance sheet > USD 5 bn
 - Vontobel estimates:
 - > 10 in Switzerland / > 50 in EU / > 50 in APAC

Structured product with White Labelling 2.0

Best-price option

- 14 option providers

Flexible funding

- Platform Partners
- 3rd parties
- **Vontobel**

¹ Vontobel estimates

deritrade® Multi-Issuer Platform offers structured products from multiple issuers within seconds for a given product specification

Vontobel

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- × Request details
- Product parameters of a tailor-made structured product

Pricing Form LIVE

Barriere Reverse Convertible Optional Fields OFF

Target Jurisdiction: Switzerland

Add Underlying: NOVN VX Equity Hold →

Settlement Type: Physical

Investment Currency: CHF

Enter Trade: 100k nemo +

Initial Fixing: 12.09.2017 Now

Final Fixing: 1y

Solve for: Coupon

Strike: 100 %-

Barrier: 80 %- Continuous

Coupon Frequency: Expiration

Listing: Not listed

Pricing Result

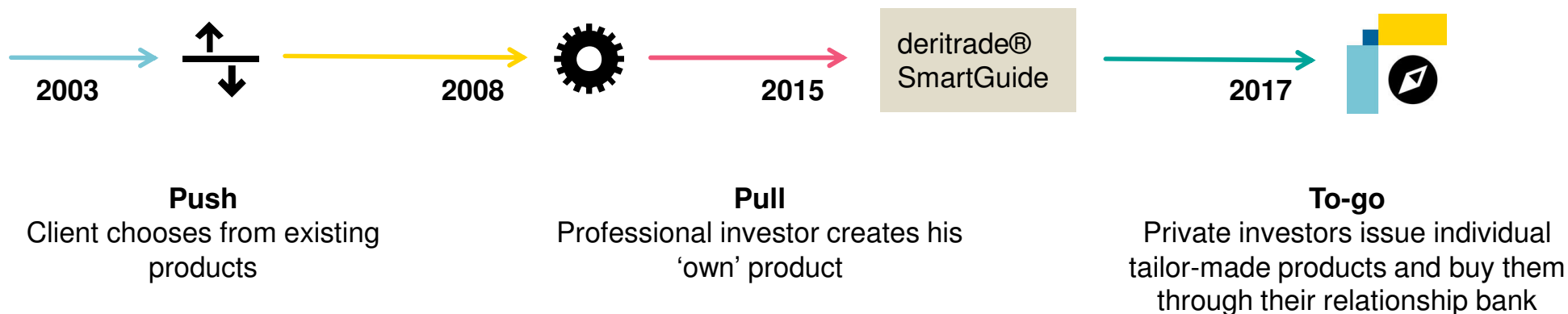
Product Type	Investment Amount	Request ID	Term	ISSUER	FORWARD	Yield	Value
Barriere Reverse Convertible	CHF 100,000.00	7130634	1 Year	ISSUER 1	>	4.7300 %	Trade CHF 100,000.00 15
				ISSUER 2	>	4.8500 % Absolute	Trade CHF 100,000.00 15
				ISSUER 3	>	3.9000 %	Trade CHF 100,000.00 15
				ISSUER 4	>	3.9900 % Absolute	Trade CHF 100,000.00 15
				ISSUER 5	>	3.9000 %	Trade CHF 100,000.00 15
				ISSUER 6	>	3.9900 % Absolute	Trade CHF 100,000.00 15

▶ Search for what you were looking for! Try SmartGuide

Leveraging technology leads into B2C space - derinet.ch – deritrade.com – SmartGuide – Vontobel Investment Scout

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Evolution and expansion of digital offering



derinet.ch

Product offering

- Investment and leverage products
- Choice among products offered by issuer
- Information about products outstanding

deritrade.com

Tailor-made

- deritrade® Multi Issuer Platform
- Products customized allowing for individual preferences

SmartGuide

Product proposals

- Decision-making tool for buying structured products using smart- and crowd data

Investment Scout

Comprehensive and mobile

- Gives private investors unique and innovative mobile access
- Make use of market opportunities and stay up-to-date

