

Vontobel half-year 2018 results



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CEO
July 27, 2018

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Overview

Highlights

Half-year 2018 results

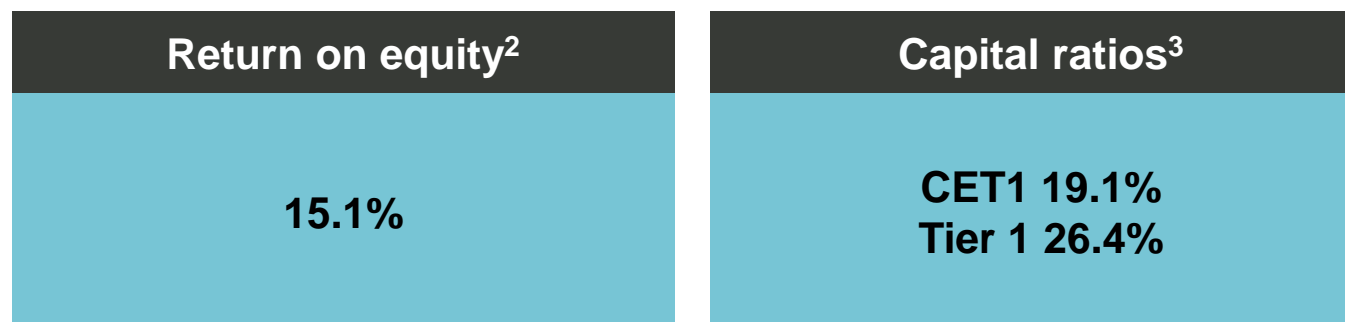
Strategy update

Outlook

Questions and answers

Vontobel delivers on its investments in growth: advised client assets reach new high, significant increase in profitability

Key figures¹ as of June 30, 2018



¹ Excluding Notenstein La Roche Privatbank AG as it will only be consolidated from Q3 2018

² Annualized

³ Basel III fully applied

With strong organic growth and the integration on track, we will stay focused on the future

Clients continue to endorse our products and services

- Operating income growth accelerated to 13%, driven by Combined Wealth Management¹ and Asset Management
- Net new money (NNM) inflows of CHF 5.1 billion (6.2%²); with NNM inflows of CHF 1.7 billion (6.4%²) in Combined Wealth Management and of CHF 3.8 billion (7.2%²) in Asset Management
- Financial Products gains further market share in Europe and Asia

Increased profitability despite ongoing investments

- Group net profit grew by 31% to CHF 132.7 million, or by 25% on an adjusted³ basis

Successful closing of Notenstein La Roche acquisition on July 2, 2018

- No significant change in AuM between announcement of transaction and closing date
- Integration of Notenstein La Roche on track
- Increased 2020 profitability goals announced for Combined Wealth Management and Vontobel

Client centricity and focus pay off and will continue to drive our initiatives

- Strategic line-up of cross-border business model completed with divestiture of Liechtenstein operation
- High-conviction asset management and excellence in advisory, research and products are key differentiators in a world with less abundant “cheap money”
- Efforts to further develop digital offering to get ever closer to our clients

¹ Wealth Management segment (formerly Private Banking) and External Asset Managers business unit

² Growth in AuM attributable to NNM, annualized

³ In H1 2017, excluding Vescore integration costs of CHF 4.6 million after tax

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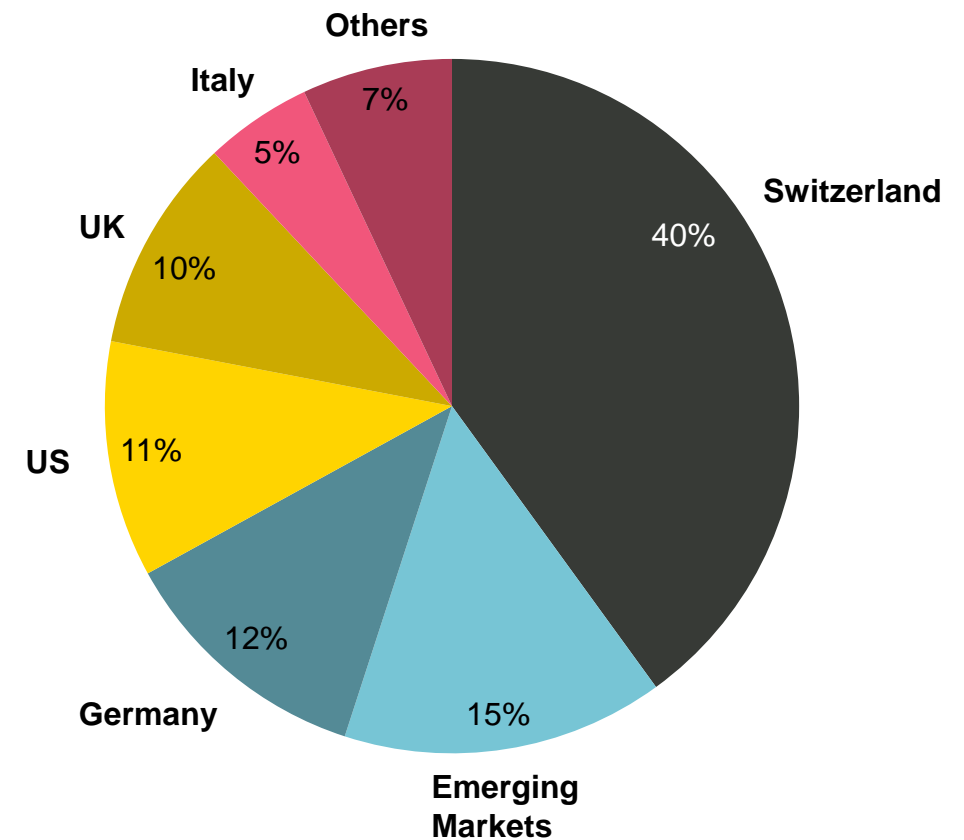
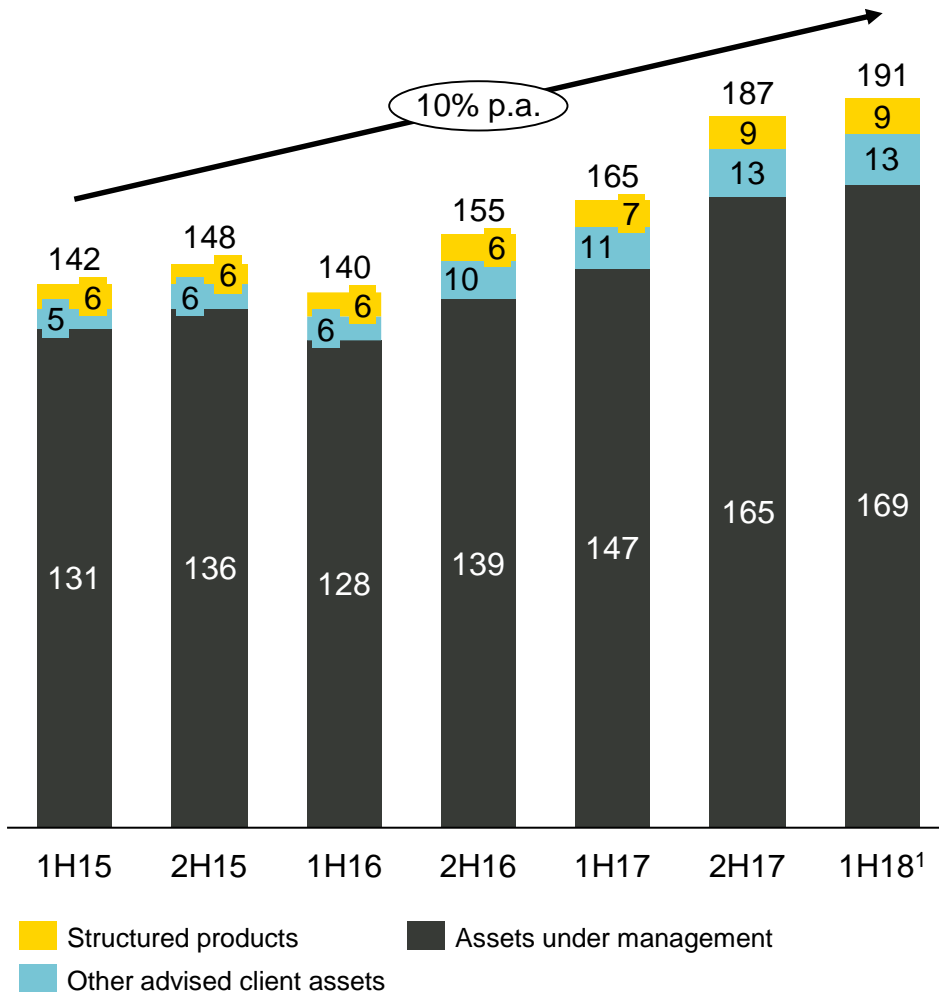
Outlook

Questions and answers

Advised client assets reach new high at CHF 191 billion despite a challenging environment

Advised client assets (CHF bn, end of period)

Advised client assets by client domicile (mid-2018)



¹ Excluding Notenstein La Roche Privatbank AG as it will only be consolidated from Q3 2018 and taking account of sale of the Liechtenstein operation (AuM CHF 1.4 bn)

Vontobel grows operating income by 13% – Group net profit up 31% despite investment in growth (up 25% on comparable basis)

July 27, 2018

Development of key figures

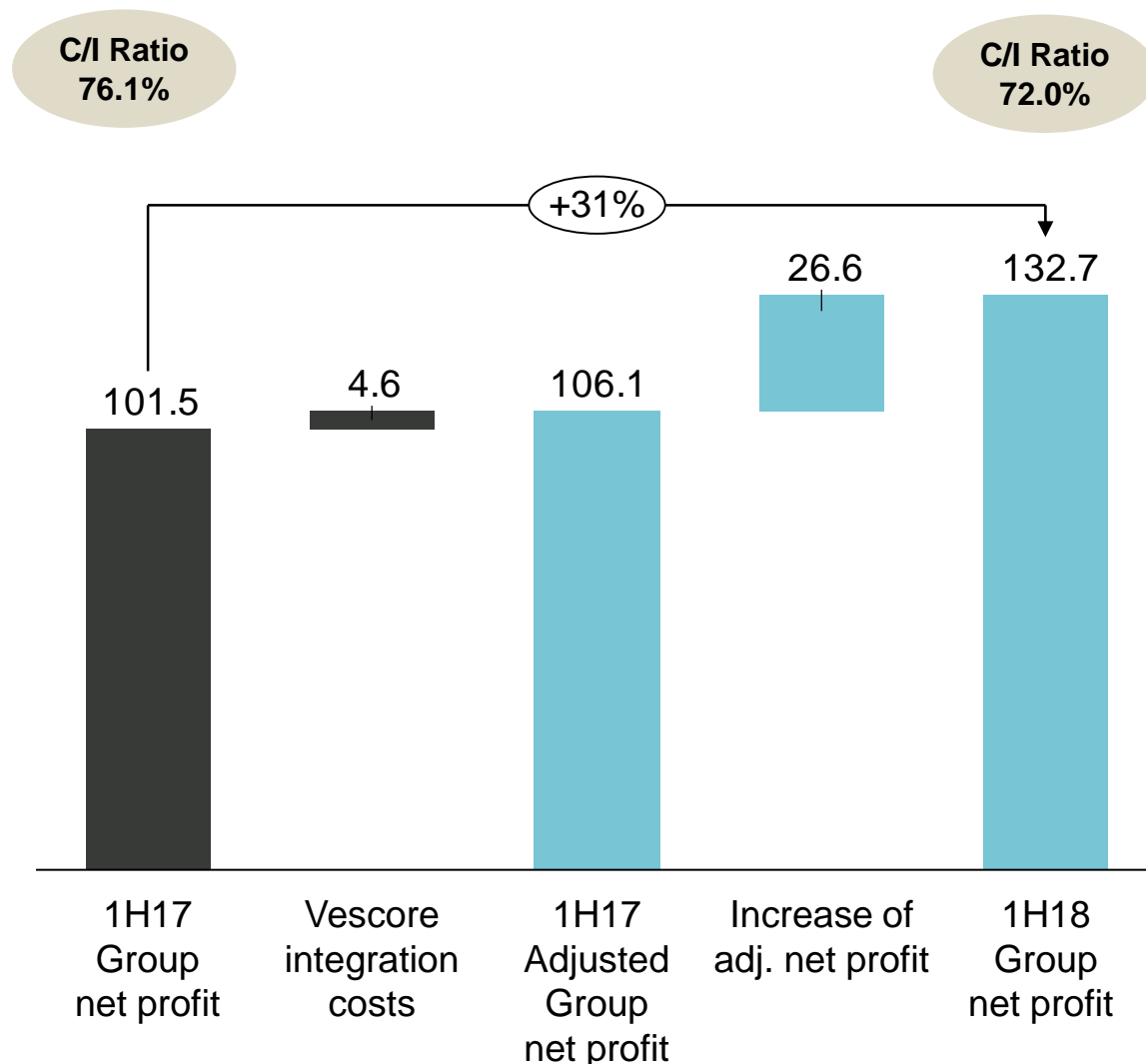
	30-06-18	30-06-17	Δ
Operating income (CHF mn)	583.3	517.5	+13%
Operating expense (CHF mn)	422.4	395.0	+7%
Profit before taxes (CHF mn)	160.9	122.5	+31%
Taxes	28.2	21.0	+34%
Group net profit (CHF mn)	132.7	101.5	+31%
<i>excl. Vescore integration costs 2017</i>	132.7	106.1	+25%
Cost/income ratio (%)	72.0	76.1	-4.1 pp
Basic earnings per share (CHF)	2.28	1.78	+28%
<i>excl. Vescore integration costs 2017</i>	2.28	1.87	+22%
Return on equity (%)	15.1	12.9	+2.2pp
CET1 capital (CHF mn)	1,174.7	1,088.4	8%
Risk-weighted positions (CHF mn)	6,148.1	5,636.0	9%
CET1 ratio (%; Basel III fully applied)	19.1	19.3	-0.2 pp
Average LCR (%; liquidity coverage ratio)	203	194	+9 pp
Leverage ratio	6.7	5.1	+1.6 pp

Comments

- Operating income rose 13% due to increased asset base and higher turnover in Financial Products
- Operating expense increased at a lower rate, demonstrating good economies of scale
- Tax rate increased slightly from 17.1% to 17.5%
- Group net profit excluding minority interests of CHF 127.7 million
- At 19.1%, CET1 ratio substantially exceeds regulatory requirements
- Tier 1 capital ratio of 26.4% after issuing Additional Tier 1 (AT1) bond
- LCR of 203% significantly exceeds FINMA requirements (90% in 2018 and 100% from 2019 onwards)

Vontobel delivers strong growth in Group net profit

Group net profit (CHF mn)

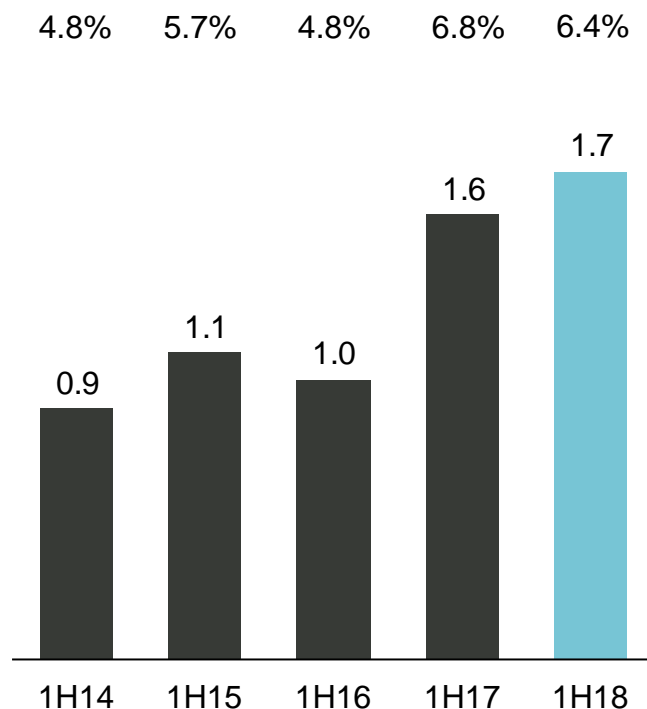


Comments

- Group net profit increased by 31%, or 25% on an adjusted basis
- Growth was driven by Combined Wealth Management and Asset Management
- In H1 2017 Vontobel incurred Vescore integration costs of CHF 4.6 million
- Cost/income ratio improved by 4.1 percentage points to 72.0%, reflecting good cost management and scalability due to our platforms

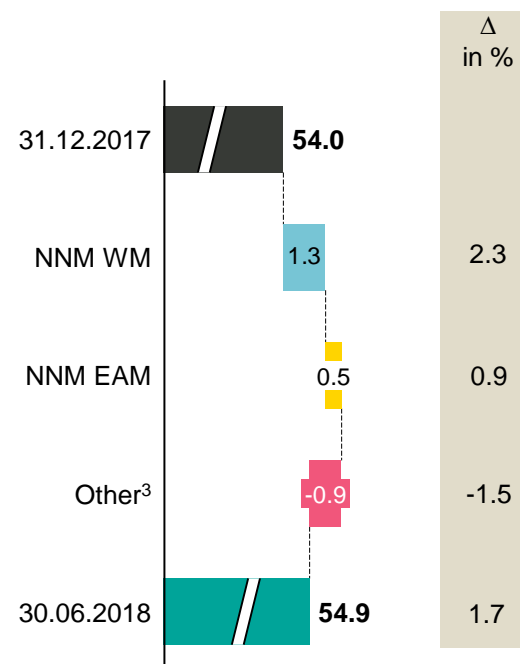
Combined Wealth Management¹ with good net new money inflows ...

