

Vontobel full-year 2018 results presentation



Zeno Staub
CEO
February 12, 2019

Martin Sieg Castagnola
CFO

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Overview

Highlights

Full-year 2018 results

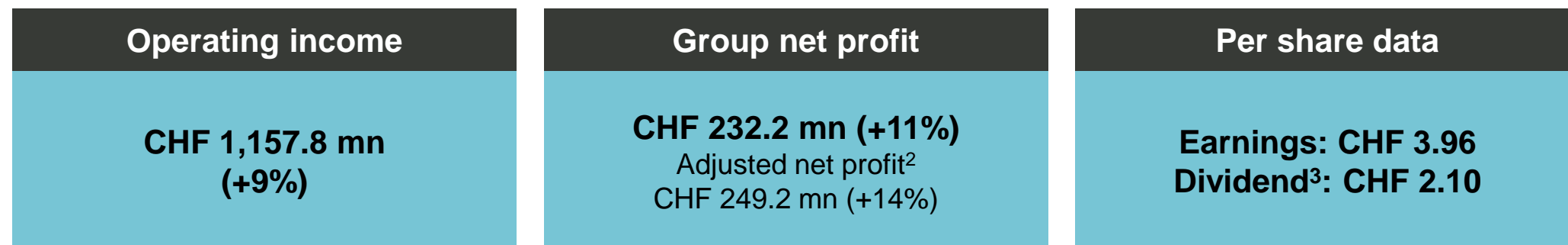
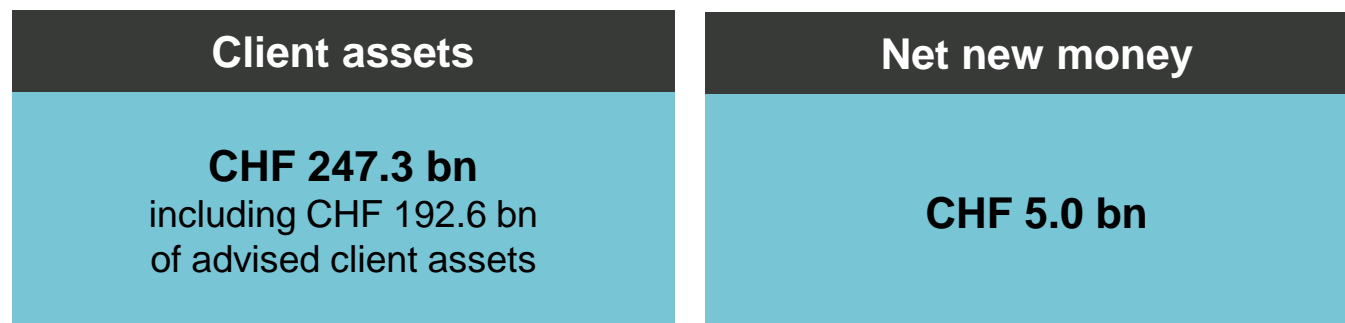
Strategy update

Outlook

Questions and answers

Vontobel on track: Higher profitability and continued organic growth

Key figures¹ as of December 31, 2018



¹ Notenstein La Roche Privatbank AG consolidated as of July 2018

² Excluding integration costs of Notenstein La Roche (NLR) of CHF 17.0 million after tax in 2018 and one-off costs of CHF 8.9 million after tax in 2017

³ Dividend proposed by the Board of Directors

With good organic growth and Notenstein La Roche integration progressing well, we are on track to achieve our 2020 targets

Clients continue to endorse our products and services

- Operating income grew by 9%, driven by Combined Wealth Management¹ and Asset Management
- NNM in Combined Wealth Management of CHF 3.3 billion (6.1%) on an organic basis²
- NNM in Asset Management of CHF 4.5 billion (4.2%) in core activities³
- Financial Products gains further market share in Europe and Asia

Successful migration of Notenstein La Roche

- Legal and financial merger and migration of clients to Vontobel platform finalized only three months after closing of transaction
- Net outflows of 7%; in first quartile of similar transactions in wealth management segment

Highly resilient business model in a challenging market environment

- Asset-linked business generated 83% of profit before tax⁴
- Transaction-based business performed well until end-October and was then hit by market volatility and low transaction volumes in final months of 2018
- Group net profit grew by 11% to CHF 232.2 million, or 14% to CHF 249.2 million excluding one-off impacts⁵

We are convinced that our client centric approach and focused business will prove beneficial in a challenging market environment

¹ Wealth Management segment and External Asset Managers business unit

³ Excluding outflows due to consolidation measures by one single client in the low-margin Private Label business

⁵ One-off impacts in 2018 include NLR net integration costs of CHF 20.3 million (CHF 17.0 million after tax). One-off impacts in 2017 include the integration costs of Vescore and the Eastern European client portfolio of Notenstein La Roche of CHF 9.8 million (CHF 7.9 million after tax) and costs related to US tax reforms of CHF 1 million

² Excluding assets and NNM flows from the acquisition of Notenstein La Roche (NLR)