Vontobel launches dedicated strategy for Asia Pacific to at least double business volumes in the region by 2020

Wealth management

- Focus on niche offering based on ability to provide global diversification
- Maintain cost-efficient model – no proprietary booking platform outside of Switzerland, Liechtenstein and Germany

Investments

- No build-up of significant cost base
- Growth initiative to be fully funded by existing operations
- Target cost/income ratio for 2017 remains unchanged (<75%)

Asset management

- Take market development to next level:
 - Become market-specific by breaking down APAC region into Asia ex Japan, Japan and Australia/New Zealand
 - Become local by developing closer relationships and servicing additional segments
 - Diversify growth across products
- Further develop cooperation with ANZ

Vontobel's offices in APAC



Financial products

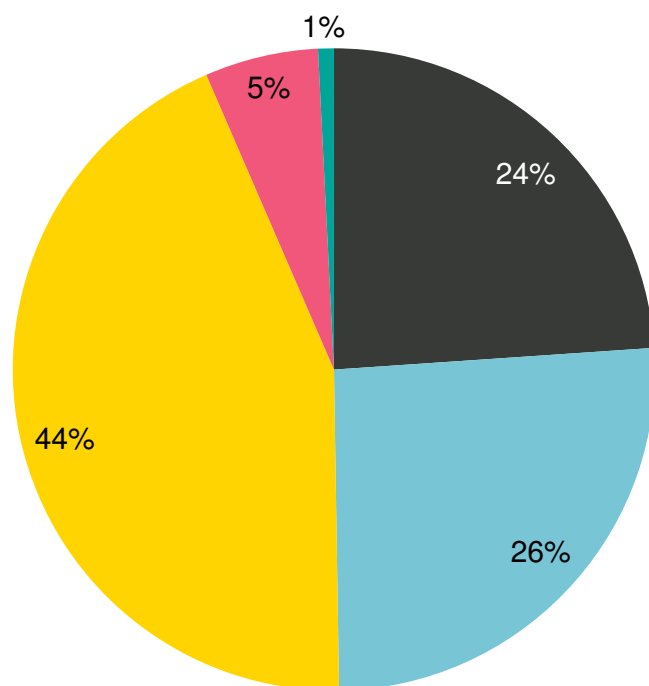
- Leverage technology leadership in Asia:
 - Establish deritrade® Multi Issuer Platform:
 - 7 distributors with total reachable assets of USD 130 bn have already officially expressed an interest
 - Onboarding of 3 leading issuers underway, Vontobel already live as an issuer. Discussions with 4 further major issuers in the region are ongoing
- Provide advisory
- List warrants on exchange

Mergers and acquisitions

- Focus on organic growth
- M&A is an option for core activities of wealth and asset management

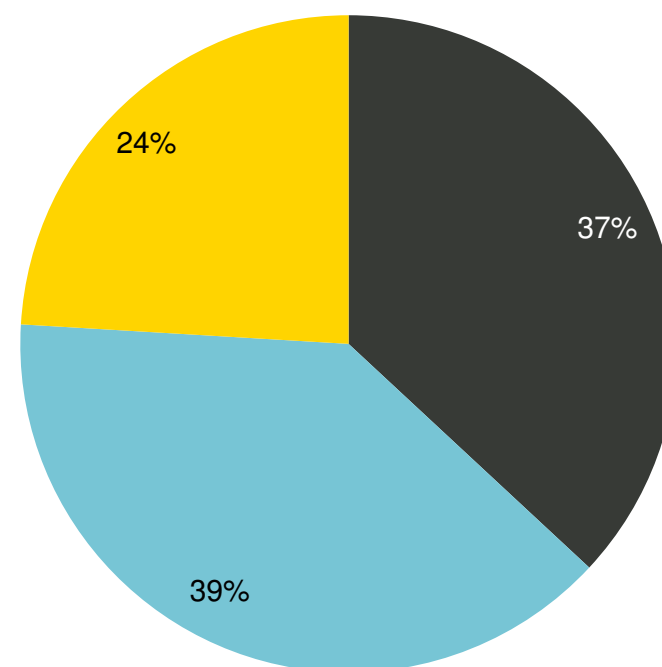
High quality of bond portfolio maintained