Net new money² (CHF bn)



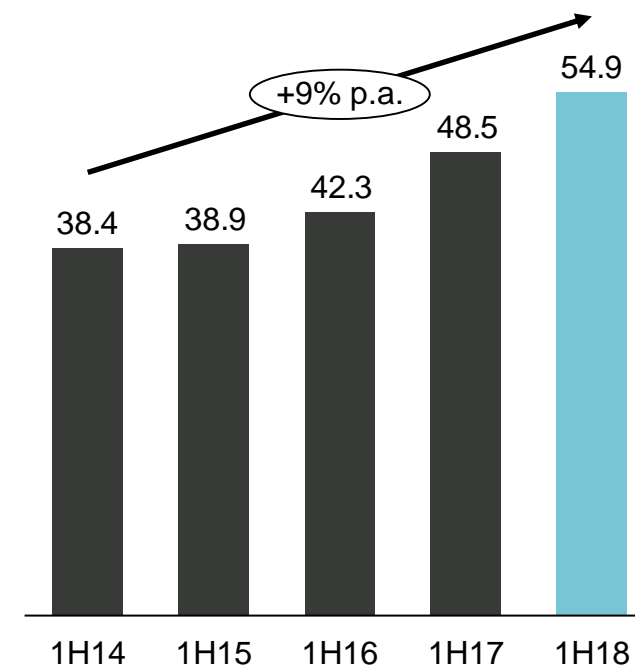
- Net inflows of CHF 1.7 bn
- WM and EAM both achieved significant NNM growth of 5.7%, and 9.3% resp.
- Geographically broad-based inflows with significant contributions from Switzerland, Latin America and Italy

Development of AuM (CHF bn)



- AuM increased by 2% compared to end-2017, positively impacted by NNM inflows and good investment performance (included in “Other”)
- Other effects include the sale of Vontobel Liechtenstein with AuM of around CHF 1.4 billion

AuM Development



- AuM have reached a new high of CHF 54.9 billion

¹ Wealth Management segment (formerly Private Banking) and External Asset Managers business unit

² Growth in AuM attributable to net new money is annualized

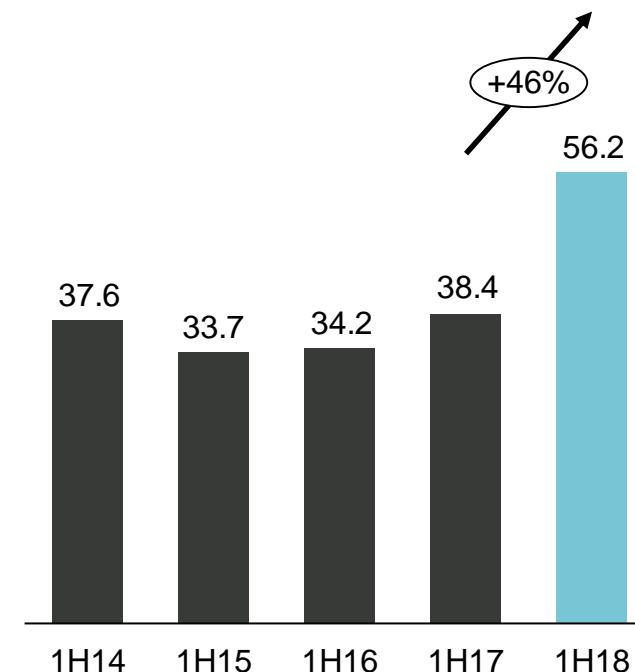
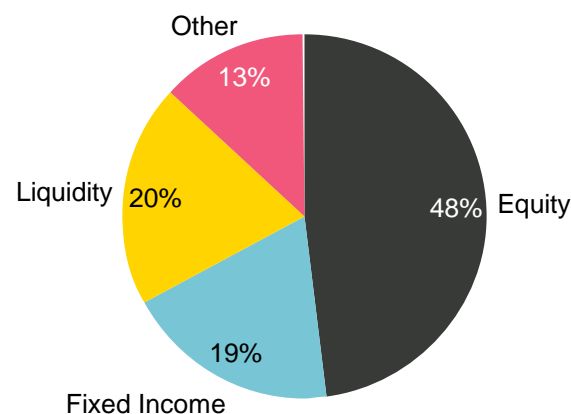
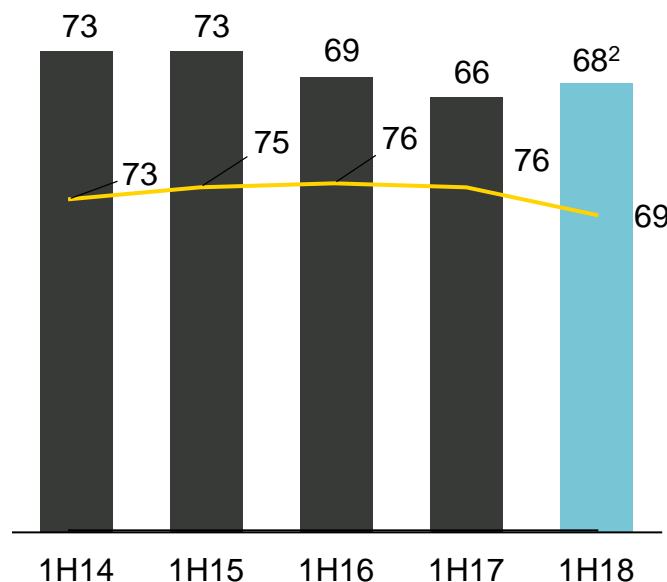
³ FX (CHF 0.1 bn), performance (CHF 0.4 bn) and sale of Liechtenstein (CHF -1.4 bn)

... and increased profitability due to strong revenue growth and focus on a lean and scalable business model

Gross margin on AuM (bps) and CIR (%)

Advised client asset split (%)

Profit before tax (CHF mn)



- Margin stabilized at 68 bps, driven by our new product offering, among other factors
- Cost / income ratio has improved over time as a result of strong revenue growth and our focus on a lean and scalable business model

- Accelerated growth in profit before tax of 46%, to CHF 56 mn, supported by strong growth in Wealth Management as well as in the EAM business

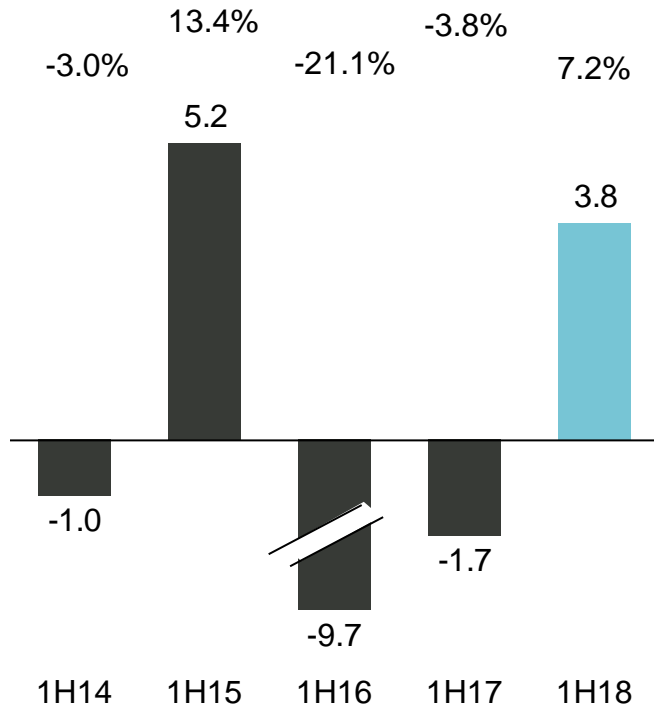
■ Gross margin on AuM (bps) — Cost/income ratio (%)

¹ Gross Margin is calculated as operating income / average assets under management and is annualized

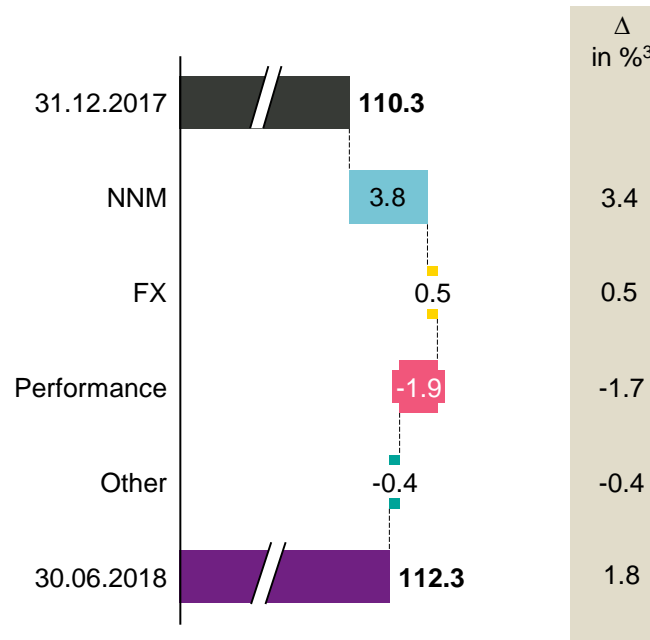
² Of which 52 bps are commission driven, including 39 bps from recurring fee income

Asset Management with above-target inflows – leading to new record AuM ...

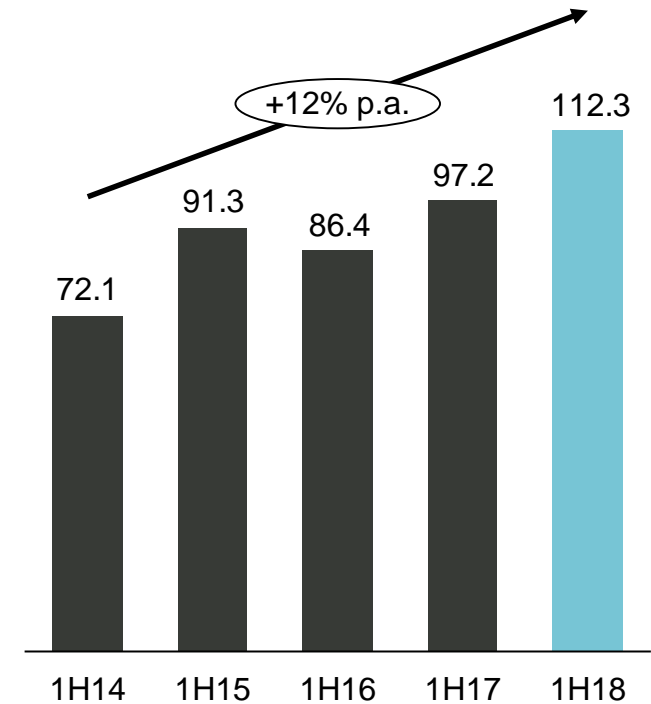
Net new money¹ (CHF bn)



Development of AuM² (CHF bn)



AuM development



- Net new money has been positive every quarter since 2Q17
- Strongest net inflows in TwentyFour AM, Vescore and Sustainable & Thematic Investing
- Raiffeisen funds also contributed to NNM

- Asset growth was driven by net new money
- Markets had a negative impact, while FX was slightly positive
- Growth in AuM³ since the end-2017 was 2%

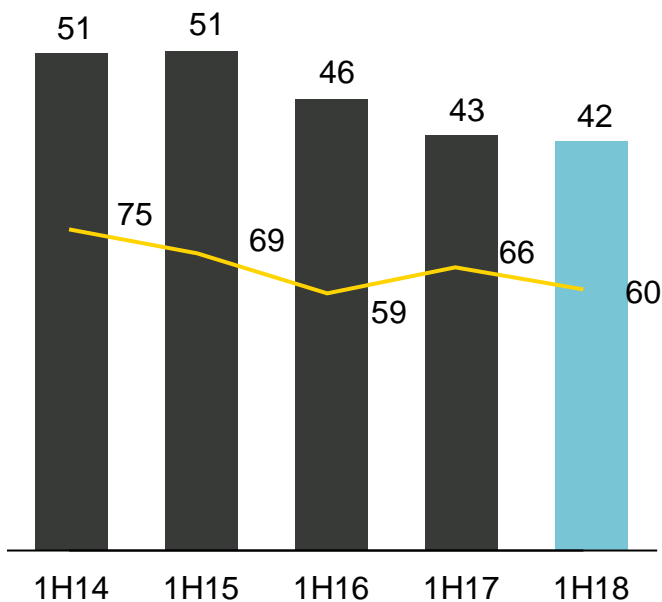
- Assets under management reach new high of CHF 112.3 billion

¹ Growth in AuM attributable to NNM is adjusted for double counting and annualized

² Not adjusted for double counting

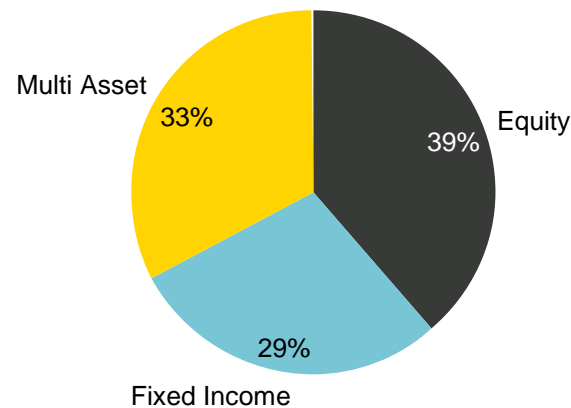
... and strong pre-tax profit due to our balanced book of business

Gross margin on AuM¹ (bps) and CIR (%)



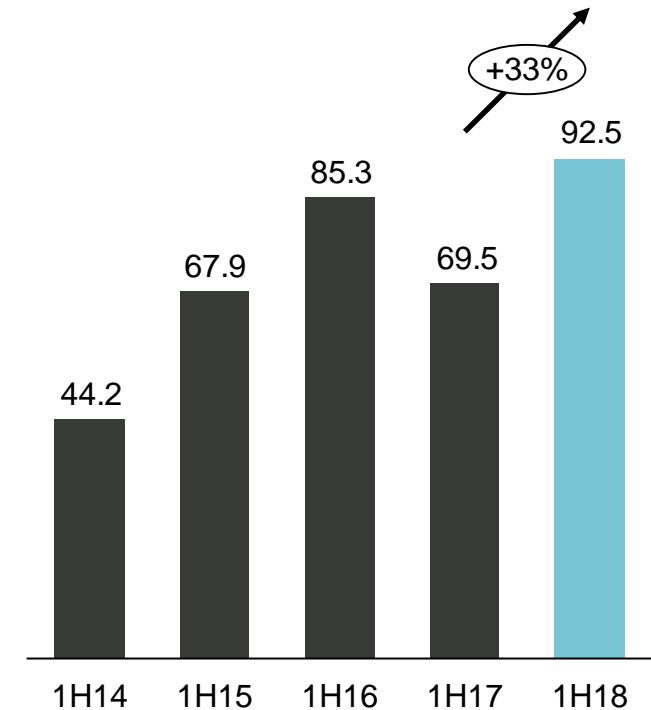
- Gross margin of 42 bps reflects shift in asset mix due to strong inflows in Fixed Income, which has a slightly lower fee structure.
- Cost / income ratio has improved over time

Advised client asset split (%)



- Fixed Income share in advised client assets has increased from 14% to 29% over the last 5 years

Pre-tax profit (CHF mn)



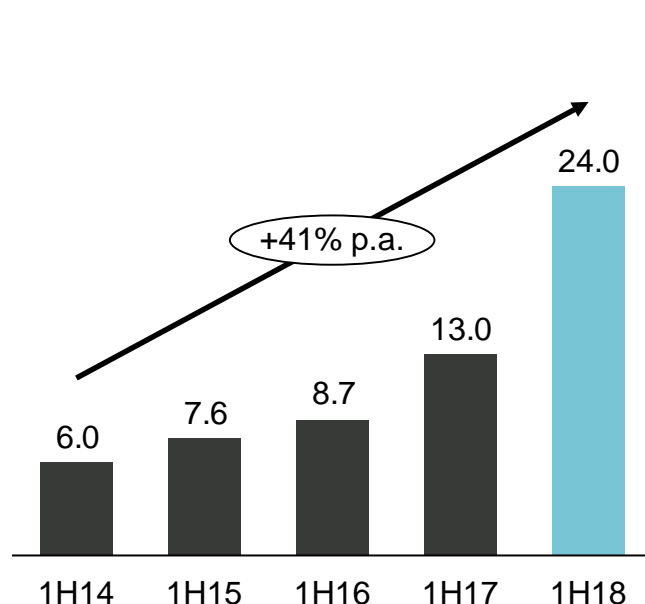
- Strong pre-tax profit of CHF 93 million in H1 2018

■ Gross margin on AuM (bps) — Cost/income ratio (%)

¹ Gross margin on AuM is calculated as operating income / average assets under management and is annualized

Financial Products is expanding successfully in Europe and Asia – increased turnover of own products and on deritrade® MIP

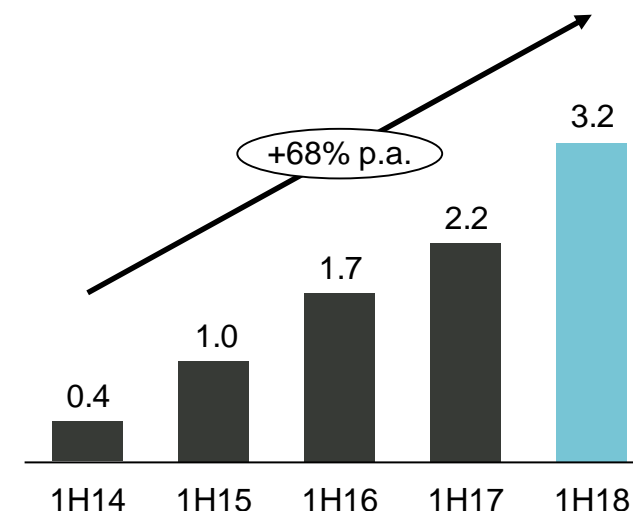
Turnover of listed and non-listed Vontobel products¹ (CHF bn)