⁴ Excluding Corporate Center

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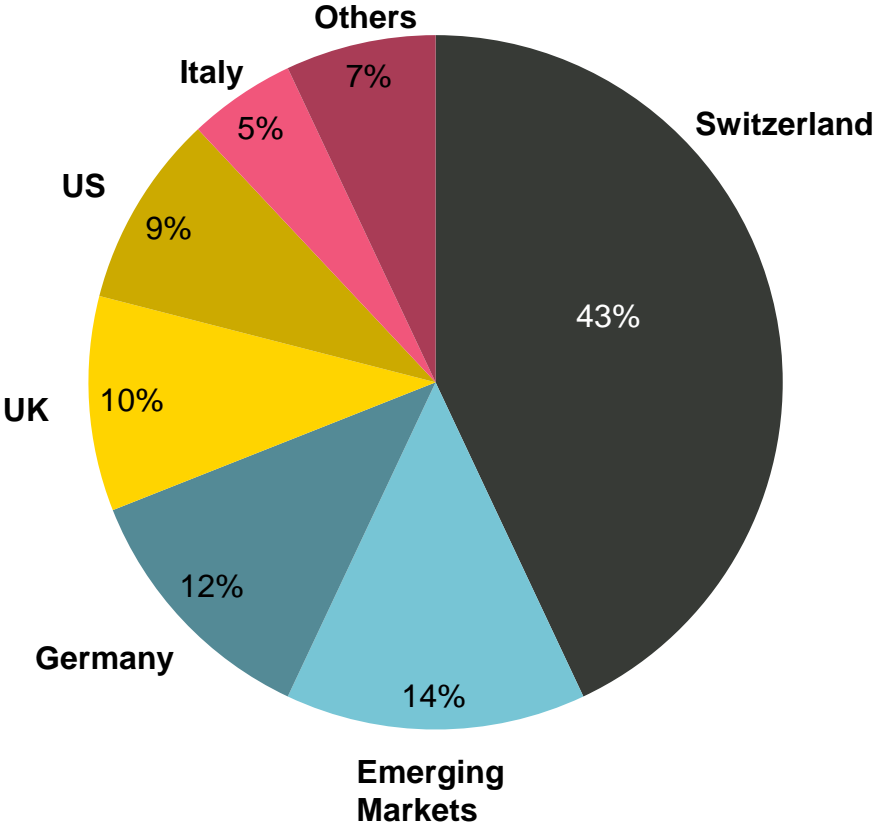
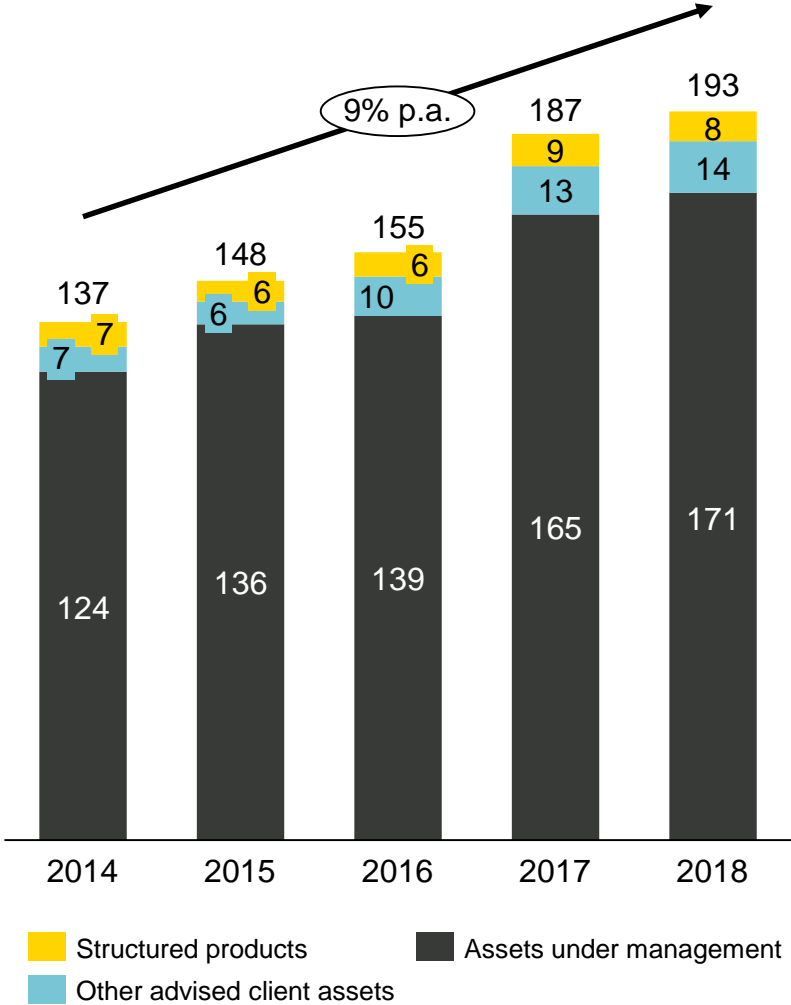
Outlook

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Advised client assets reach CHF 193 billion despite the challenging environment

Advised client assets (CHF bn, end of period)

Advised client assets by client domicile (end-2018)



Vontobel grows operating income by 9% – Group net profit up 11% despite investment in growth (up 14% on comparable basis)

Development of key figures

	31-12-18	31-12-17	Δ
Operating income (CHF mn)	1,157.8	1,060.1	+9%
Operating expense (CHF mn)	881.6	800.8	+10%
Profit before taxes (CHF mn)	276.2	259.3	+7%
Taxes	44.0	50.3	-13%
Group net profit (CHF mn)	232.2	209.0	+11%
<i>excl. one-off impacts¹</i>	249.2	217.9	+14%
Cost/income ratio (%)	76.5	75.3	+1.2 pp
Basic earnings per share (CHF)	3.96	3.65	+8%
<i>excl. one-off impacts</i>	4.26	3.82	+12%
Return on equity (%)	13.0	13.1	-0.1pp
CET1 capital / tier 1 capital (CHF mn)	835.1 / 1,282.7	1,098.6	-24% / +17%
Risk-weighted positions (CHF mn)	6,801.1	5,955.6	+14%
CET1 ratio / tier 1 capital ratio (%; Basel III fully applied)	12.3 / 18.9	18.4	-6.1pp / 0.5 pp
Average LCR (%; liquidity coverage ratio)	205	182	+23 pp
Leverage ratio	4.9	4.7	+1.8 pp