Counterparty exposure by rating (mid-2017)



■ AAA ■ AA ■ A ■ BBB ■ Other

Counterparty exposure by sector (mid-2017)

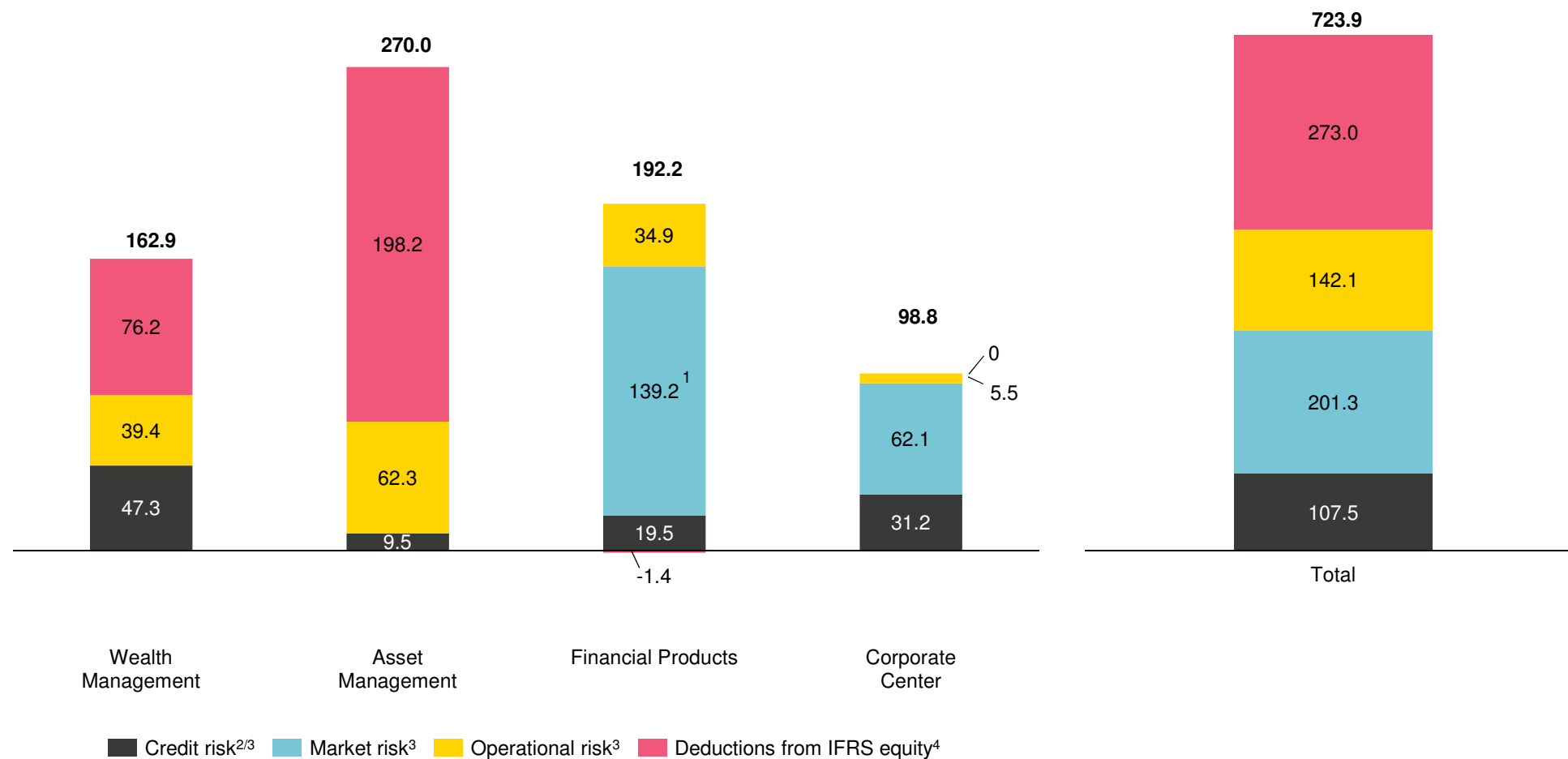


■ Government/public sector bodies ■ Financials ■ Corporates (non-financials)