Listed products in Europe and Asia (mid-2018)

MARKET	RANK	MARKET SHARE	
		TURNOVER	# TRADES
Switzerland ²	#1	31.0%	44.5%
Germany ²	#5	9.8%	10.0%
Nordics ^{3/4}	#2	48.3%	35.2%
Italy ⁴	#4	7.4%	10.4%
France ⁴	#5	2.9%	4.7%
Netherlands ⁴	#6	3.0%	5.9%
Europe		11.1%	12.2%
Hong Kong ⁴	#11	2.6%	-

Notional volume issued on deritrade® MIP (CHF bn)



- Vontobel has grown its turnover through significant market share gains on exchanges, through its market entry in France, the Netherlands and Hong Kong, and by increasing issuance through the platform business
- Shortening maturity of products also drove up volumes
- Market share on European exchanges grew to 11.1%
- Turnover in Asia reached CHF 11.1 billion for Singapore and Hong Kong

Numerous distributors

- 65 banks (54 banks at end-2017)
- >550 external asset managers (>500 at end-2017)

2 collaboration agreements in place

- UBS Wealth Management
- Raiffeisen

¹ Notional volume issued and volume traded
³ Sweden and Finland (only NGM, w/o OMX)

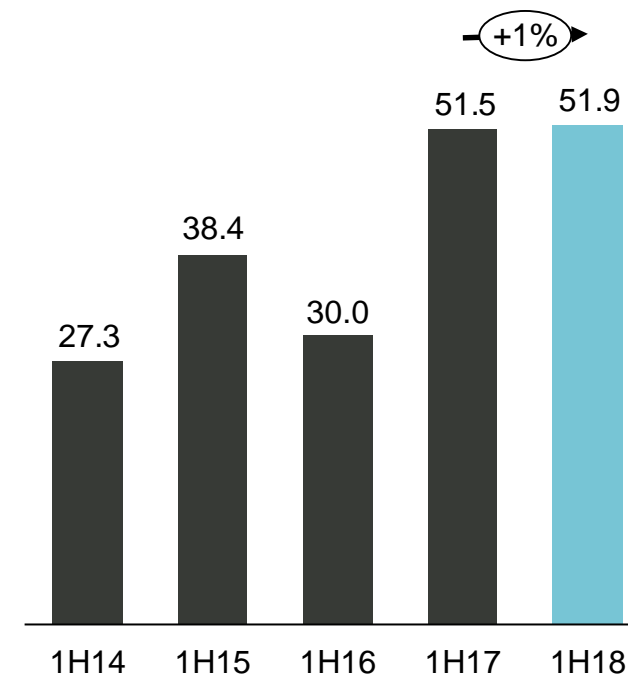
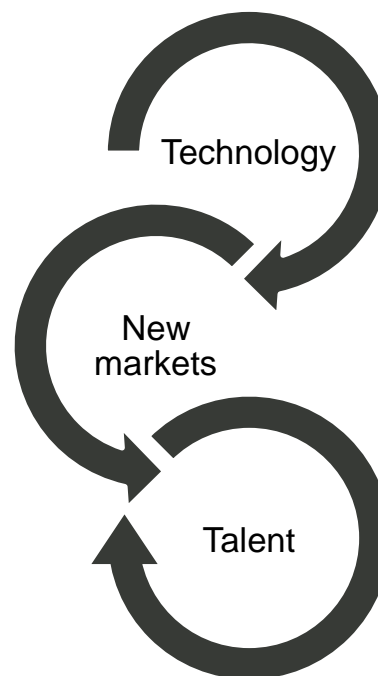
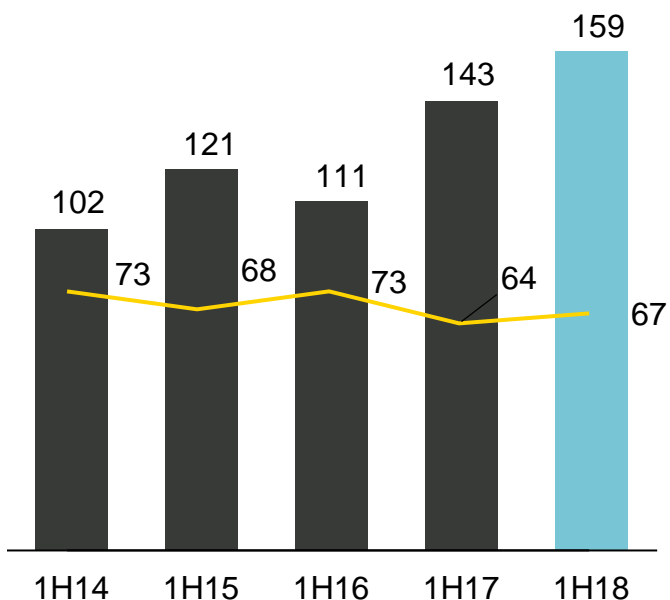
² Investment and leverage product
⁴ Leverage products

Financial Products makes significant investments in future growth but continues to deliver robust profits

Operating income¹ (CHF mn) and CIR (%)

Investments

Pre-tax profit¹ (CHF mn)



- Structured products and derivatives are the largest revenue generators for Financial Products
- Other areas of business: Corporate Finance, Brokerage, and Transaction Banking

- Pre-tax profit of CHF 52 million in H1 2018, up 1% compared to H1 2017
- Growth in pre-tax profit in Financial Products itself was good, while the transactional businesses were impacted by market environment and adjusting to new regulatory frameworks (MIFID II)

■ Operating income (CHF mn) — Cost/income ratio (%)

¹ including Financial Products, Brokerage, Transaction Banking and Corporate Finance

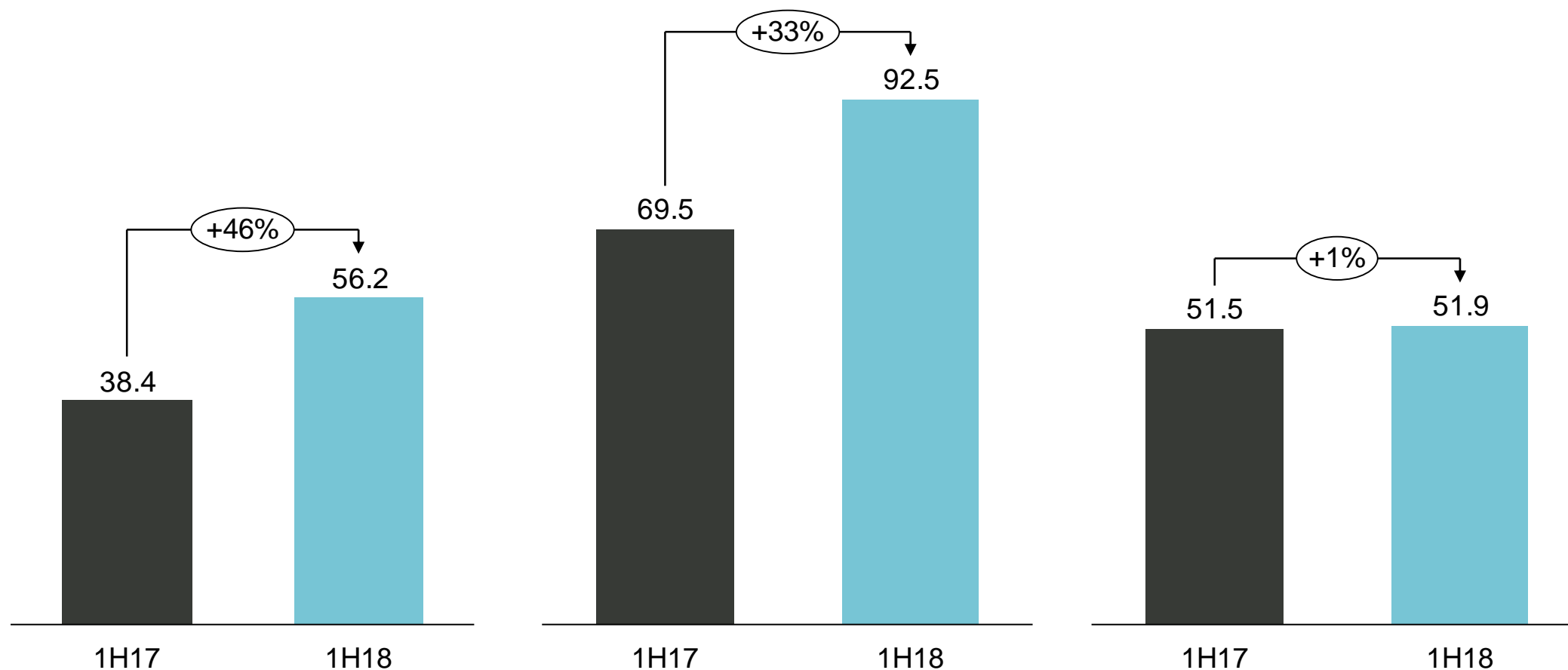
Acceleration in Asset Management and Combined Wealth Management – now jointly accounting for 74% of pre-tax profit²

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

Combined Wealth Management¹

Asset Management

Financial Products



¹ Wealth Management segment (formerly Private Banking) and External Asset Managers business unit

² Excluding Corporate Center

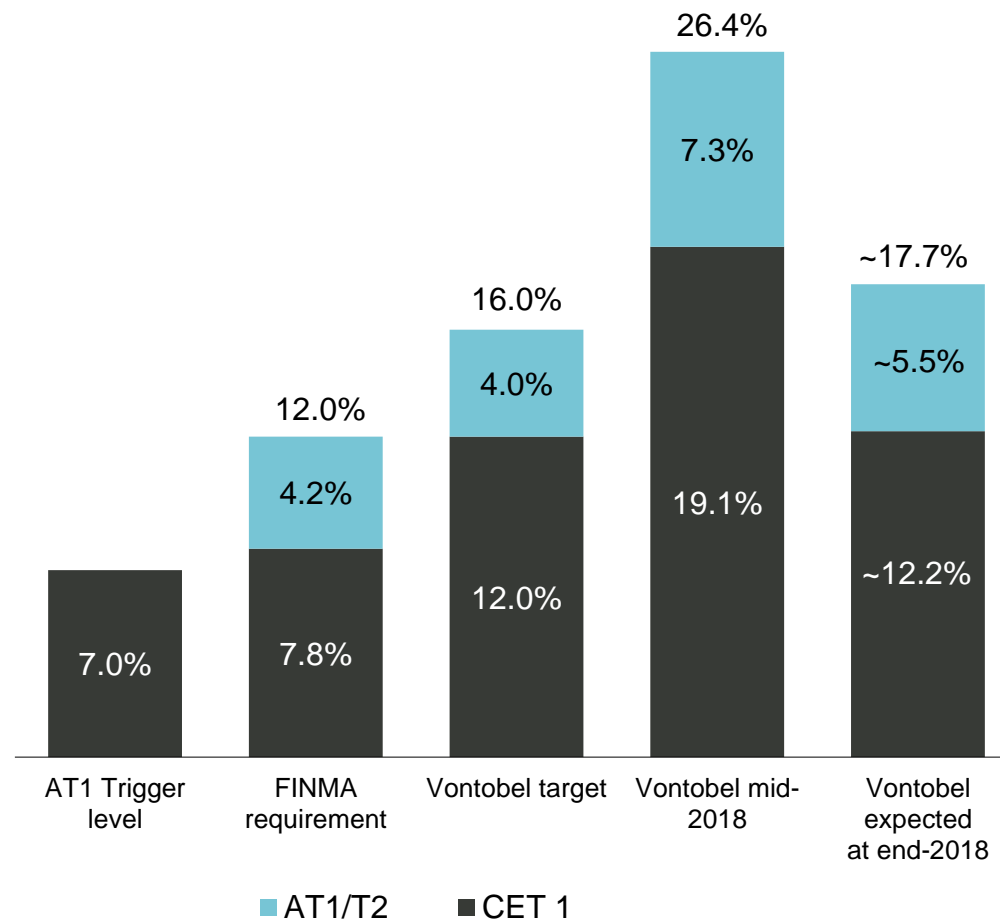
Higher capital ratios – capital structure improved by issuing additional Tier 1 capital

Capital ratios

- CET1 ratio improved to 19.1% from 18.4% at end-2017
- Tier-1 capital ratio increased significantly to 26.4% (18.4%), due to the issuance of notional CHF 450 million Additional Tier-1 bond in June
- Operating income grew by 13% in H1 2018, RWA rose by 9% yoy
- Expected ratios for end-2018 will be lower, reflecting the impact of the Notenstein La Roche acquisition: additional RWA and premium paid

New optimized capital structure

- The issuance of the Additional Tier-1 Bond with a coupon of 2.625% and the Notenstein La Roche acquisition will change Vontobel’s capital structure
- New capital structure ensures financial flexibility with sufficient capital for growth



Overview

Highlights

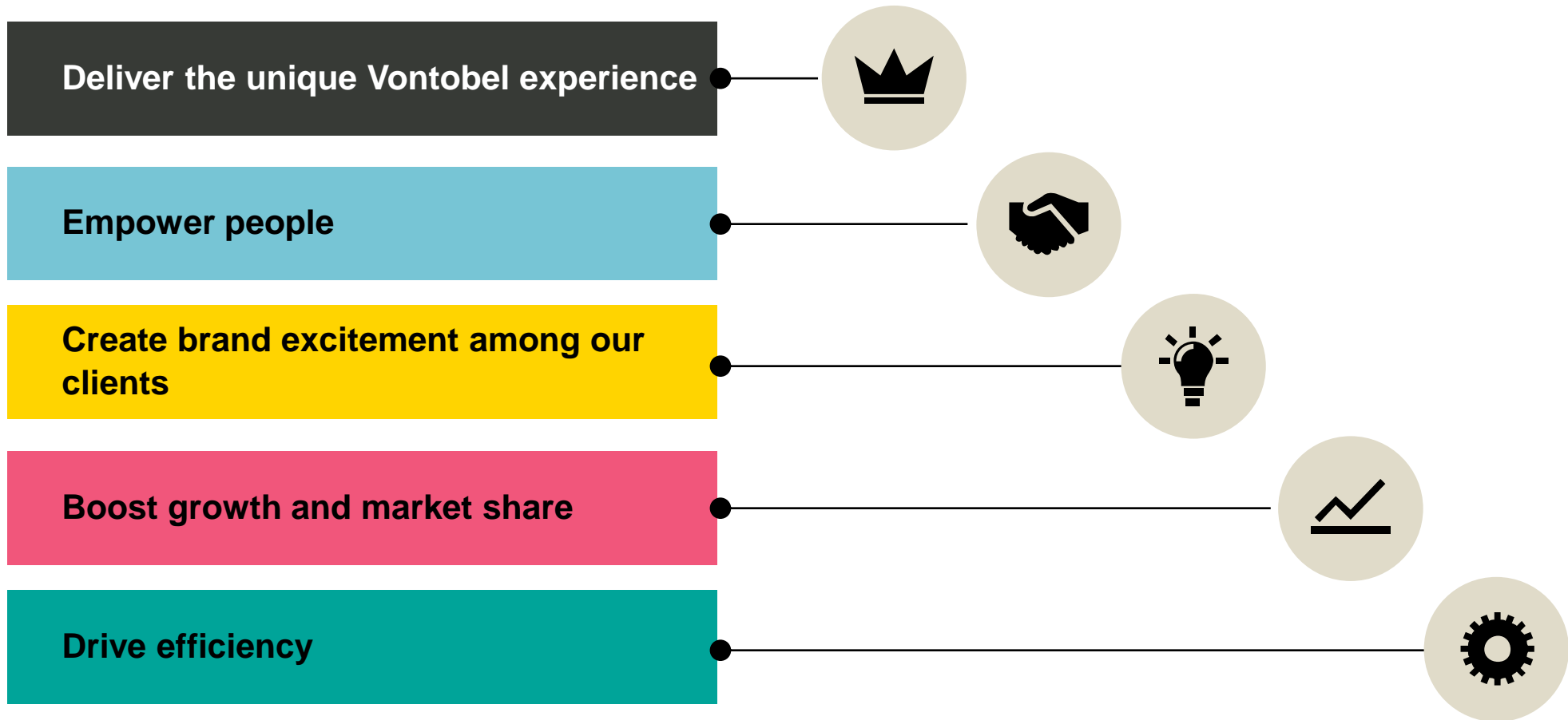
Half-year 2018 results

Strategy update

Outlook

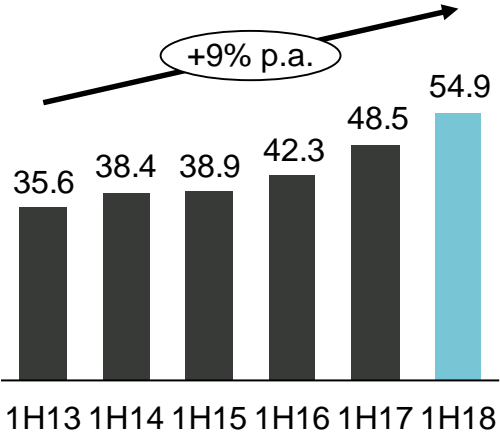
Questions and answers

Strategy 2020: Progress on strategic priorities

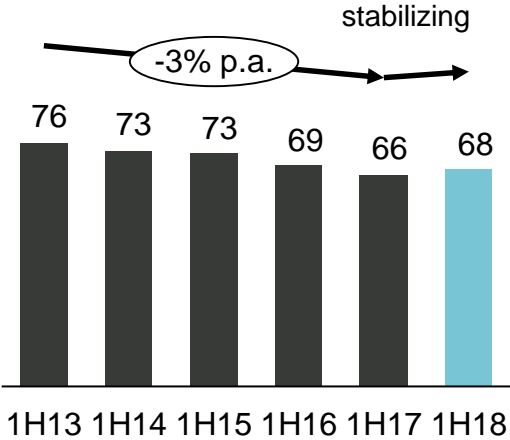


Our continuous efforts to build the leading Swiss wealth manager are paying off

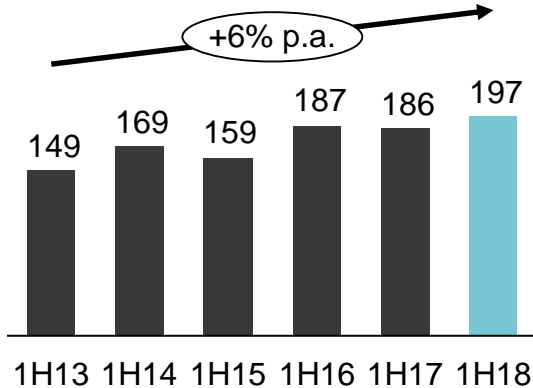
AuM (in CHF bn)