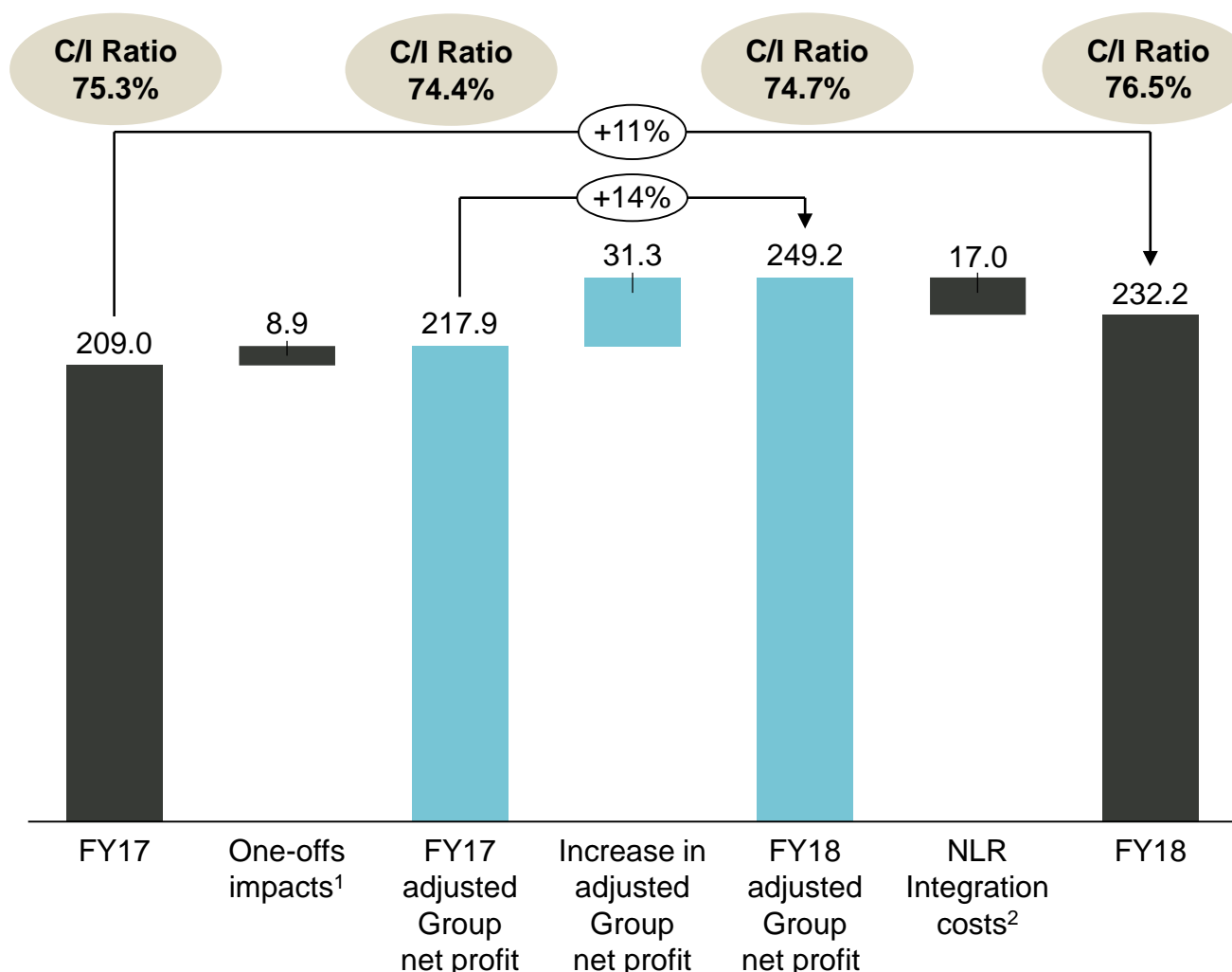
Comments

- Operating income rose 9% on increased asset base. 68% of operating income stems from recurring fee and commission business
- Operating expense excluding integration costs increased in line with income (+10%), reflecting good cost management while investing in the future
- Tax rate decreased to 15.9% (from 19.4%), reflecting lower US tax rate and integration effects
- Group net profit excluding minority interests of CHF 220.7 million, resulting in 8% rise in EPS, or 12% on an adjusted basis
- Solid capital base with CET1 ratio of 12.3% and tier 1 capital ratio of 18.9%, both substantially exceeding regulatory requirements
- LCR of 205% significantly exceeds FINMA requirements

¹ One-off impacts in 2018 include NLR net integration costs of CHF 20.3 million (CHF 17.0 million after tax). One-off impacts in 2017 include the integration costs of Vescore and the Eastern European client portfolio of Notenstein La Roche of CHF 9.8 million (CHF 7.9 million after tax) and costs related to US tax reforms of CHF 1 million.

Vontobel delivers solid growth in Group net profit

Group net profit (CHF mn)



Comments

- Group net profit increased by 11%, or 14% excluding one-off impacts
- Growth stems from Combined Wealth Management and Asset Management
- Cost/income ratio was 76.5%, or 74.7% excluding one-off impacts related to NLR (up 0.3 percentage points)
- Combined Wealth Management and Asset Management improved cost/income ratios by 2.7pp and 1.4 pp, resp., reflecting good cost management and scalability of the platforms

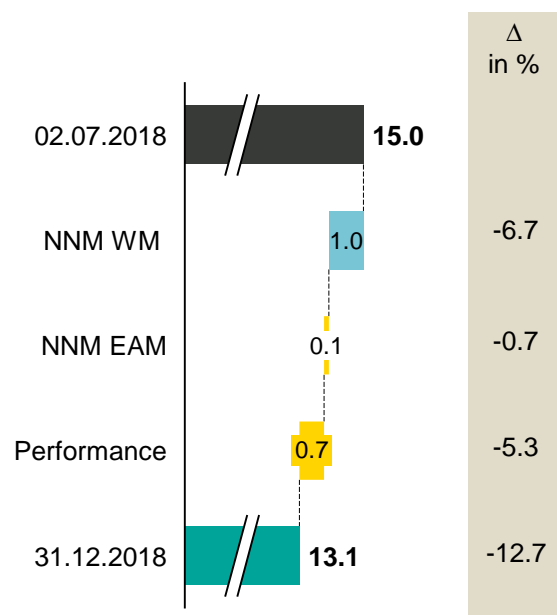
¹ One-offs in 2017 include the integration costs of Vescore and the Eastern European client portfolio of Notenstein La Roche of CHF 9.8 million (CHF 7.9 million after tax) and costs related to US tax reforms of CHF 1 million

² Integration costs of NLR consist of integration costs of CHF 37.9 million (CHF 31.8 million after tax) and pension liability effects of CHF 17.6 million (CHF 14.8 million after tax) related to NLR in line with IAS 19

Smooth and rapid integration of Notenstein La Roche

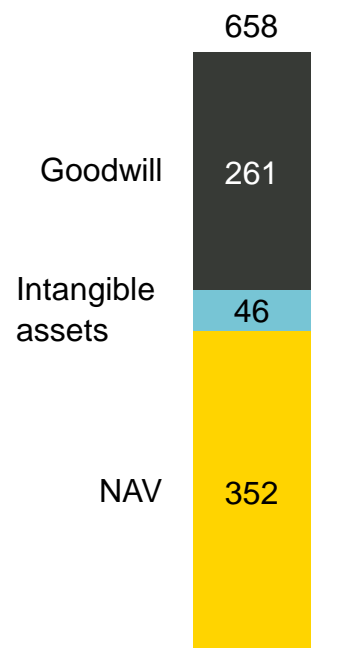
We are now ready for our next growth phase

Development of AuM (CHF bn)