Note: Total issuer risk from debt instruments amounts to CHF 5.9 bn

Financial Products accounts for less than one-third of capital usage

Capital consumption as of mid-2017 (CHF mn)



¹ Average value at risk of CHF 2.5 Mio. in 1H17 (historical simulation, 99% confidence level, 1-day holding period and 4-year historical observation period); Equity-Vega sensitivity of CHF 1.8 mn at mid-2017

² Including non-counterparty related risks

³ Reported figures are based on BIS capital requirements, i.e. RWA multiplied by 8% ⁴ Goodwill, intangible assets and gains/losses due to change in own credit spread

Vontobel continues to pursue a disciplined M&A approach to complement organic growth

Vontobel's M&A approach

- Active participation in industry consolidation to accelerate profitable growth
- Current capital structure provides substantial resources for both bolt-on and larger acquisitions
- Maintain disciplined acquisition process when considering M&A opportunities:
 - Strategic and cultural fit
 - Maximize long-term shareholder returns

	Wealth Management	Asset Management
Rationale	Add scale: <ul style="list-style-type: none"> – Leverage our cross-border platform and gain market share in home and focus markets 	Add scale and/or skills: <ul style="list-style-type: none"> – Increase diversification across boutiques by gaining market share and/or adding competencies
Markets	<ul style="list-style-type: none"> – Switzerland (priority market) – Asia (excl. local booking platform) 	<ul style="list-style-type: none"> – Switzerland – Germany – Asia – US – UK

Vontobel represents an attractive value proposition for investors

A growth case ...

- Wealth and asset management industry is growing globally
- Vontobel has a clear strategy and is committed to capturing growth opportunities
- Vontobel is a niche player with potential for further growth given its distinctive offering for HNWIs, its multi-boutique approach to actively managing assets, and its technology leadership in delivering tailored investment solutions
- Vontobel has a strong and growing footprint in its home and focus markets

... with strong financial discipline ...

- Capital-light business model as a wealth and asset manager
- Solid capital base with CET1 ratio of 19.3%
- Strong family shareholder base; main shareholders committed to long-term profitable growth
- Attractive dividend yield despite investments in profitable growth (3.7% in 2016¹)
- Stability of business model demonstrated by 12.5% share buyback in 2014 – no dilution during financial crisis and continuation of annual dividend payouts, adding up to close to CHF 1.3 bn since 2003
- No dilution through share participation plan for shareholders