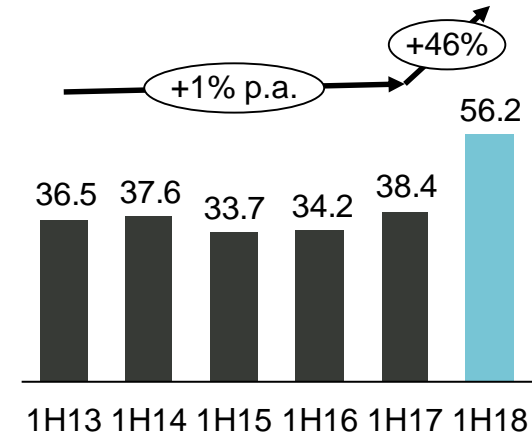
Gross margin² (in bps)



Relationship Manager¹ (FTE)



Pre-tax profit (in CHF mn)



¹ Only relates to Wealth Management

Integration of Notenstein La Roche in Combined Wealth Management on track

Closing

- Successfully closed the transaction on July 2
- Goodwill premium is unchanged
- No significant change in AuM between announcement of transaction and closing date

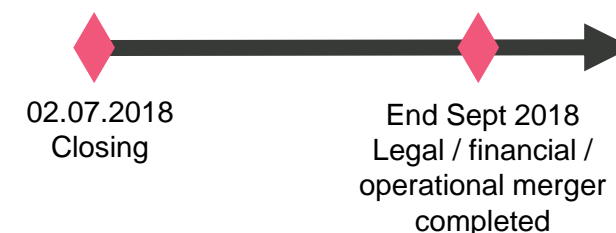
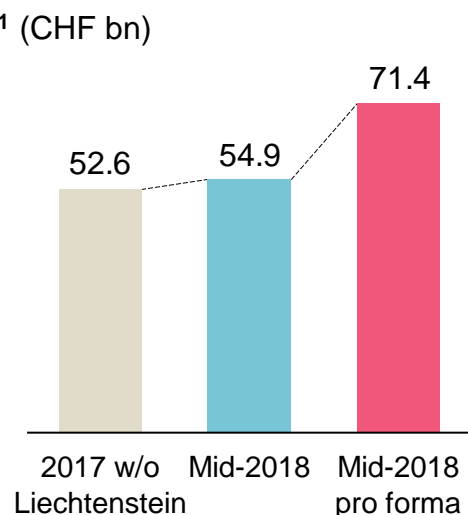
Front organization

- Vontobel now has 13 locations across Switzerland
- Leadership appointed and organizational structure defined for all front office functions
- Training and onboarding of front office employees ongoing

Migration

- System integration (master data / position data)
- Preparation of legal and financial merger
- Business integration (product, client onboarding, portfolio migration)

AuM¹ (CHF bn)

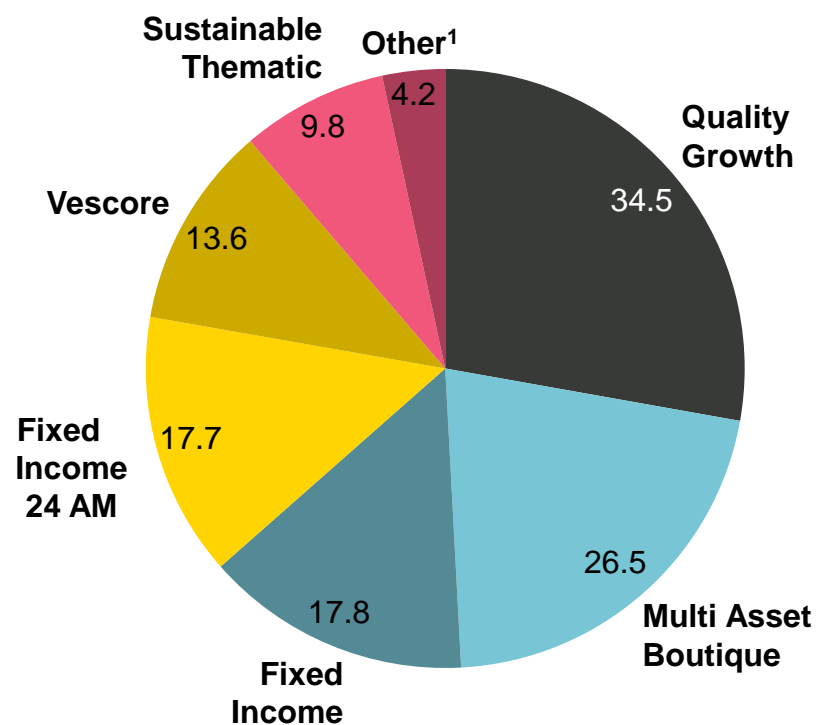


¹ Segment Wealth Management (formerly Private Banking) and business unit External Asset Managers

Asset Management runs a well-diversified and global line-up of specialized boutiques focused on high-conviction investing

Diversified book of business

Total advised client assets: CHF 124.2 bn (mid-2018)



Well positioned for future growth

- Business is well diversified and can distribute attractive products throughout the business cycle
- Strong growth in net new money of 7.2%² in last 6 months, driven by TwentyFour AM, Vescore and Sustainable & Thematic Investing boutique
- Today, Vontobel manages 13 mutual funds with client assets of more than CHF 1 bn each – all those funds rated by Morningstar received 4 or 5 stars
- Positioning as high-conviction asset manager led to an attractive gross margin of 42 bps
- Vontobel was named leading provider in “Emerging Markets Equity” category by Lipper and “Emerging Markets Manager of the Year” at the UK Pension Awards
- Citywire recently ranked Vontobel as #1 in its Top 10 EMD hard currency managers over 5 years and as #2 in its 10 top-performing EMD LC managers over 5 years

¹ Other contains the private label business and corrects for double counts of CHF 1.5 billion in the boutiques

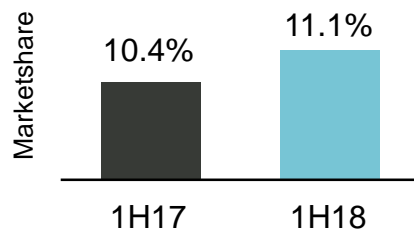
¹ Net of fees

² Annualized

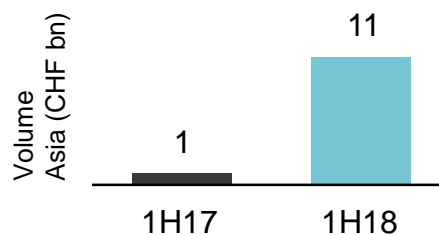
Financial Products continues to gain market share and further leverages technology leadership

Market share gains and new markets

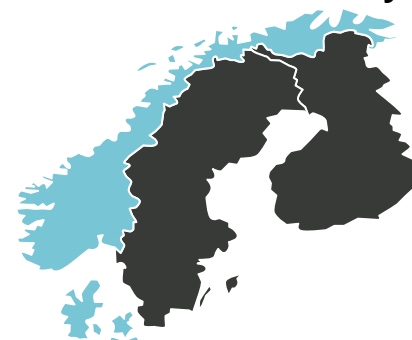
Focus on existing business in Europe



Gain market share in newly entered markets
→ Hong Kong

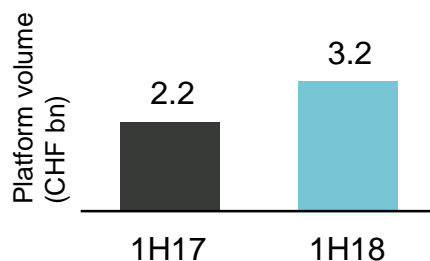


Enter markets with low marginal cost of entry
→ Denmark & Norway

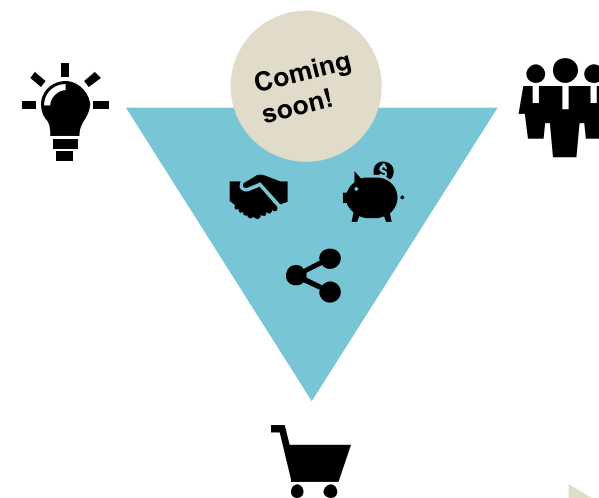
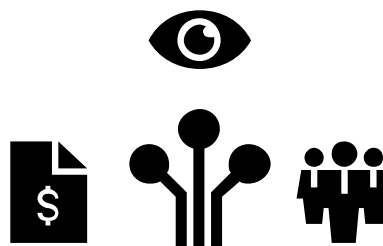


Technology Leadership

deritrade
by Vontobel



cosmofunding
by Vontobel



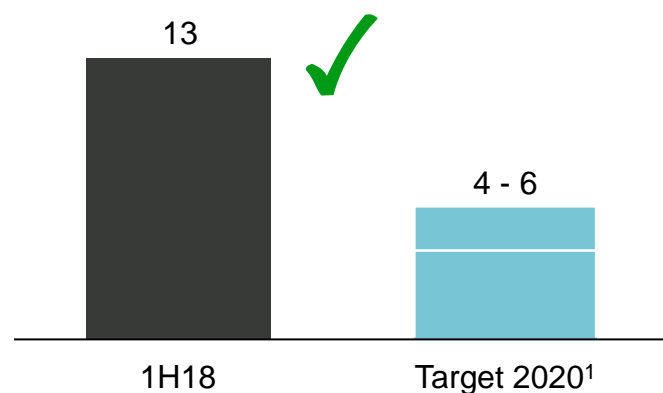
Existing

New

With our results we hit our 2020 goals

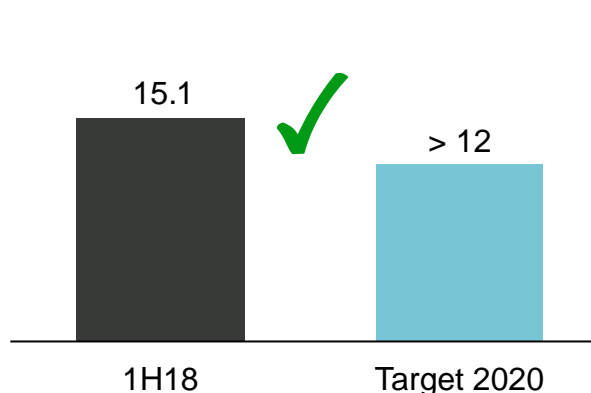
Growth

Top-line growth (in %)



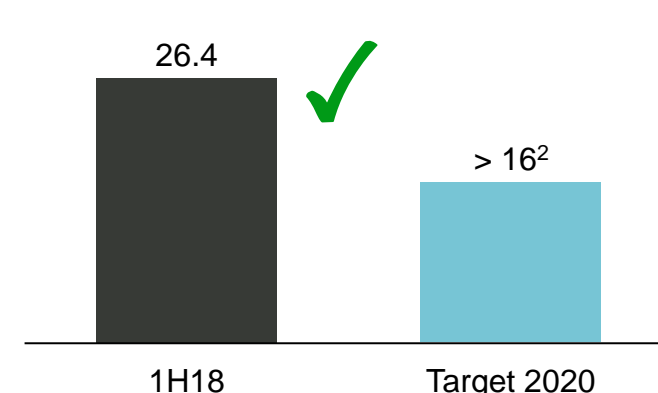
Profitability

Return on equity (in %)

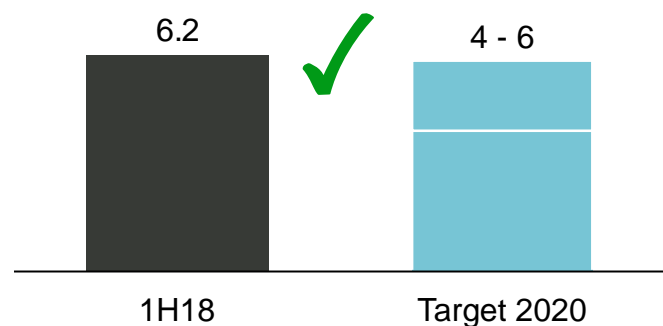


Capital and payout

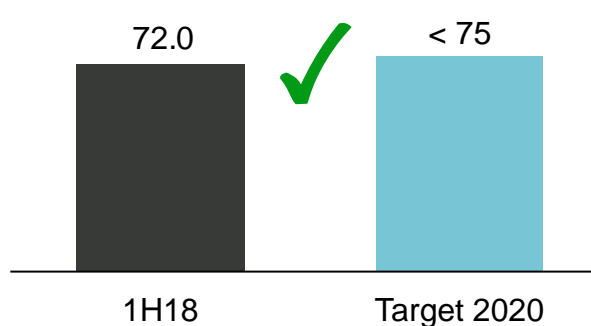
Total capital ratio (in %, end of period)



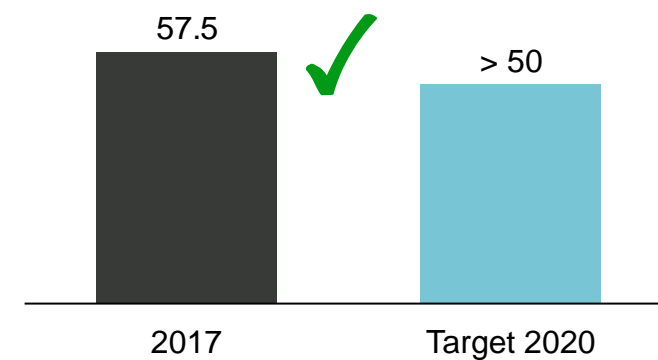
Net new money growth (in %)



Cost/income ratio (in %)



Payout ratio (in %)



¹ W/o market performance

² CET1 target of >12%

Vontobel raises targets after strong performance and Notenstein La Roche acquisition

	Growth	Profitability	new	Capital and payout
Vontobel	<p>Top-line growth¹ 4 - 6% ✓</p> <p>Net new money 4 - 6% ✓</p>	<p>RoE >12%</p> <p>CIR <75%</p>	<p>>14%</p> <p><72%</p>	<p>CET1 capital >12% ✓</p> <p>Total capital >16% ✓</p> <p>Payout >50% ✓</p>
Combined Wealth Management	<p>Net new money 4 - 6% ✓</p>	<p>RoA > 65 bps</p> <p>CIR <75%</p>	<p>> 68 bps</p> <p><70%</p>	<p>✓ Confirmed</p>

¹ w/o market performance

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Questions and answers

We need to focus on agility, selectivity and above all on talent in today's new world

A few trends are coming to an end ...

- A rising tide of liquidity that lifts all boats and has driven the largest bond bull market ever, as well as a very long equity cycle
- A “flat world” where everyone agrees on the rules and more or less plays by them

... and a few trends will continue to drive developments

- Technology
- an increasing wealthy world population (on a global scale)
- And, sadly, identity politics

In this world ...

- Agility is more important than sheer scale
- Selectivity is more important than simple leverage and volume
- Talent beats all other production factors by miles as we have to transform non-linear change into opportunity. No algorithm can do that.
Our people can!