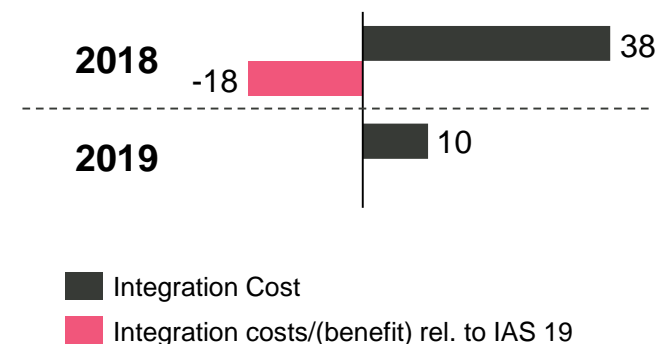
- Transfer of CHF 15.0 billion of assets classed as AuM; 75% belong to clients domiciled in Switzerland
- Net outflows in 2018 of CHF 1.1 bn or 7.3% of AuM – in first quartile of similar transactions
- Outflows are expected to level off

Price allocation at closing



- Goodwill of transactions totals CHF 260.6 million
- Client relationships of CHF 45.8 million are assigned to intangible assets (excluding goodwill) and amortized over 10 years

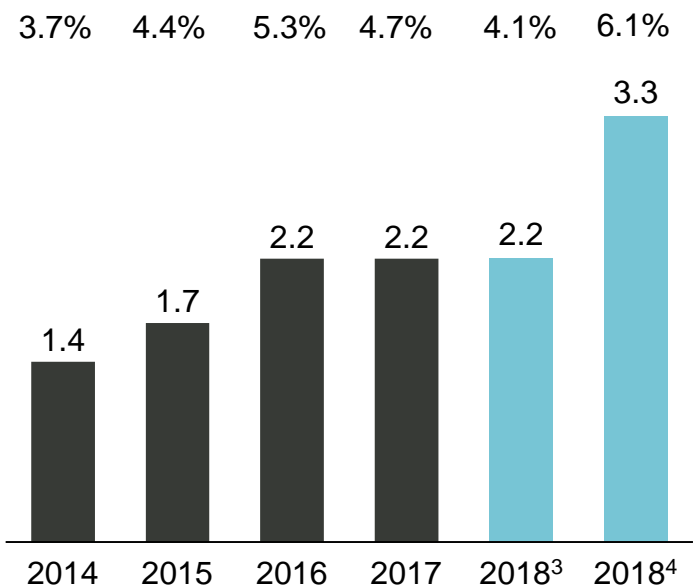
Integration costs before tax



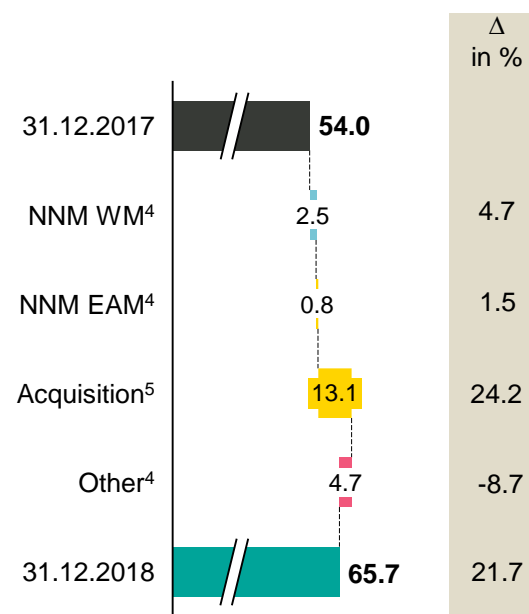
- Integration costs in 2018 were well below expectations due to IAS 19 effects on NLR pension liabilities
- Integration costs of around CHF 10 million expected for 2019, meaning total integration costs will be below initial estimate of CHF 50 million

Combined Wealth Management¹ with strong net inflows of new money from organic basis...

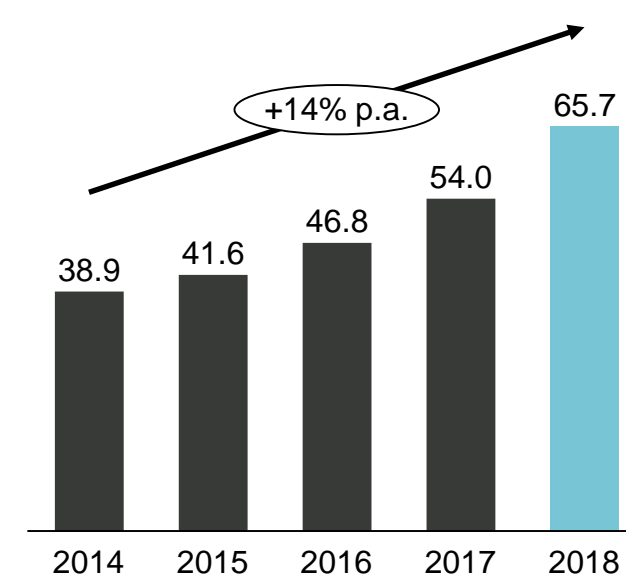
Net new money² (CHF bn)



Development of AuM (CHF bn)



AuM Development (CHF bn)



- Net inflows totaled CHF 3.3 bn on an organic basis, corresponding to net new money growth of 6.1% (5.8% in WM and 7.9% in EAM)
- Geographically broad-based inflows with significant contributions from Switzerland, Latin America and Italy

- AuM increased by 21.7 % compared to end-2017
- Increase driven by NNM of CHF +3.3 bn and consolidation of NLR (CHF +15.0 bn)
- Other includes investment performance of CHF -3.2 bn, FX of CHF -0.4 bn and sale of Vontobel Liechtenstein with AuM of CHF -1.4 bn