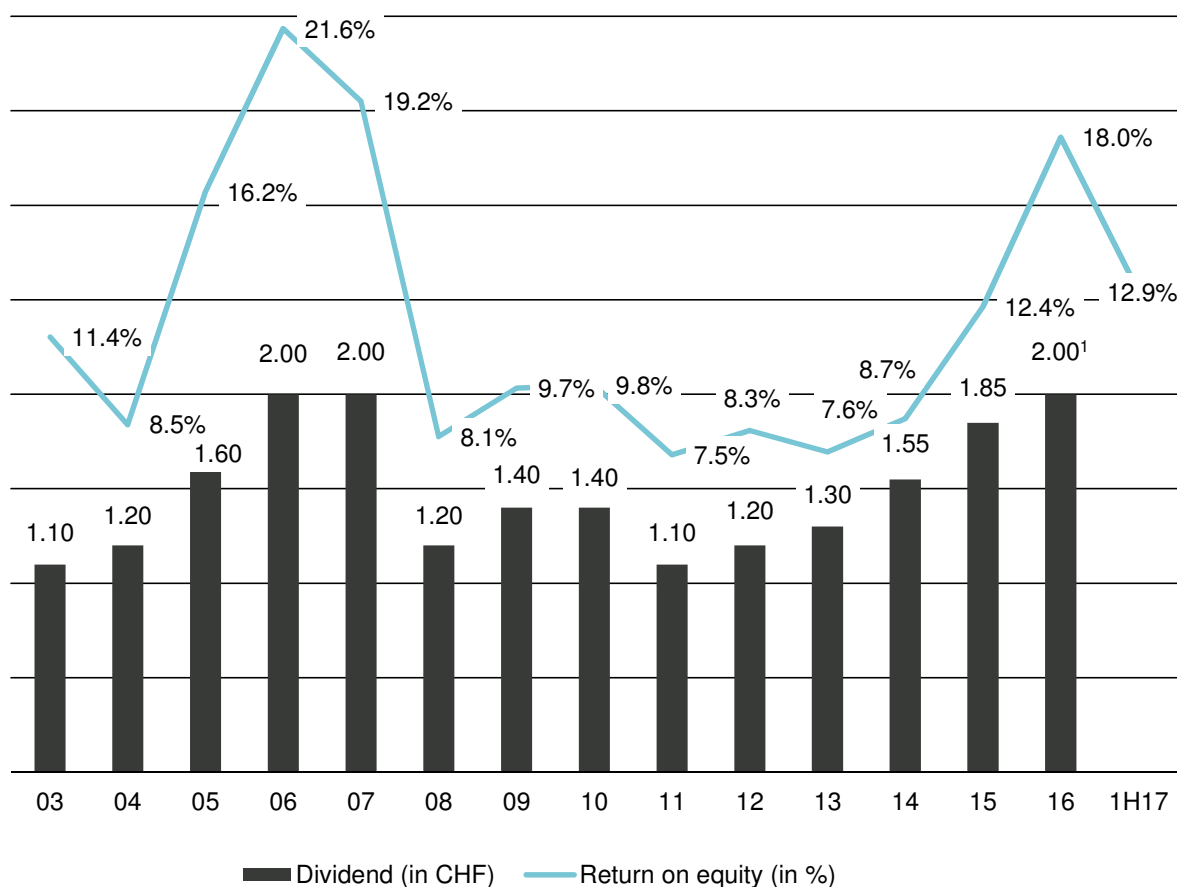
... and potential for M&A

- Potential to boost profitability through M&A
- M&A deals to be considered if consistent with Vontobel's strategy and capable of creating value for shareholders
- Some excess capital is available to finance M&A (target total capital ratio of >16% for 2017)
- Additional non-dilutive capital could be raised by issuing hybrid instruments if necessary

¹ Dividend paid out in 2016 / share price at end-2016

Successful implementation of Vontobel's strategy has delivered attractive returns to shareholders for more than a decade

Return on equity and dividends



Comments

- Attractive business with average return on equity of 12.0% since 2003 – clearly above Vontobel's cost of equity
- Attractive dividend policy
 - Average dividend of CHF 1.49 per share since 2003
 - Cumulative dividends of close to CHF 1.3 bn since 2003
 - Including 2016, dividend has increased for five consecutive years
- Increase in shareholders' equity of almost CHF 600 mn since 2003
- In 2014, active capital management was demonstrated by share buyback of 12.5%

¹ Of which special dividend of CHF 0.10

Vontobel provides additional transparency on its wealth management activities

Financial disclosure

Organizational set-up/ IFRS reporting	Core activities
<div data-bbox="121 605 525 716">Private Banking</div> <div data-bbox="121 740 525 850">External Asset Managers¹</div>	<div data-bbox="579 678 982 789">Wealth Management</div>
<div data-bbox="121 963 525 1073">Asset Management</div>	<div data-bbox="579 963 982 1073">Asset Management</div>
<div data-bbox="121 1190 525 1300">Financial Products^{1/2}</div>	<div data-bbox="579 1190 982 1300">Financial Products</div>