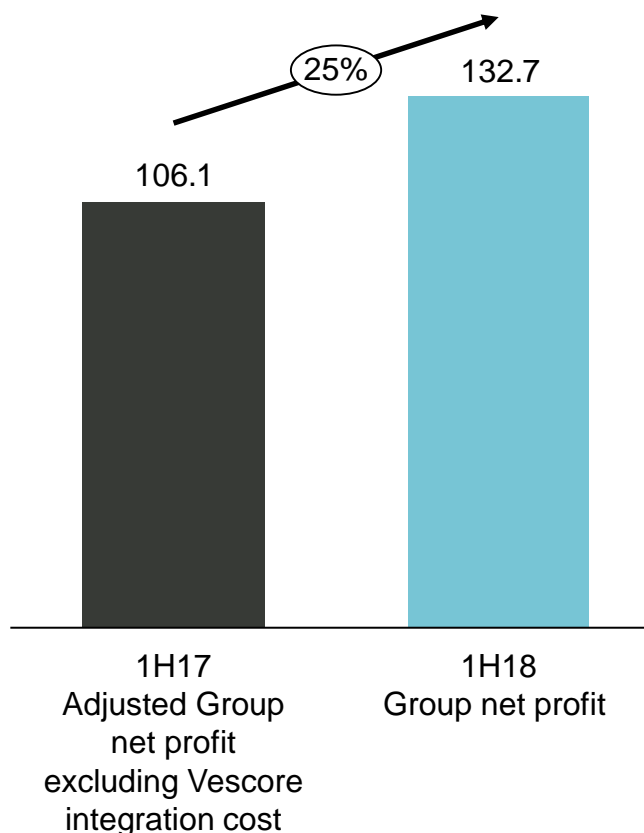


Outlook

A growing industry in a challenging environment

- Expansion of asset pools driven by generation of new wealth and long-term asset appreciation
- But: Increased volatility and higher interest rates may negatively impact global asset pools – and therefore revenues – in the short-term
- Operating environment remains demanding – continued low or even negative interest rates and subdued client activity

Accelerated profit growth despite investments



Vontobel to focus on organic growth

- Strong brand to foster organic growth
- Combined Wealth Management: Focus on integration of Notenstein La Roche and further targeting of Swiss and international clients with focused offering, leveraging technology and hiring relationship managers
- Asset Management: Deliver outperformance through focus on high-conviction asset management. Achieve growth by attracting net new money in all boutiques
- Financial Products: Leverage best-in-class ecosystem to gain further market share in Europe and Asia

Overview

Highlights

Half-year 2018 results

Strategy update

Outlook

Questions and answers

Appendix

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 to continue
- Vontobel aspires to be the leading Swiss wealth manager

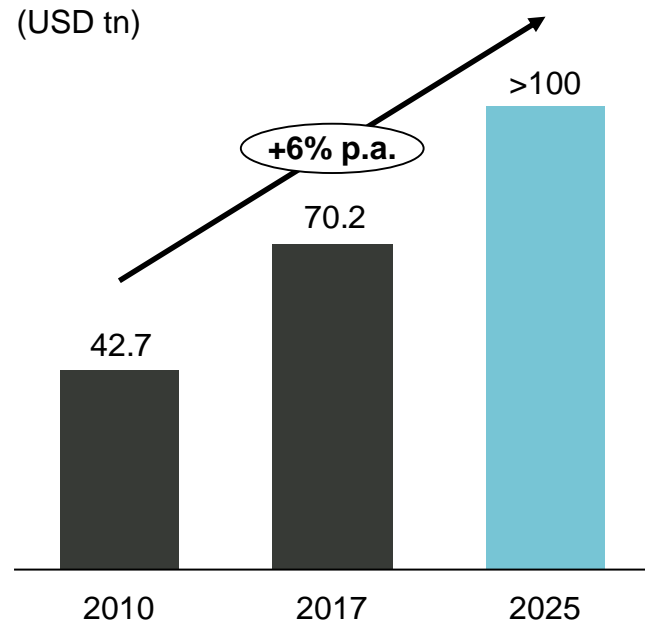
Active asset management

- Industry AuM is growing by an average of 7% p.a.
- Vontobel is focused on high-conviction asset management and outstanding performance quality

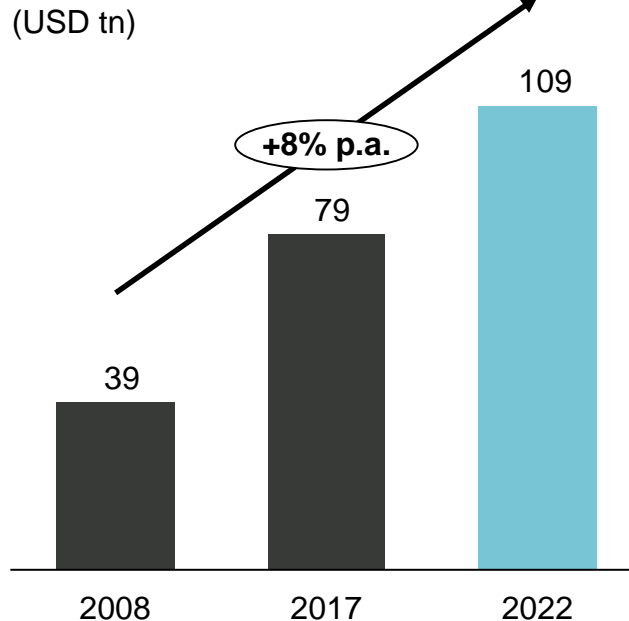
Financial products

- Long-term increase in demand for financial products
- Vontobel aspires to become a leading provider of investment and leverage products globally

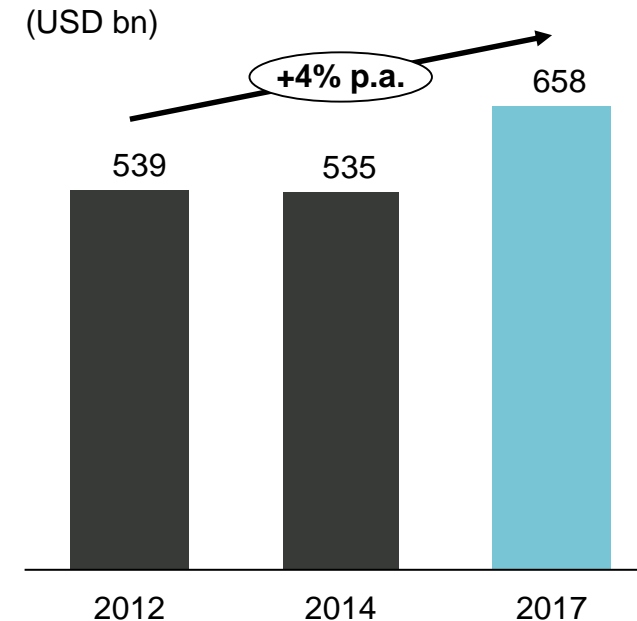
Global HNWI wealth (USD tn)



Assets managed globally (USD tn)



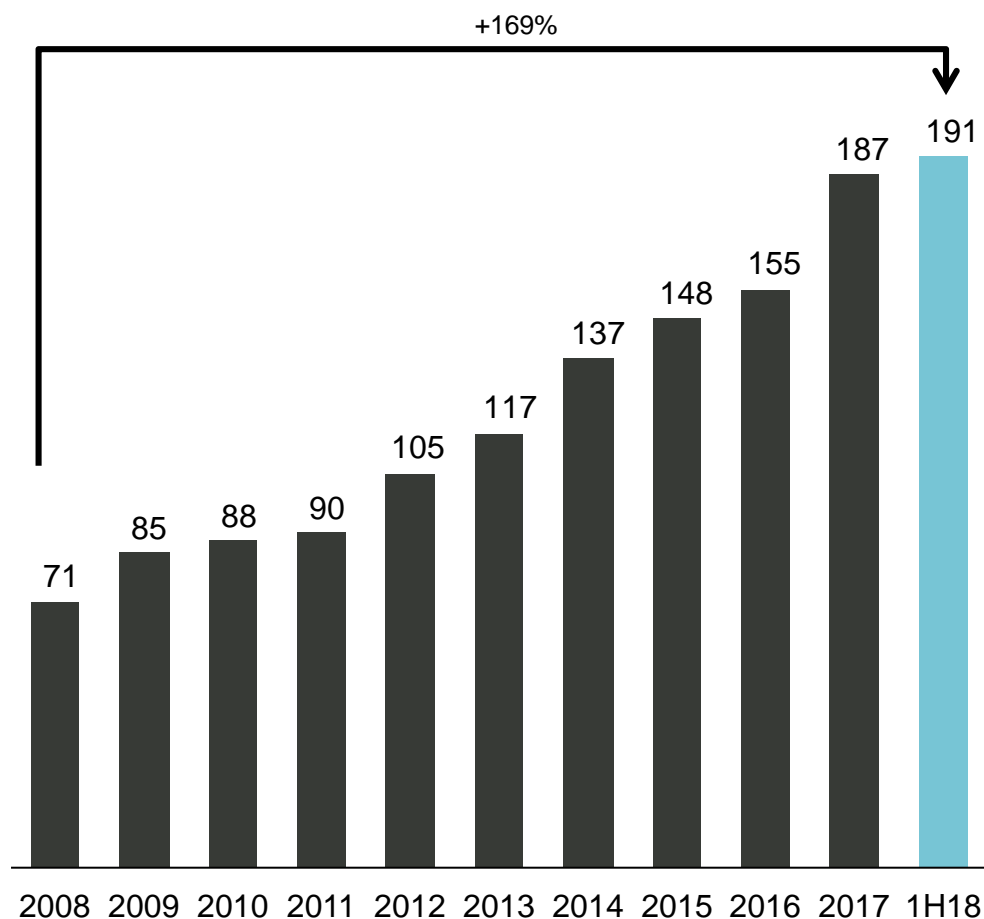
Exchange turnover in Europe/Asia¹ (USD bn)



¹ Austria, France, Germany, Hong Kong, Italy, Sweden and Switzerland
 Source: World Wealth Report 2017 / Capgemini, BCG Global Asset Management 2018, eusipa, Hong Kong exchange

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

Advised client assets (CHF bn, end of period)



Vontobel’s business model

- **Vontobel’s core capabilities** are to protect and build wealth, to actively manage assets 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 fee and commission income grew from 54% in 2009 to 65% 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**

All core activities with ambitious targets for 2020

Combined Wealth Management¹

NNM growth² (in %)



Gross margin on AuM (in bps)

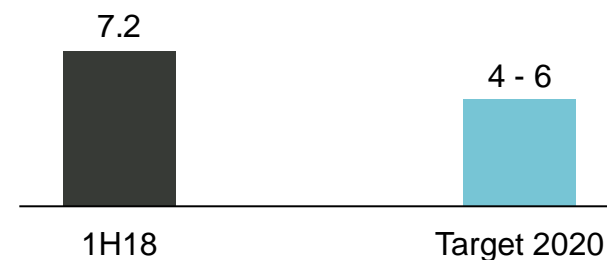


Cost⁴/income ratio (in %)



Asset Management

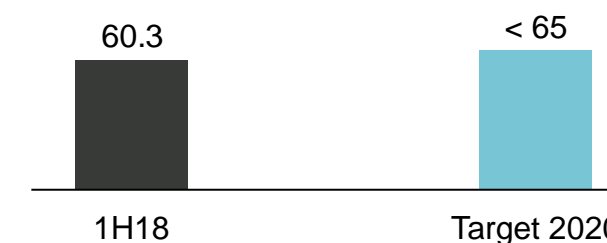
NNM growth^{2,3} (in %)



Gross margin on AuM (in bps)

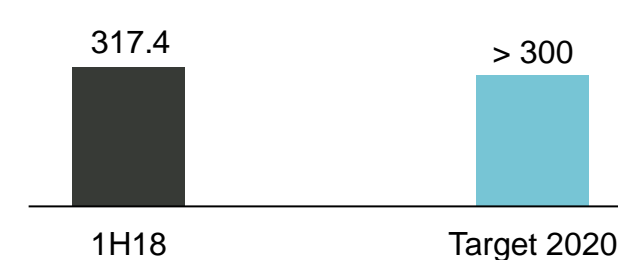


Cost⁴/income ratio (in %)



Financial products

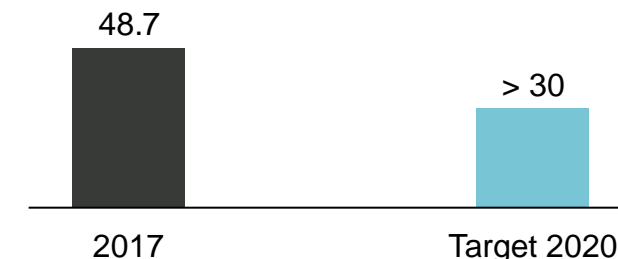
Operating income²



Cost⁴/income ratio (in %)



Pre-tax ROAC⁵ (in %)



¹ Wealth Management segment (formerly Private Banking) and External Asset Managers business unit

³ Adjusted for assets that are managed on behalf of other segments

⁵ Pre-tax return on allocated capital (according to BIS III, 8%)

² Annualized

⁴ Operating expense excl. provisions and losses

95% of advised client assets stem from home and focus markets

Advised client assets by client domicile as of mid-2018 (CHF bn)

	Home market	Focus markets					Other markets	Total
	SWITZERLAND	GERMANY	ITALY	UK	US	EMERGING MARKETS ¹		
Advised client assets	77.2	23.5	10.4	18.4	20.8	28.2	12.7	191.2
Combined Wealth Management	Full offering	Onshore Cross-border	Cross-border	Cross-border	Onshore ² and EAM	Onshore Cross-border	Cross-border	56.4
Asset Management	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	122.3 ³
Financial Products	FP, Brokerage, CF, TB	FP Brokerage	FP (cloud services)	Brokerage	Brokerage	FP	FP (cloud services), Brokerage	12.6
Breakdown								
Assets under mgmt.	69.4	16.1	10.4	18.4	20.8	20.9	12.6	168.6
Other adv. client assets	0.4	5.5	-	-	-	7.3	0.2	13.4
Structured products	7.4	1.9	-	-	-	-	-	9.3

¹ Asia Pacific Region, CEE, LATAM, Middle East and Africa

² Vontobel Swiss Wealth Advisors AG (SEC-registered investment advisor)

³ Excluding assets managed on behalf of other segments (CHF 1.9 bn)

Vontobel sets itself apart by providing an offering based on client-specific needs – an important driver of organic growth

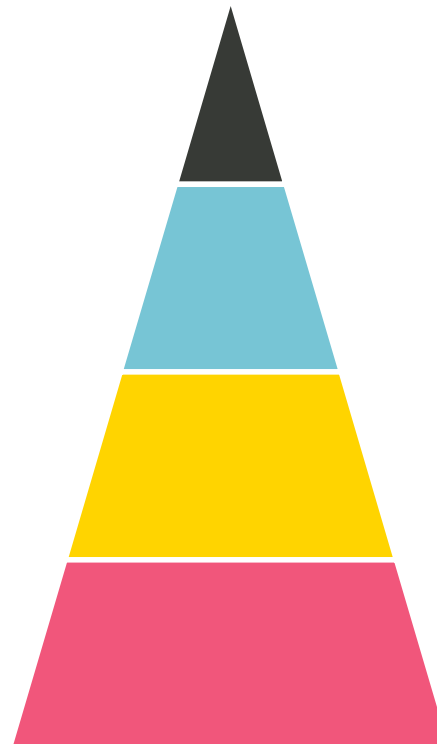
Clients are traditionally segmented by the industry according to their wealth ...

Ultra-high-net-worth individuals
over USD 100 mn

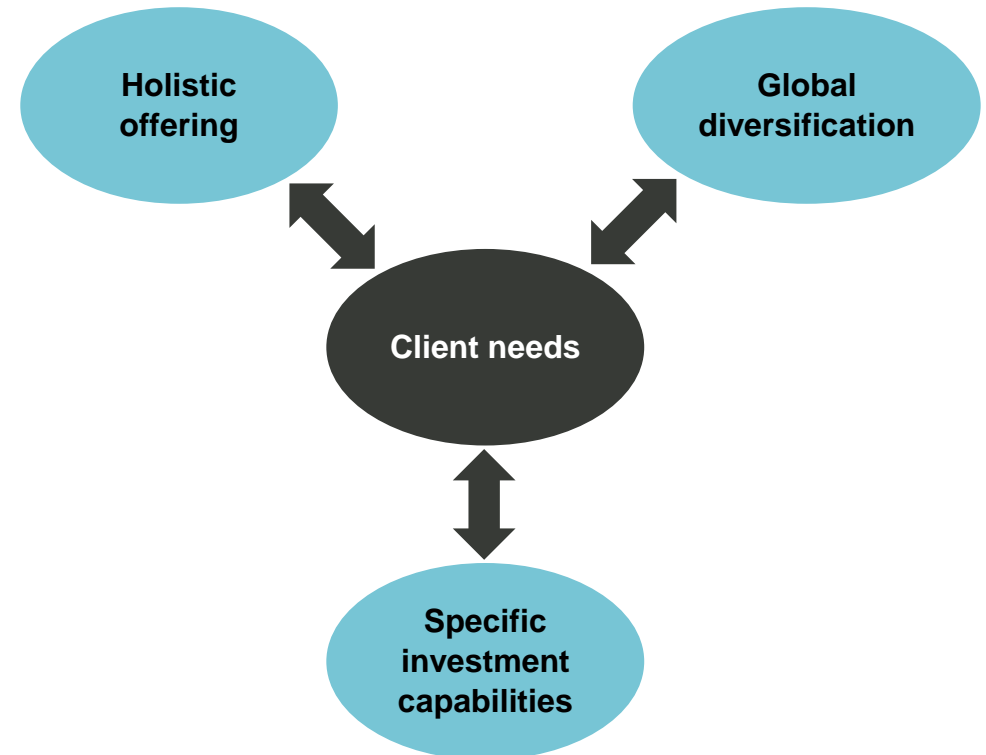
Upper high-net-worth individuals
between USD 20 mn and USD 100 mn