- AuM have reached a new record level of CHF 65.7 billion

¹ Wealth Management segment and External Asset Managers business unit

² Growth (%) in AuM attributable to net new money

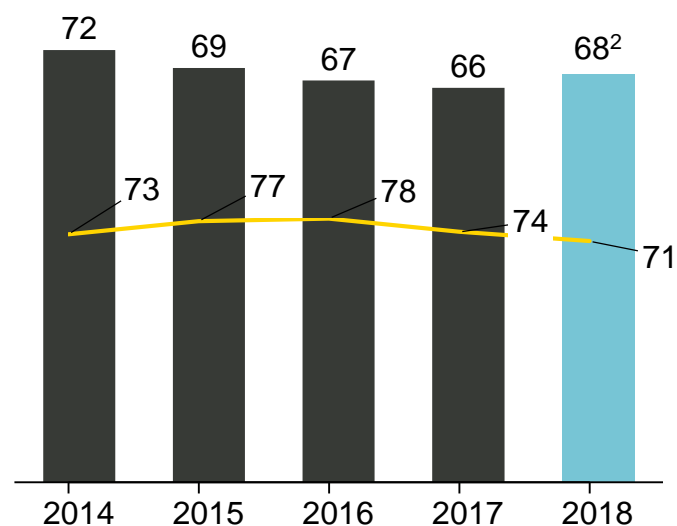
³ As reported

⁴ Organic, excluding NLR

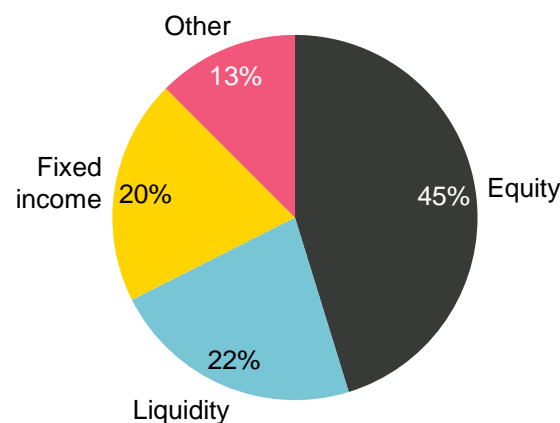
⁵ Notenstein La Roche, including net inflow of new money, performance and FX in 2018

... and increased profitability due to protection of solid margin and focus on lean and scalable business model

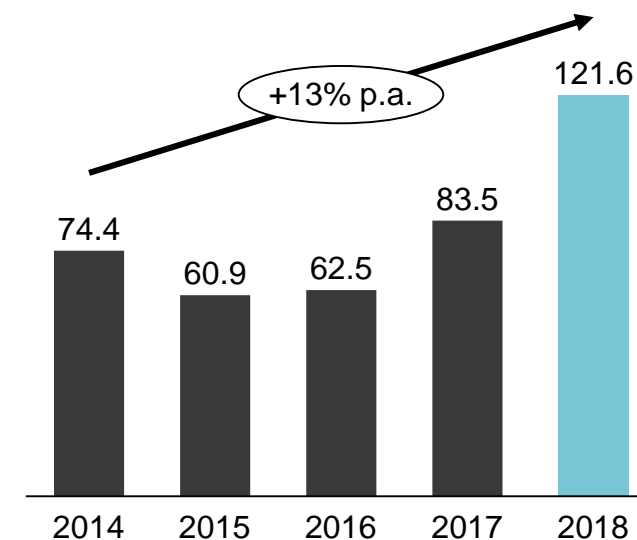
Gross margin on AuM¹ (bps) and CIR (%)



Advised client asset split (%)



Profit before tax (CHF mn)



- Margin stabilized at 68 bps
- Positive impact on margin of new product offering and increased loan book was only partially offset by cost of negative interest rate in CHF and EUR on increased deposits in these currencies (increased share of liquidity of 22%, up from 20% in 2017)

- 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 122 mn, driven by strong growth in Wealth Management as well as in the EAM business
- Excluding contribution from Notenstein La Roche, profit before tax rose by 33%

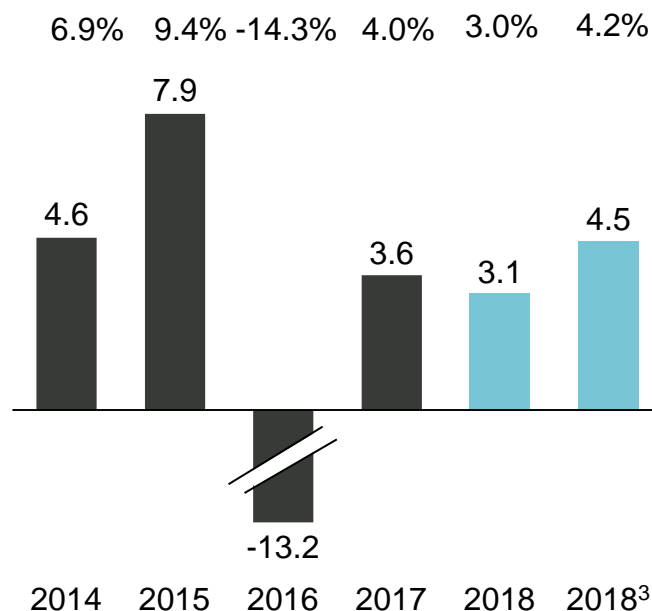
■ Gross margin on AuM (bps) — Cost/income ratio (%)

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

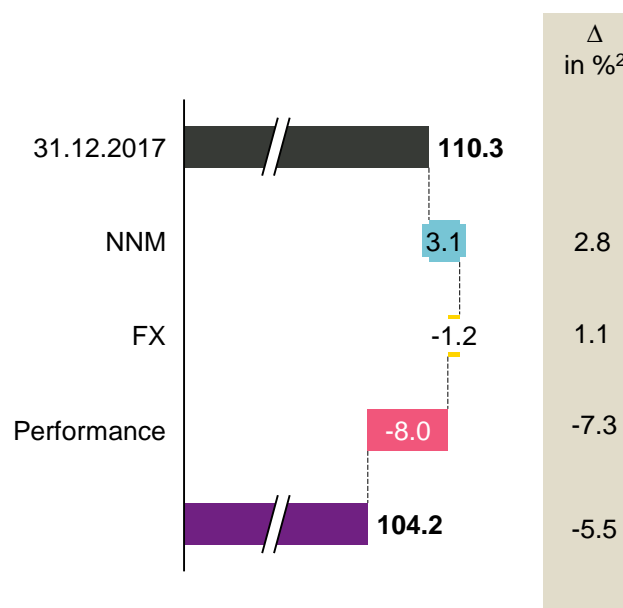
² Of which 52 bps are commission driven, including 42 bps from recurring fee income

Asset Management with good net inflows in a challenging market environment ...

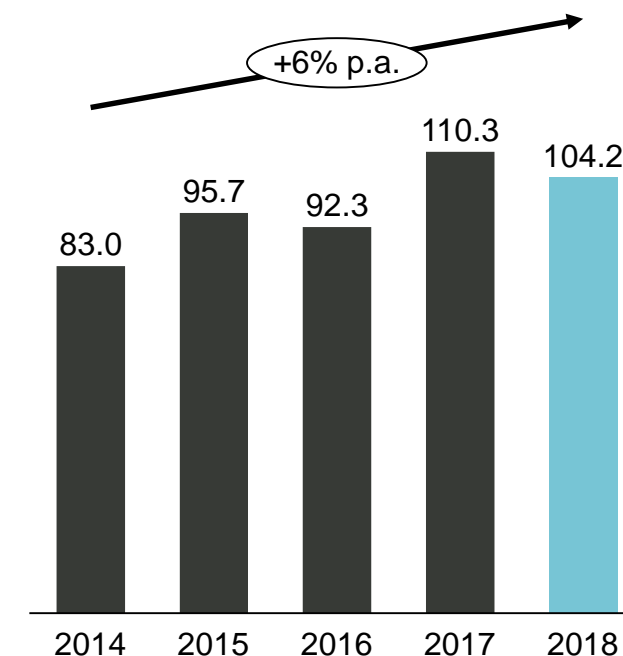
Net new money¹ (CHF bn)