Comments

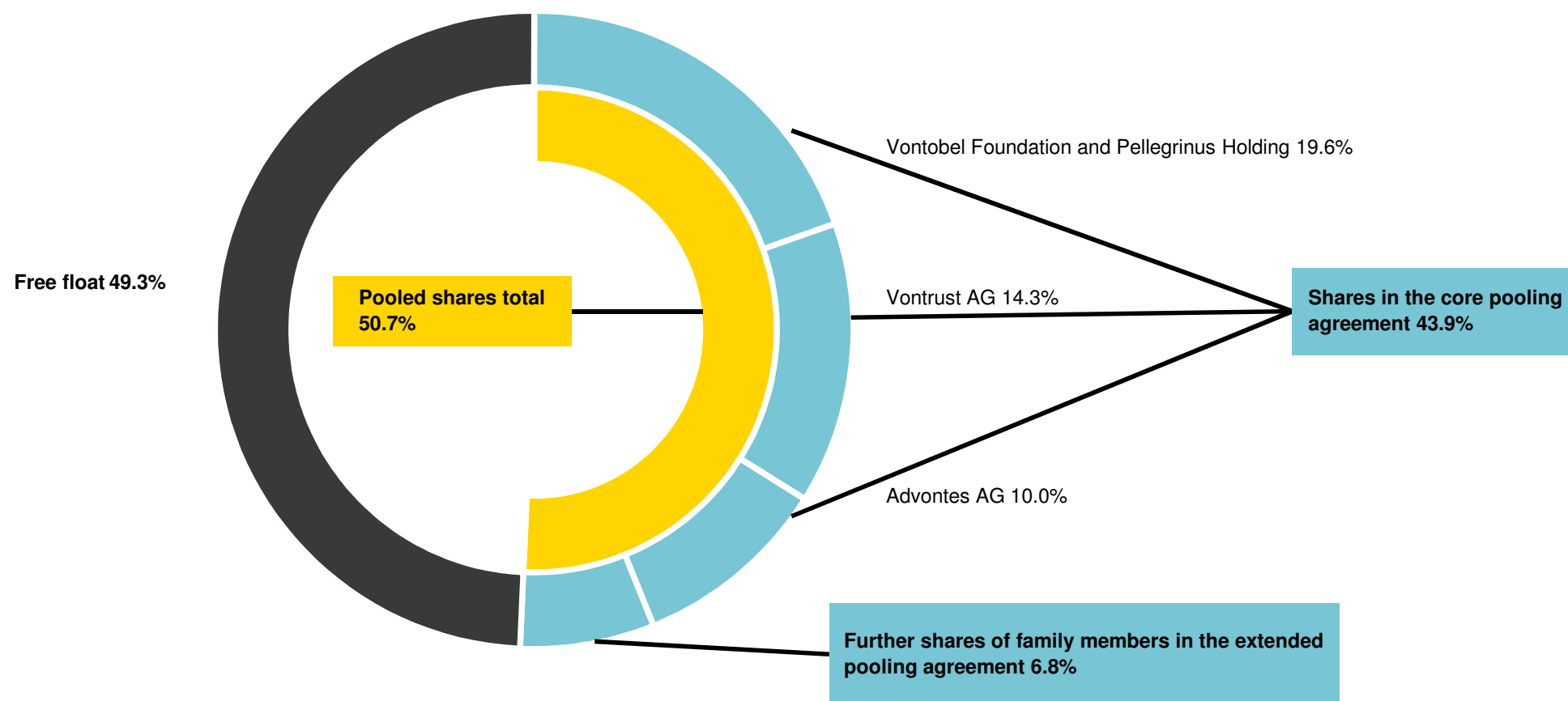
- Vontobel’s Wealth Management activities consist of Private Banking (PB) and the business with External Asset Managers (EAM)
- The EAM business is similar to PB in terms of its business model, stable income streams and risk profile
- To provide a comparable level of information on PB and EAM, Vontobel provides a high level of transparency about its EAM business
- The combined Wealth Management business reported advised client assets of CHF 49.9 bn, a gross margin of 66 bps on assets under management and an annualized NNM growth rate of 6.8% in 1H17

¹ Reported under the Investment Banking segment in financial statements

² Includes Brokerage, Corporate Finance and Transaction Banking

Vontobel families hold more than 50% of share capital and are strongly committed to Vontobel

Shareholder structure under new shareholder pooling agreement^{1,2}



¹ Based on nominal share capital of CHF 56.875 mn

² Subject to regulatory approvals