Lower high-net-worth individuals
between USD 1 mn and USD 20 mn

Affluents
between USD 250 k and USD 1 mn



... but Vontobel's offering is based on client-specific needs



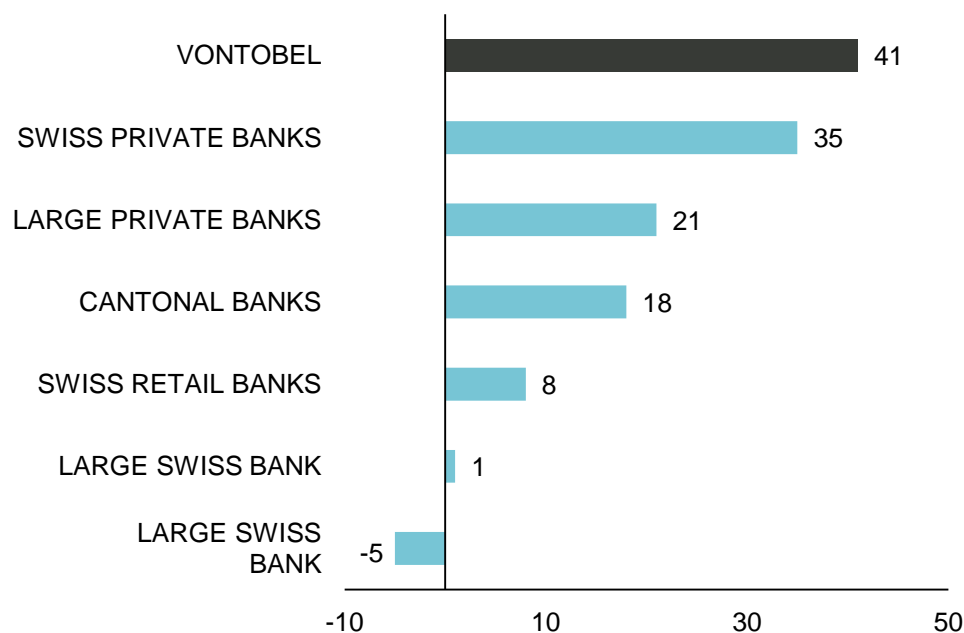
Source: 'Global Wealth 2017: Transforming the Client Experience' (BCG), Vontobel

Clients and third parties reward us for our offerings

Our clients recommend us

- Vontobel Wealth Management has the highest Net Promoter Score¹ among 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

Net Promoter Score (%)



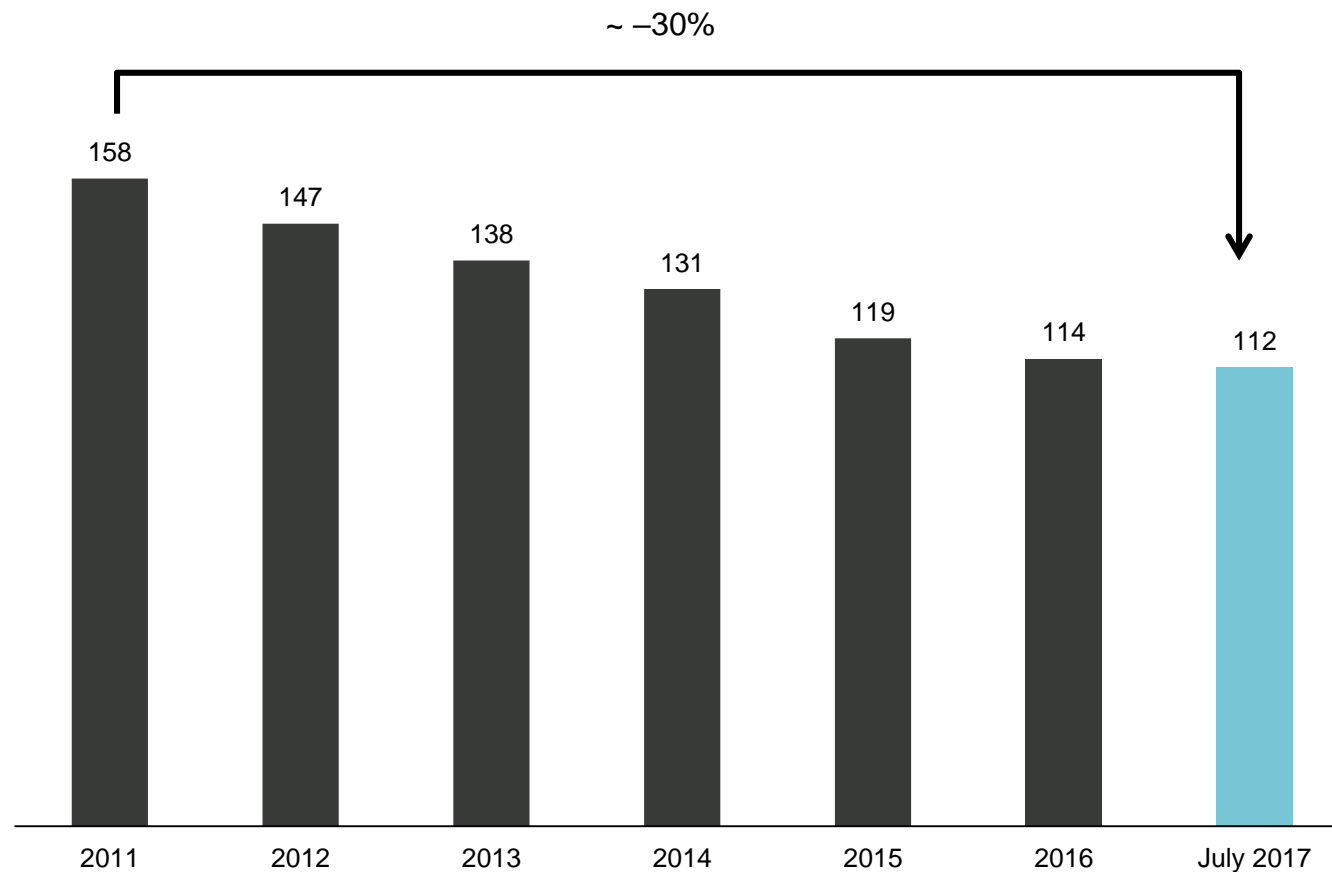
Vontobel gains external recognition



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?
 The scoring for this answer is based on a 0 to 10 scale (9 & 10 = promoter; response 0-6 = detractors)
 Source: 'Swiss Private Banking Monitor 2016' (Kunz & Huber)

Swiss market is fragmented and undergoing structural change – creating opportunities for Vontobel to accelerate growth

Private banks in Switzerland



Comments

- Number of Swiss private banks has decreased by around 30% since 2011
- Structural change is expected to continue
- Industry change is allowing Vontobel to attract new clients from banks that are:
 - Focusing their business model
 - Selling their franchise
 - Closing their operations (“silent consolidation”)

Wealth Management clearly distinguishes itself from its competitors and attracts top-tier talent

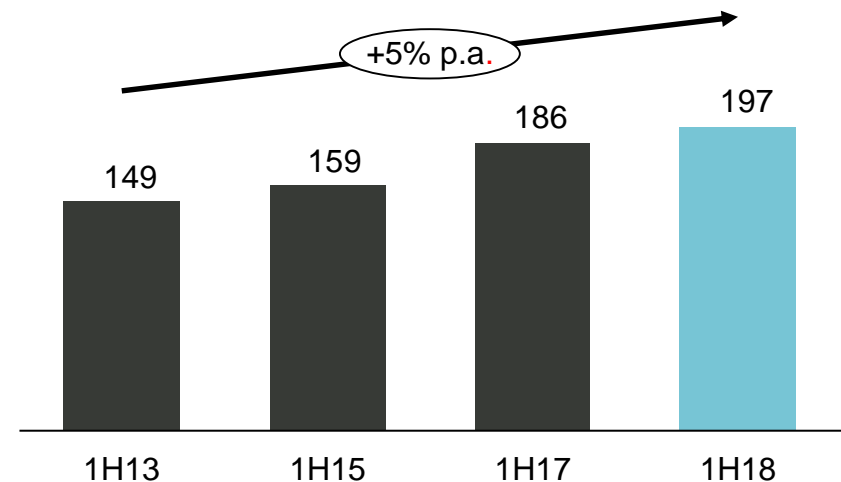
Our need-based segmentation, 3 α -Investment Philosophy[®] and value-based pricing set us apart



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)



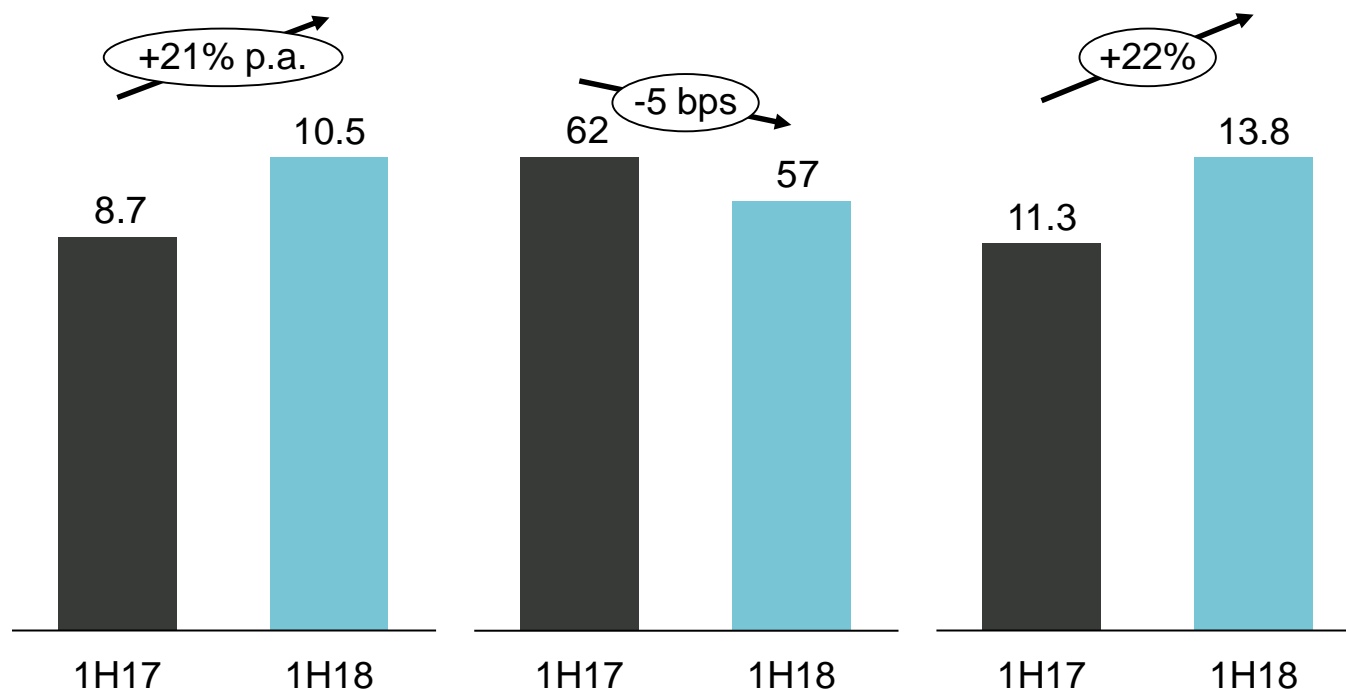
EAM business has unique market position and growth translates into significantly higher pre-tax profit

Growth of asset base combined with stable margin translates into significantly higher pre-tax profit due to operating leverage

Advised client assets (CHF bn)

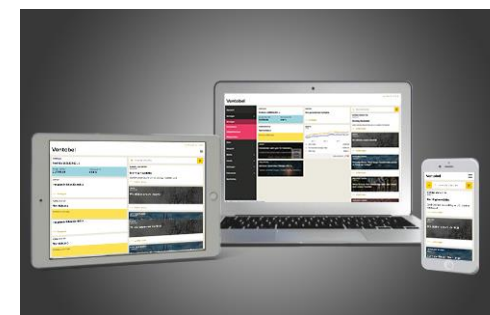
Gross margin (in bps)

Pre-tax profit (CHF mn)



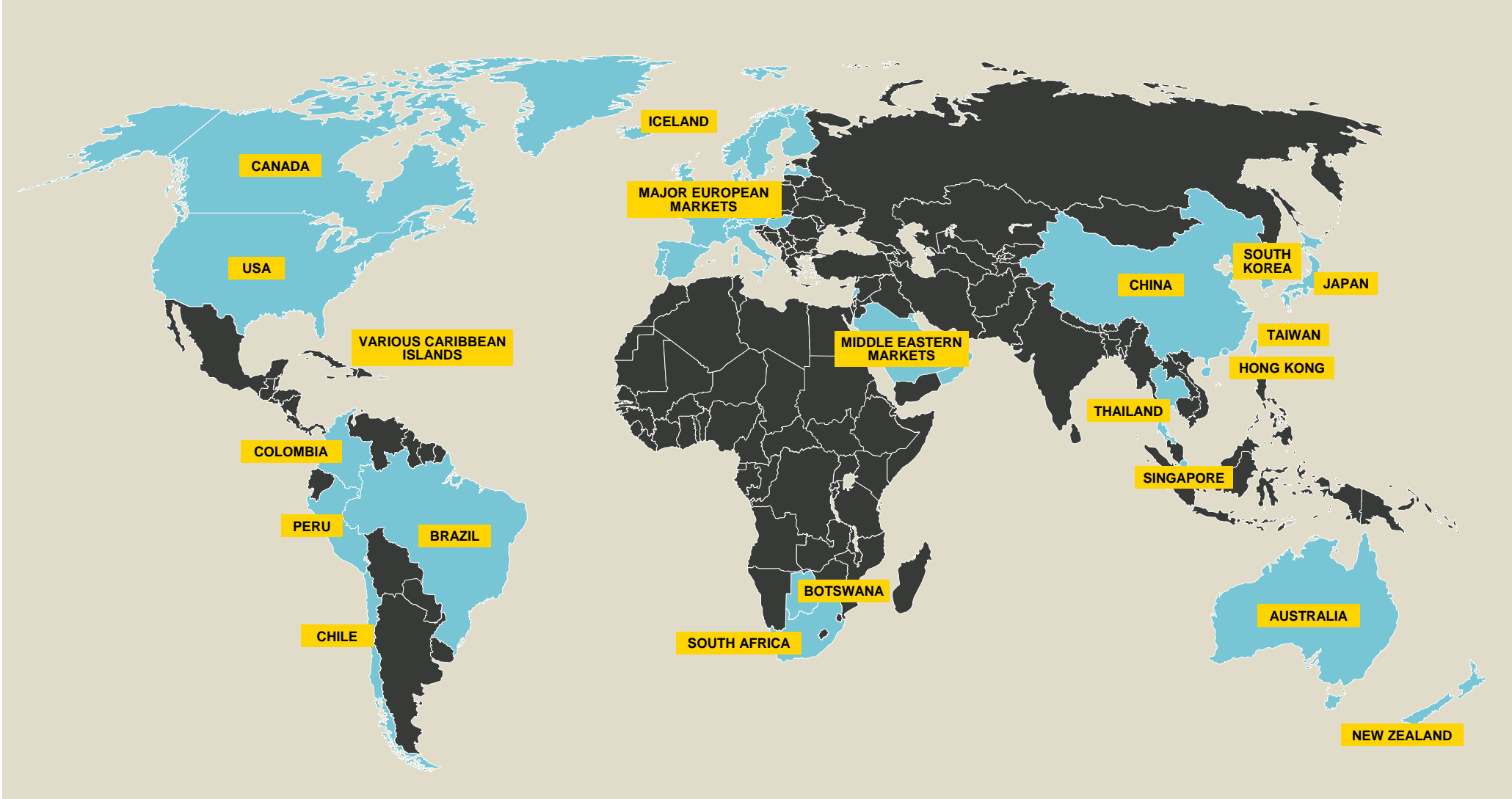
Vontobel has built a unique market position

- Outstanding client service
- Leading technology and client platforms (e.g. mobile banking app and EAMNet)
- Highly competitive product and service offering (e.g. research, mutual funds, discretionary portfolio mandates, deritrade® Multi Issuer Platform)
- Distinct institutionalized B2B offering



Vontobel Asset Management's client coverage

July 27, 2018



Vontobel provides compelling asset management offering to 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



Leading offering and technology, well-balanced business model and cost leadership give Financial Products a competitive lead

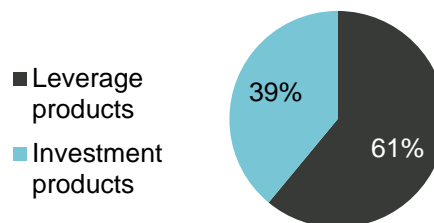
Leading offering / technology

Vontobel products issued	> 290,000
Leading investment universe	> 4,000
Quotes in own products per day	> 2,000,000,000
Volume of securities traded	> CHF 143,000,000,000

Well-balanced business model

- Vontobel sells volatility through leverage products and buys it through investment products
- Business is client-induced
- Risks have been reduced over time

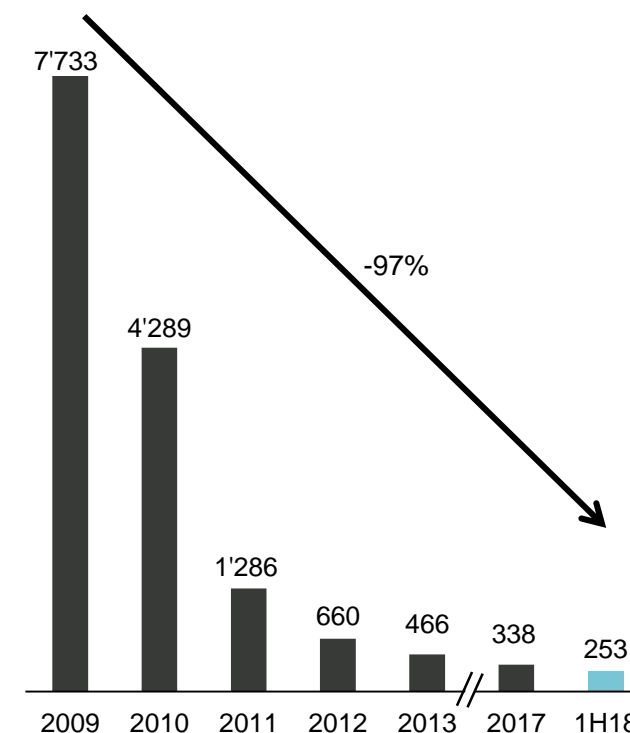
Turnover in Vontobel products (2018)