Development of AuM² (CHF bn)



AuM development



- Strongest net inflows in TwentyFour AM, Vescore and Sustainable & Thematic Investing
- Raiffeisen funds also contributed to NNM
- Vontobel ranks 9th out of around 1,450 active managers based on net flows in European and cross-border fund markets

- Net inflow of new money of CHF 3.1 bn.
- Excluding consolidation measures of one client in the low-margin private label business, net new money totaled CHF 4.5 bn, a growth rate of 4.2%
- Markets and FX had a substantial negative impact on assets under management

- Despite good inflows, assets under management declined year on year, mainly due to market developments in Q4 2018.

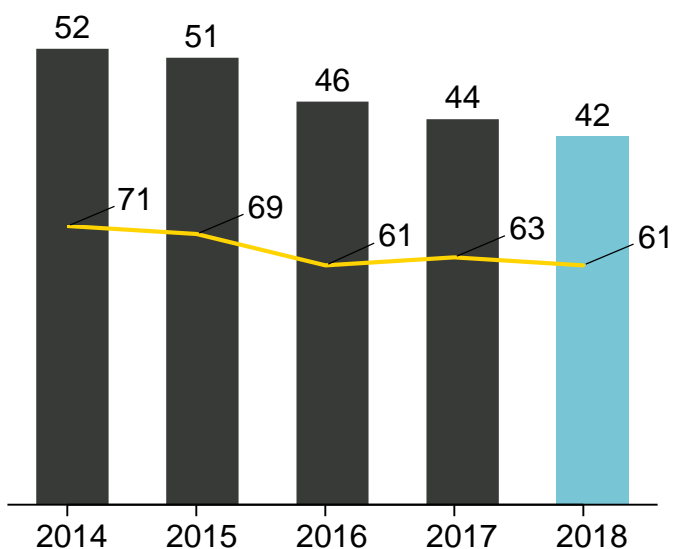
¹ Growth (%) in AuM attributable to NNM, adjusted for double counting

² Not adjusted for double counting

³ Excluding outflows of CHF 1.4 bn due to consolidation measures of a client in low margin private label business

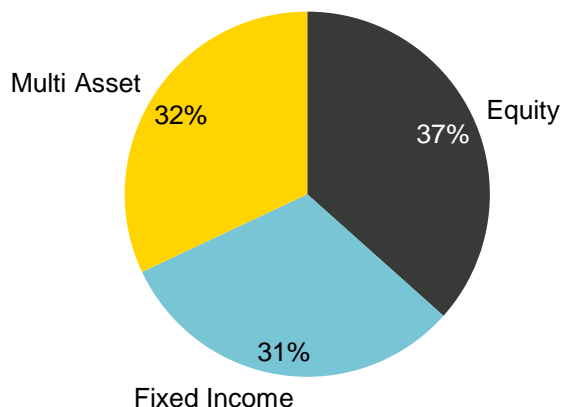
... and strong pre-tax profit due to our balanced book of business

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



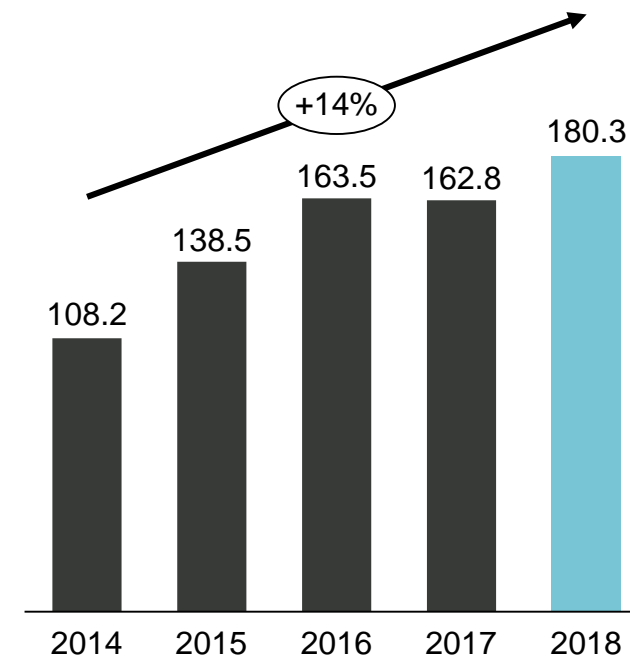
- Gross margin of 42 bps reflects further shift in asset mix due to strong inflows in Fixed Income and lower performance fees in a more difficult market
- Cost / income ratio has improved over time

Advised client asset split (%)



- Very well balanced portfolio
- Fixed Income share in advised client assets has increased from 14% to 31% over the last 5 years (27% at the end of 2017)

Pre-tax profit (CHF mn)



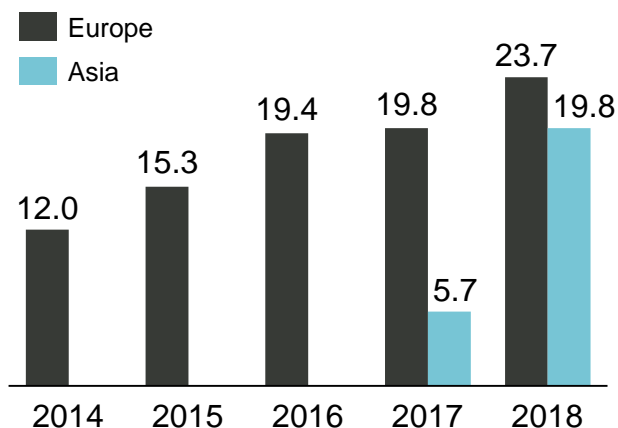
- Strong pre-tax profit of CHF 180 million in 2018, up 11% compared to 2017.
- Good cost management compensated the effect of the shift in asset mix

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

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

Financial Products is gaining market share in Europe and Asia – increased turnover of own products and on deritrade® MIP

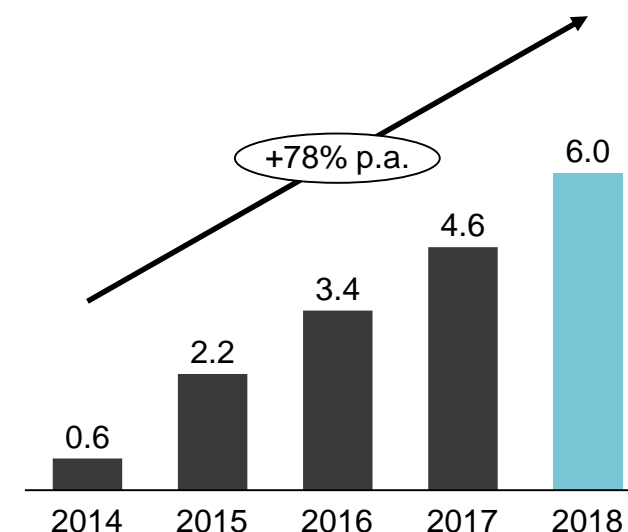
Turnover of listed and non-listed Vontobel products in Europe¹ and Asia² (CHF bn)



Market share of listed products in Europe and Asia

MARKET	MARKET SHARE 2018		
	Rank	TURNOVER	# TRADES
Switzerland ²	#1	28.4%	44.2%
Germany ²	#5	9.3%	9.5%
Nordics ^{3/4}	#1	43.0%	35.8%
Italy ⁴	#4	9.6%	12.9%
France ⁴	#5	3.9%	5.5%
Netherlands ⁴	#6	3.7%	6.6%
Europe		13.1%	12.7%
Hong Kong ⁵	#11	2.5%	3.2%

Notional volume issued on deritrade® MIP (CHF bn)



- We are pursuing a low-risk business model; high turnover in Asia (CHF 19.8 bn) is due to local market practice with very short holding periods
- Asia reflects 43% of total Vontobel turnover but only 7% of VaR (Value at risk)

- Market share on European exchanges grew to 13.1%, reflecting positive developments in almost all markets
- Vontobel has established itself in the Hong Kong market with a market share of 2.5%

Numerous distributors

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

2 collaboration agreements in place

- UBS Wealth Management
- Raiffeisen

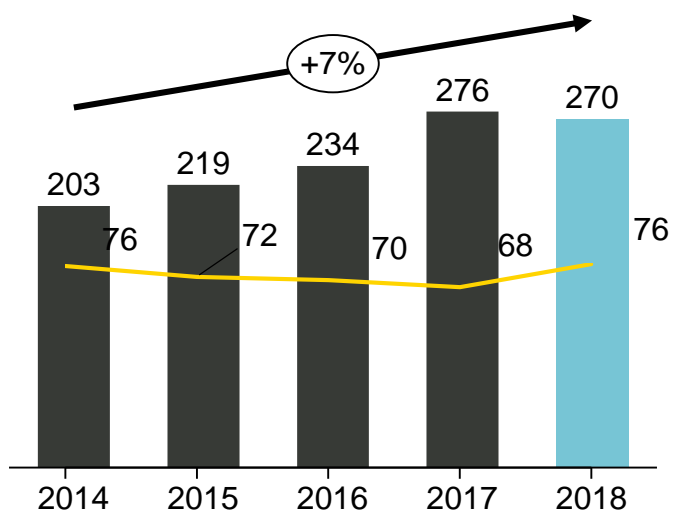
¹ Notional volume issued and volume traded
² Investment and leverage product
³ Sweden and Finland (only NGM, w/o OMX)

⁴ Leverage products
⁵ Singapore and Hong Kong

Financial Products continues to invest in future growth

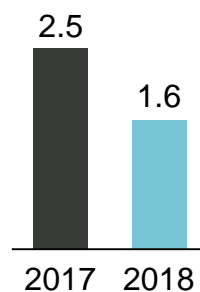
Difficult markets in Q4 had a strong adverse impact on business

Operating income¹ (CHF mn) and CIR (%)



November and December

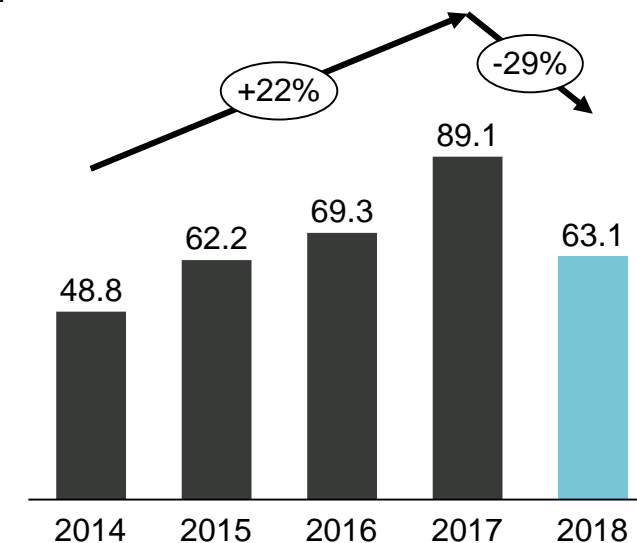
Volume Switzerland² (CHF bn)



Volume Europe ex CH (EUR bn)



Pre-tax profit¹ (CHF mn)



- Operating income was up by 11% end-October compared to the same period in 2017 followed by a significant market slowdown in November and December.
- Cost/income ratio increased mainly due to investments and shifts in revenue mix; e.g. Hong Kong at higher listing costs than in other markets

- Market volumes in Switzerland were down 36% in November and December compared to the same period in 2017.
- In Europe the market impact was milder, market volumes were down 9%

- Pre-tax profit of CHF 63 million in 2018, down compared to a very strong 2017, due to lower operating income (-2%), the shift in revenue mix and higher investments for the future.

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

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

² On book on exchange trades

Acceleration in Asset Management and Combined Wealth Management – now jointly accounting for 83% of pre-tax profit¹