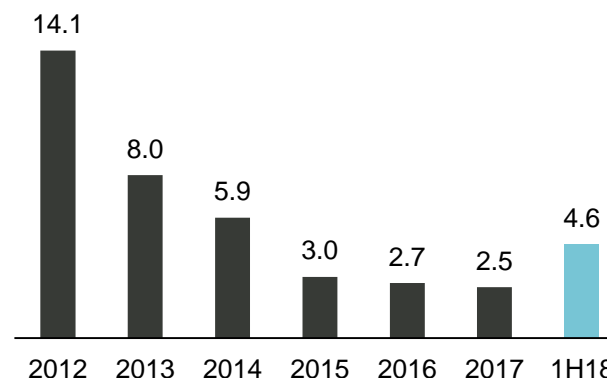
Cost leadership

- Industry-leading average costs per product of CHF 253

Cost per unit² (CHF)



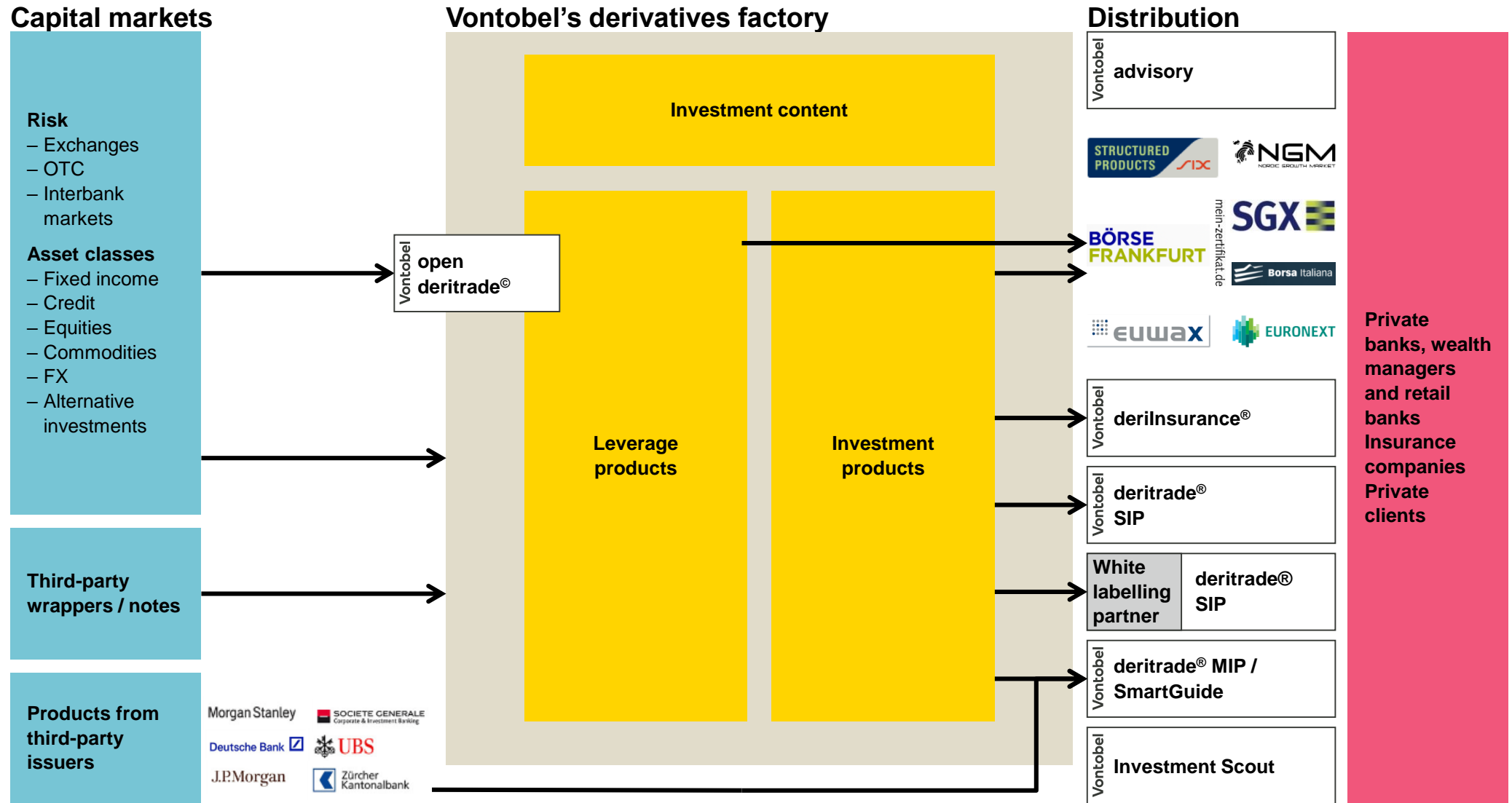
Average Value at Risk¹ (CHF mn)



¹ Market risk; average Value at Risk 12 months; historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

² Calculated as total operating expense of Financial Products business unit divided by number of products issued

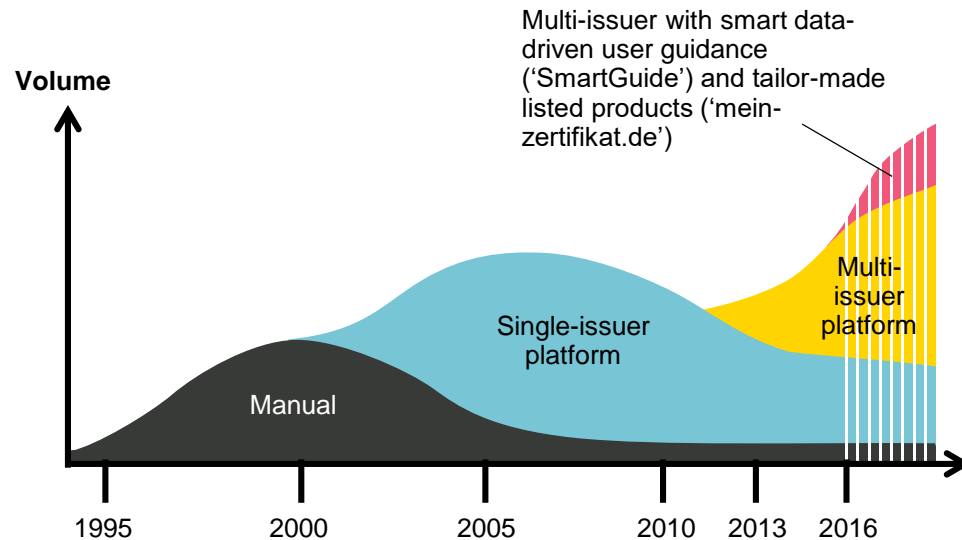
Vontobel Financial Products provides investment content and bespoke structured products through a well-balanced business model



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

July 27, 2018

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’ platform in Germany, enabling retail investors and financial intermediaries to create own tailor-made listed products.
- In 2017, Vontobel launched its unique “Investment Scout” app in Switzerland, which allows clients to create tailor-made products on their smartphones

→ deritrade® has been upgraded to fully comply with new MiFID II regulatory requirements

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

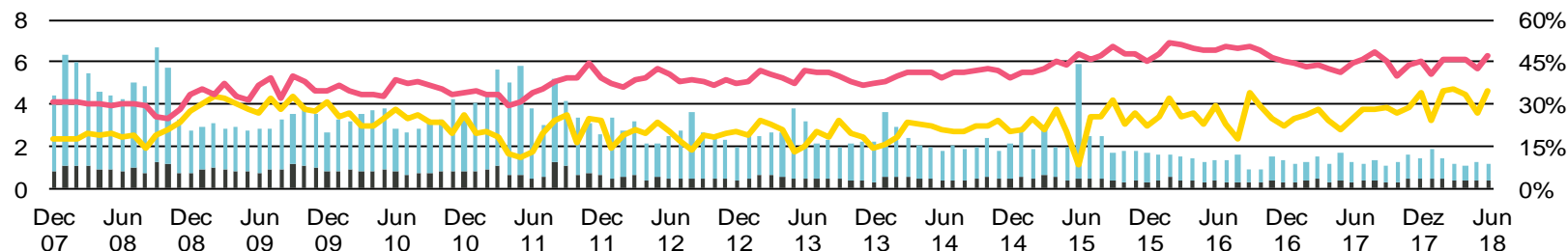
Switzerland (CHF bn)

Rank #1¹

MARKET SHARE

Turnover 31.0%¹

of trades 44.5%¹



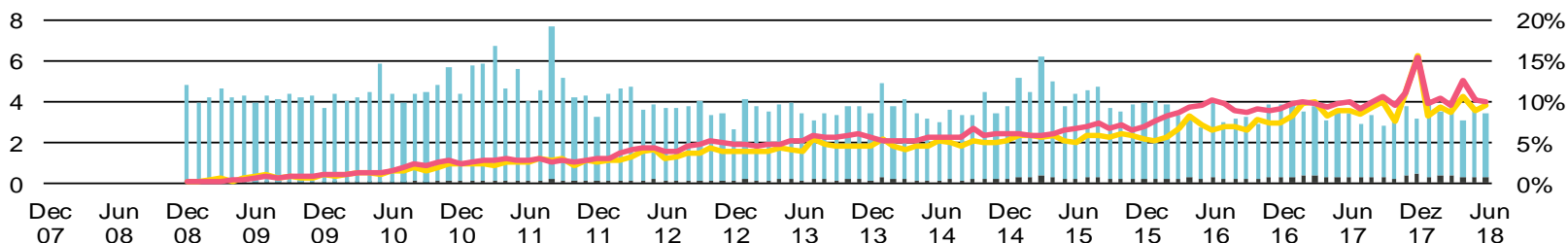
Germany (EUR bn)

Rank #5¹

MARKET SHARE

Turnover 9.8%¹

of trades 10.0%¹



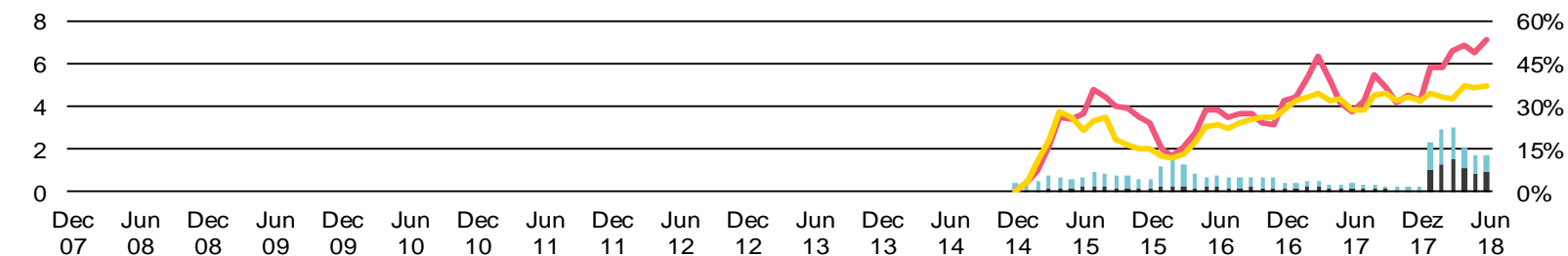
Nordics² (EUR bn)

Rank #2¹

MARKET SHARE

Turnover 48.3%¹

of trades 35.2%¹



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

¹ H1 2018

² Sweden and Finland; leverage products

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

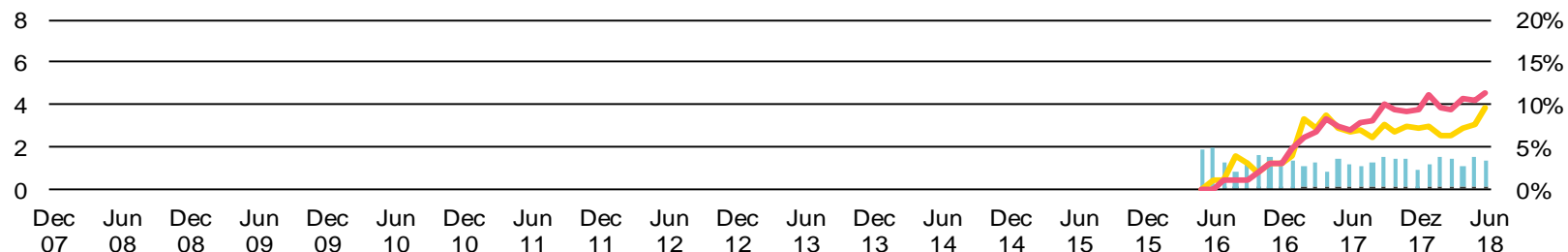
Italy² (EUR bn)

Rank #4¹

MARKET SHARE

Turnover 7.4%¹

of trades 10.4%¹



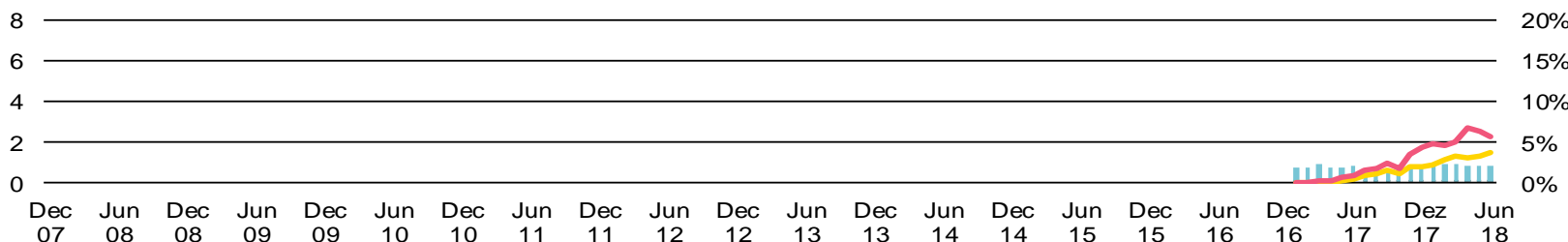
France/Netherlands² (EUR bn)

Rank #6¹

MARKET SHARE

Turnover 3.0%¹

of trades 5.4%¹



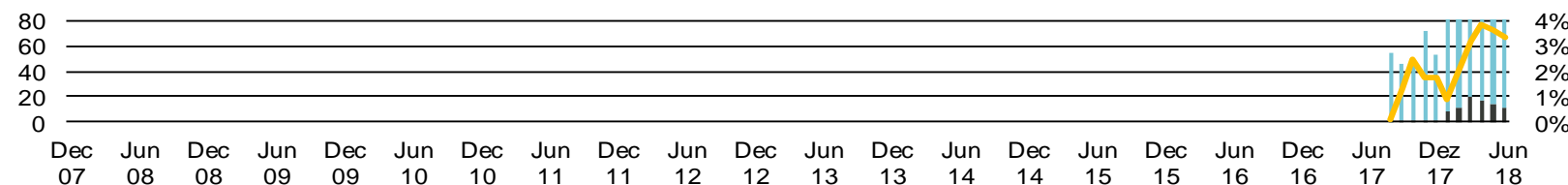
Hong Kong² (USD bn)

Rank #11¹

MARKET SHARE

Turnover 2.6%¹

of trades n.a.

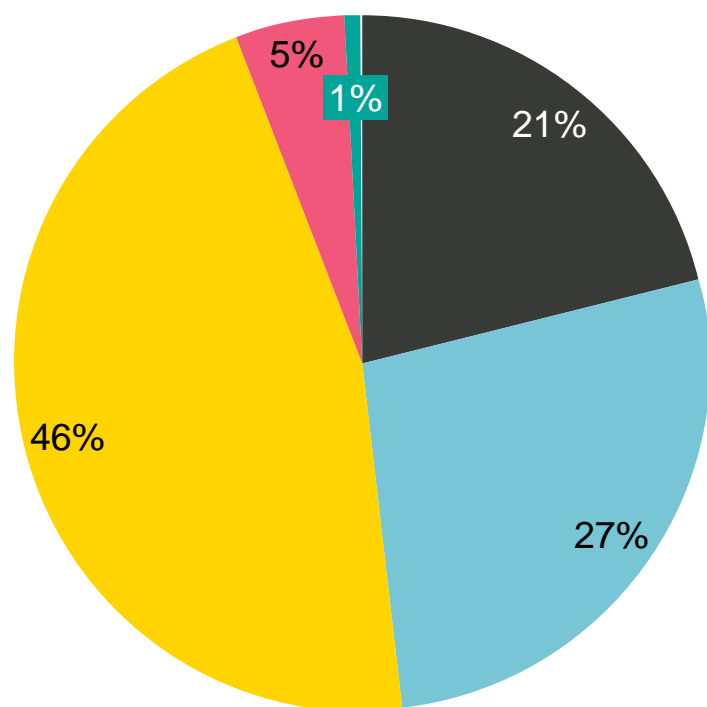


■ Market turnover (lhs)
 ■ Vontobel turnover (lhs)
 — Vontobel market share by volume (rhs)
 — Vontobel share by number of trades (rhs)

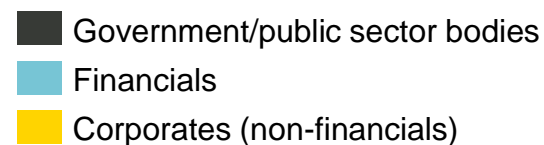
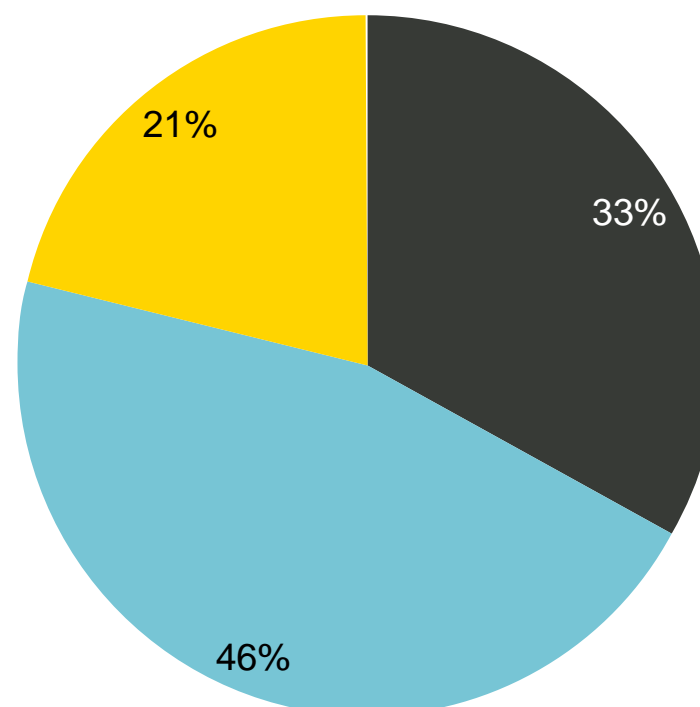
¹ H1 2018
² Leverage products

High quality of bond portfolio maintained

Counterparty exposure by rating (mid-2018)



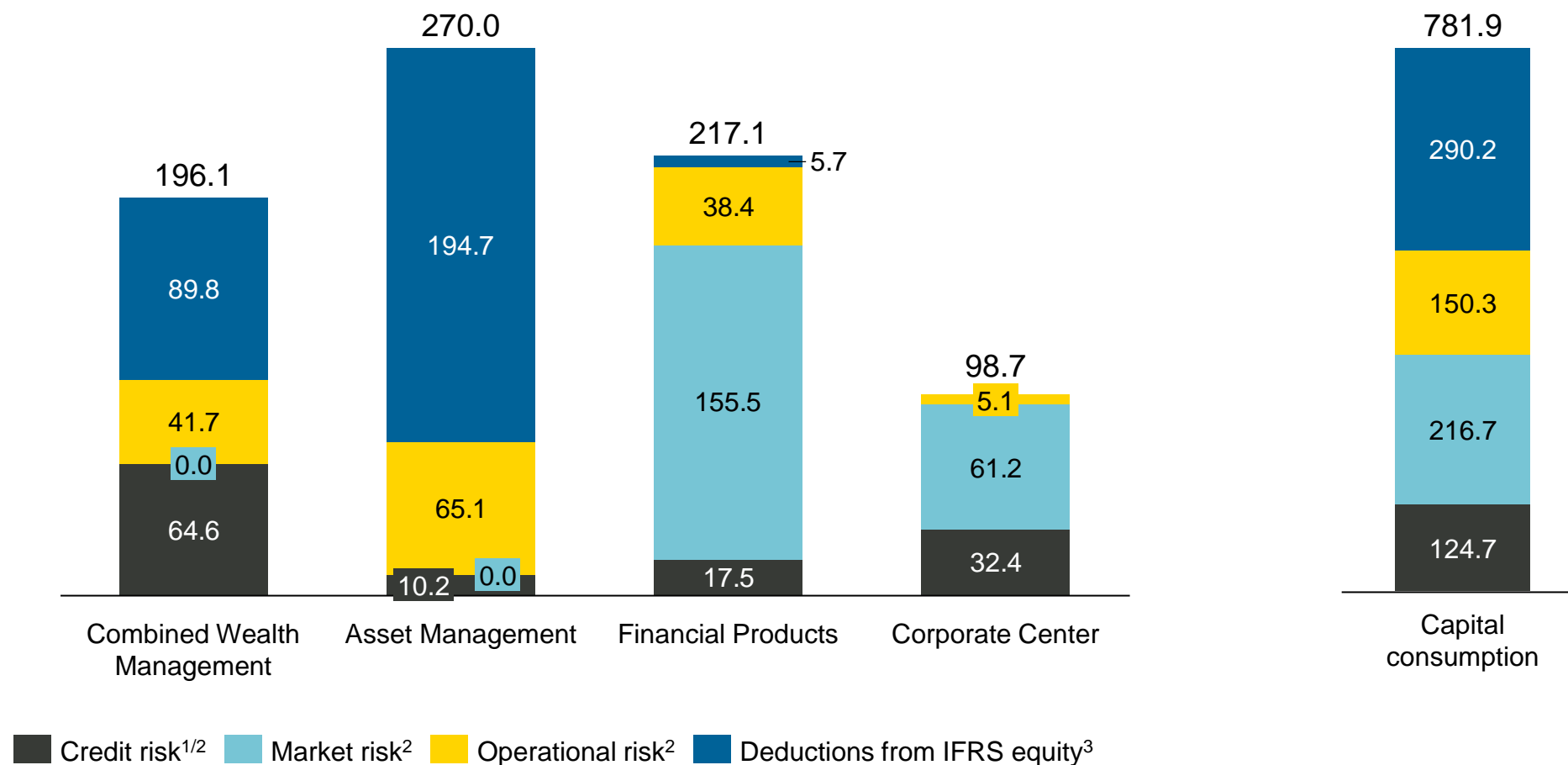
Counterparty exposure by sector (mid-2018)



Note: Total issuer risk from debt instruments amounts to CHF 6.2 bn

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

Capital consumption as of mid-2018 (CHF mn)



¹ Including non-counterparty related risks

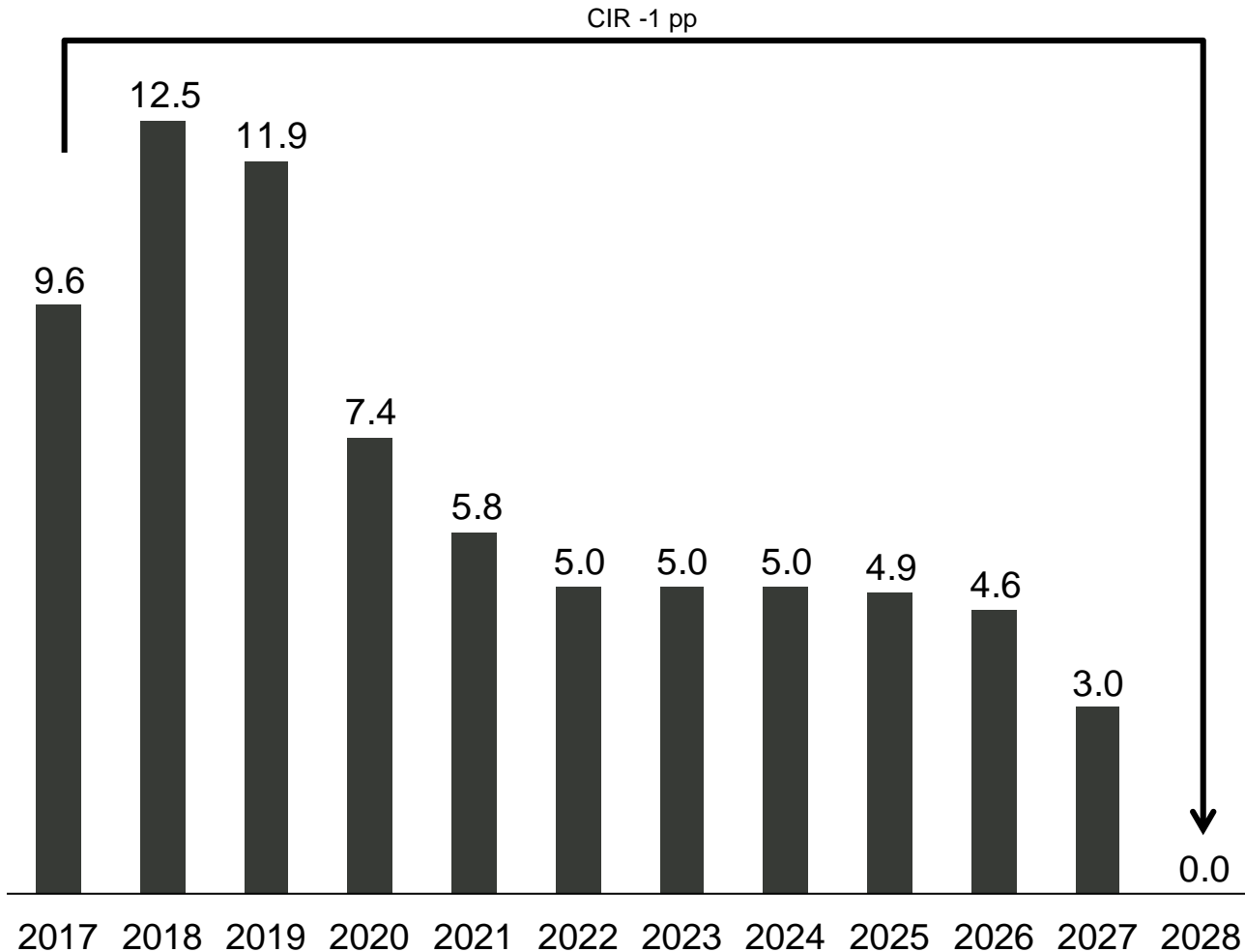
² Reported figures are based on BIS capital requirements, i.e. RWA multiplied by 8%

³ Goodwill, intangible assets and gains/losses due to change in own credit spread, other

Amortization of intangibles from former acquisitions is declining and will lead to an improvement in the CIR of around 1pp Vontobel

July 27, 2018

Amortization of intangibles from former acquisitions (CHF mn)

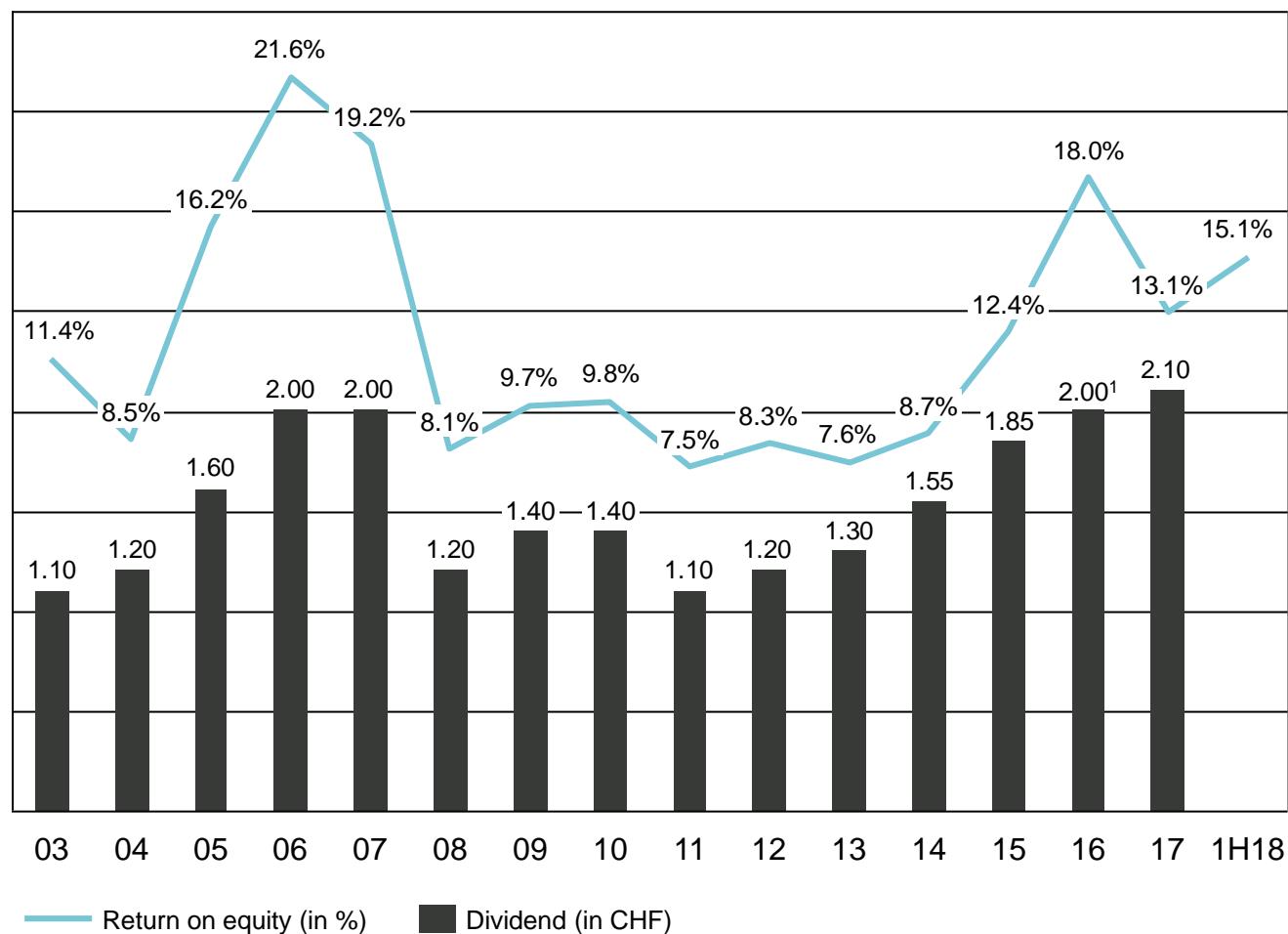


Comments

- Amortization of intangibles includes these acquisitions:
 - Commerzbank Schweiz until September 2019
 - TwentyFour Asset Management until April 2020
 - Bank Finter until September 2025
 - Vescore (partly) until September 2021; remainder until June 2027
 - Eastern European client portfolio from Notenstein La Roche until November 2027
- The acquisition of Notenstein La Roche will lead to additional intangibles that need to be amortized over time (update to be provided with FY 2018 reporting)

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
 - Including 2017, dividend has increased for six 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="129 571 560 699">Wealth Management</div> <div data-bbox="129 715 560 842">External Asset Managers¹</div>	<div data-bbox="618 651 1048 778">(Combined) Wealth Management</div>
<div data-bbox="129 959 560 1086">Asset Management</div>	<div data-bbox="618 959 1048 1086">Asset Management</div>
<div data-bbox="129 1209 560 1337">Financial Products^{1/2}</div>	<div data-bbox="618 1209 1048 1337">Financial Products</div>

Comments

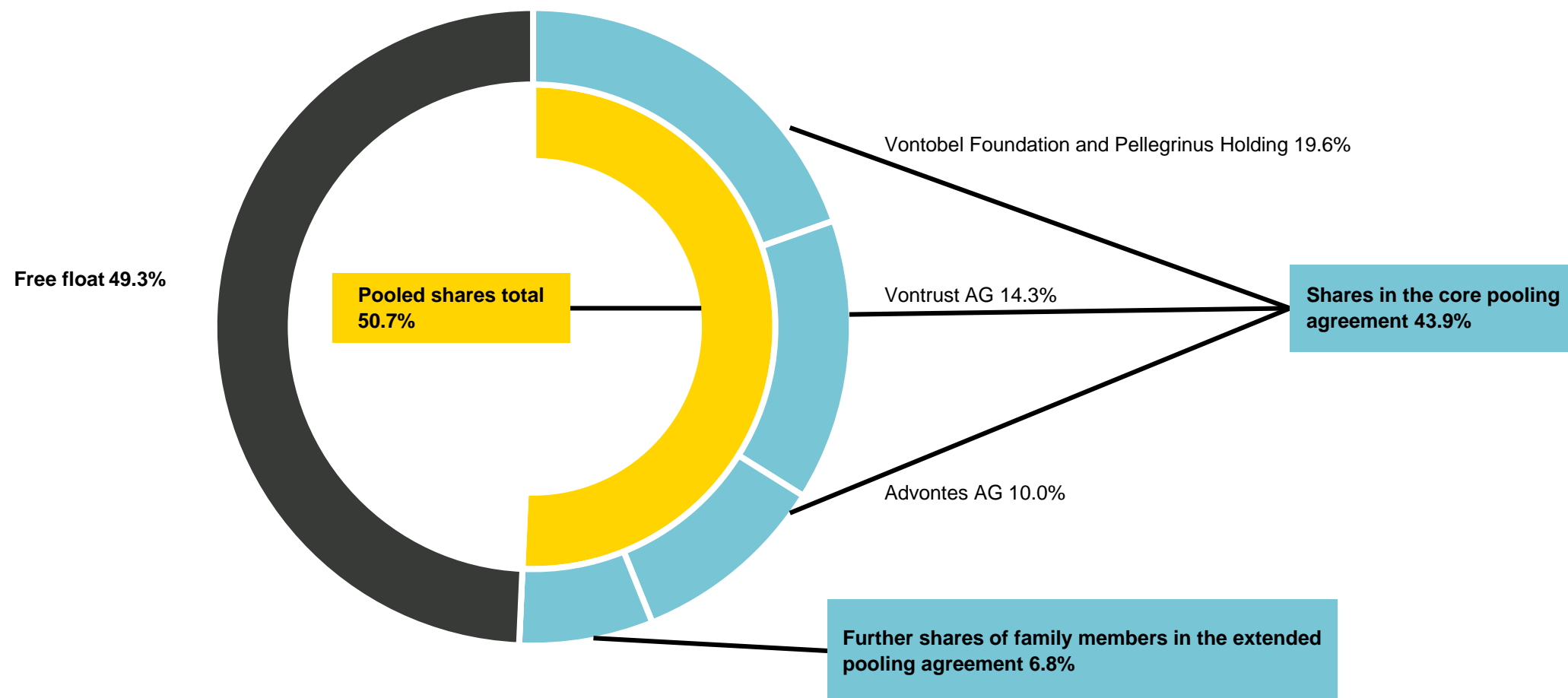
- Vontobel’s Combined Wealth Management activities consist of Wealth Management (WM) and the business with External Asset Managers (EAM)
- The EAM business is similar to WM in terms of its business model, stable income streams and risk profile
- To provide a comparable level of information on WM and EAM, Vontobel provides a high level of transparency about its EAM business
- The Combined Wealth Management business reported advised client assets of CHF 54.9 bn, a gross margin of 68 bps on assets under management and an annualized NNM growth rate of 6.4% in 1H18

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 structure¹



¹ Based on nominal share capital of CHF 56.875 mn of Vontobel Holding AG