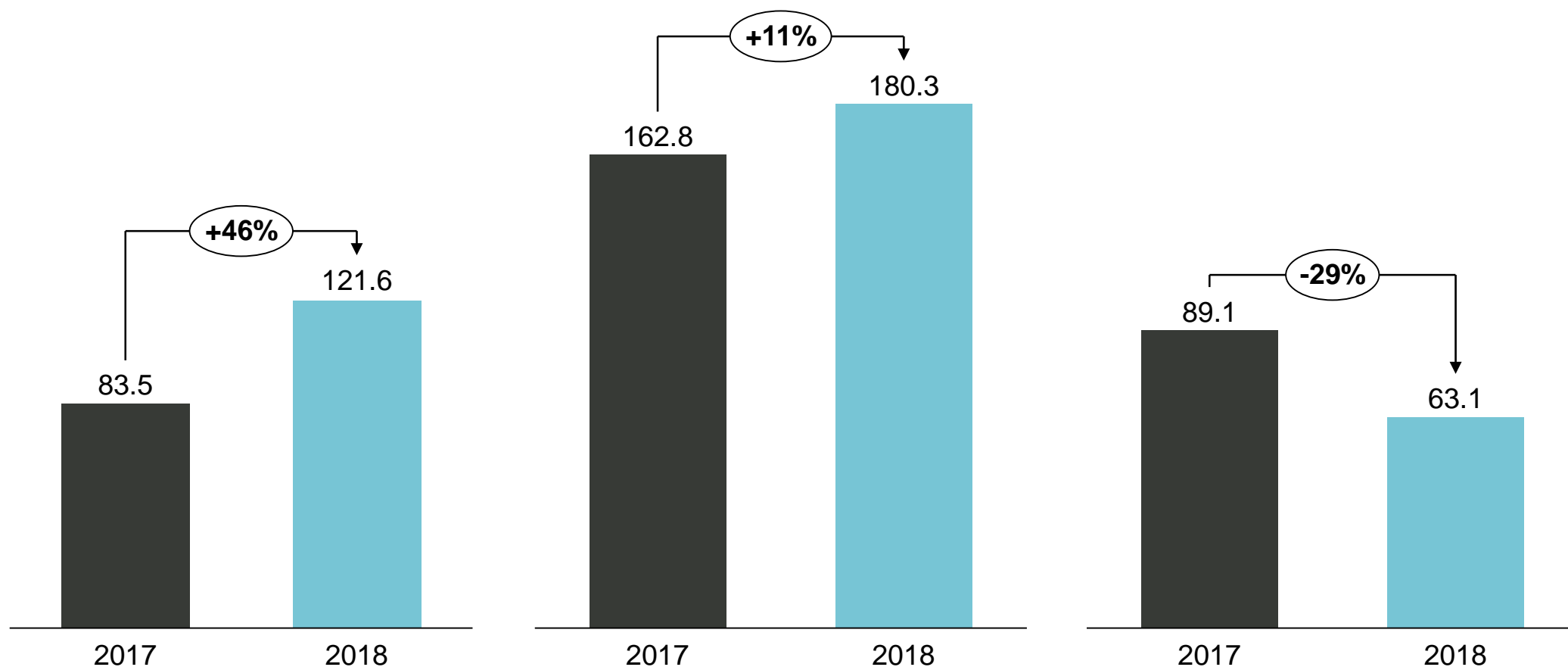
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Pre-tax profit of core activities (IFRS, CHF mn)

Combined Wealth Management²

Asset Management

Financial Products



¹ Excluding Corporate Center

² Wealth Management segment and External Asset Managers business unit

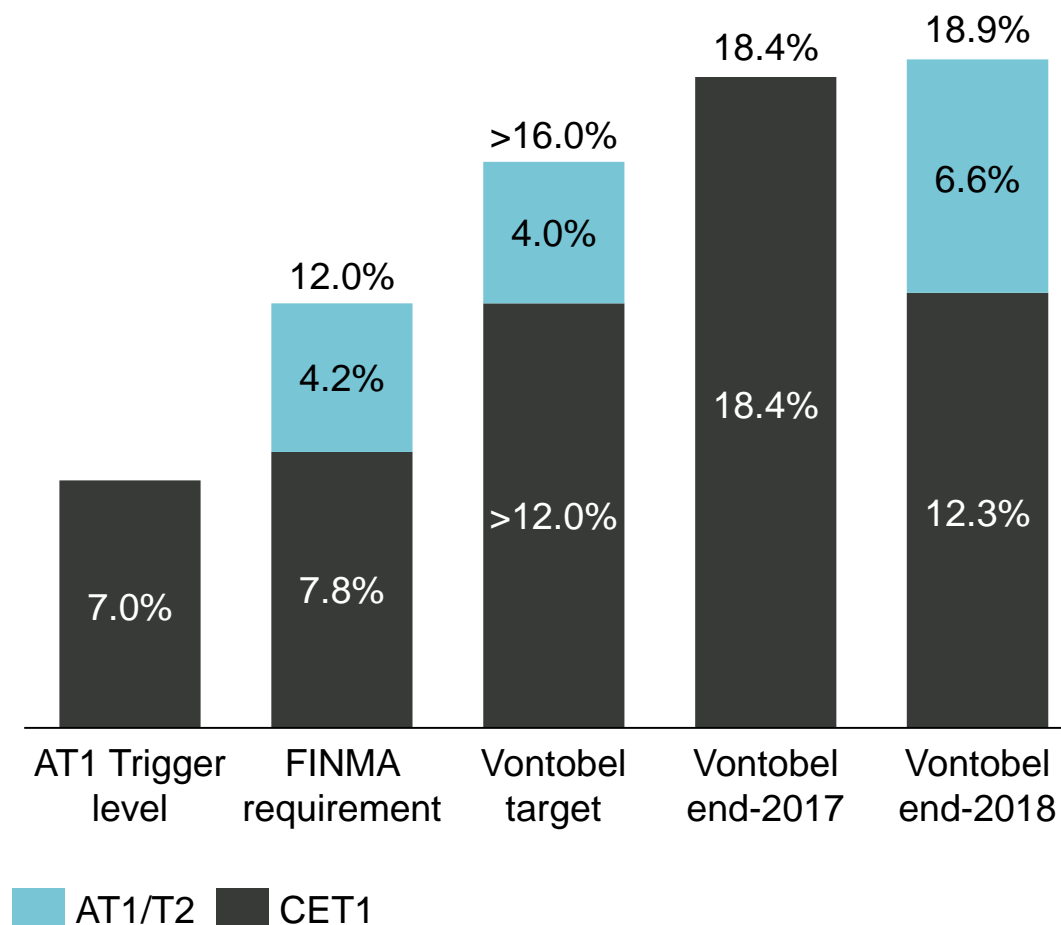
Higher capital ratios – capital structure improved by issuing additional Tier 1 bond

Capital ratios

- Total capital ratio improved to 18.9% from 18.4% at end-2017
- CET 1 ratio at 12.3%; slightly above the ratio expected for end-2018 after announcement of acquisition of Notenstein La Roche
- In 2018, operating income grew by 9% and corresponding RWA by 14% year on year; excluding RWA from acquisition of NLR, RWA would have been slightly lower.

New optimized capital structure

- The issuance of the additional Tier-1 bond with a coupon of 2.625% and the Notenstein La Roche acquisition have changed Vontobel’s capital structure
- New capital structure ensures financial flexibility with sufficient capital for growth



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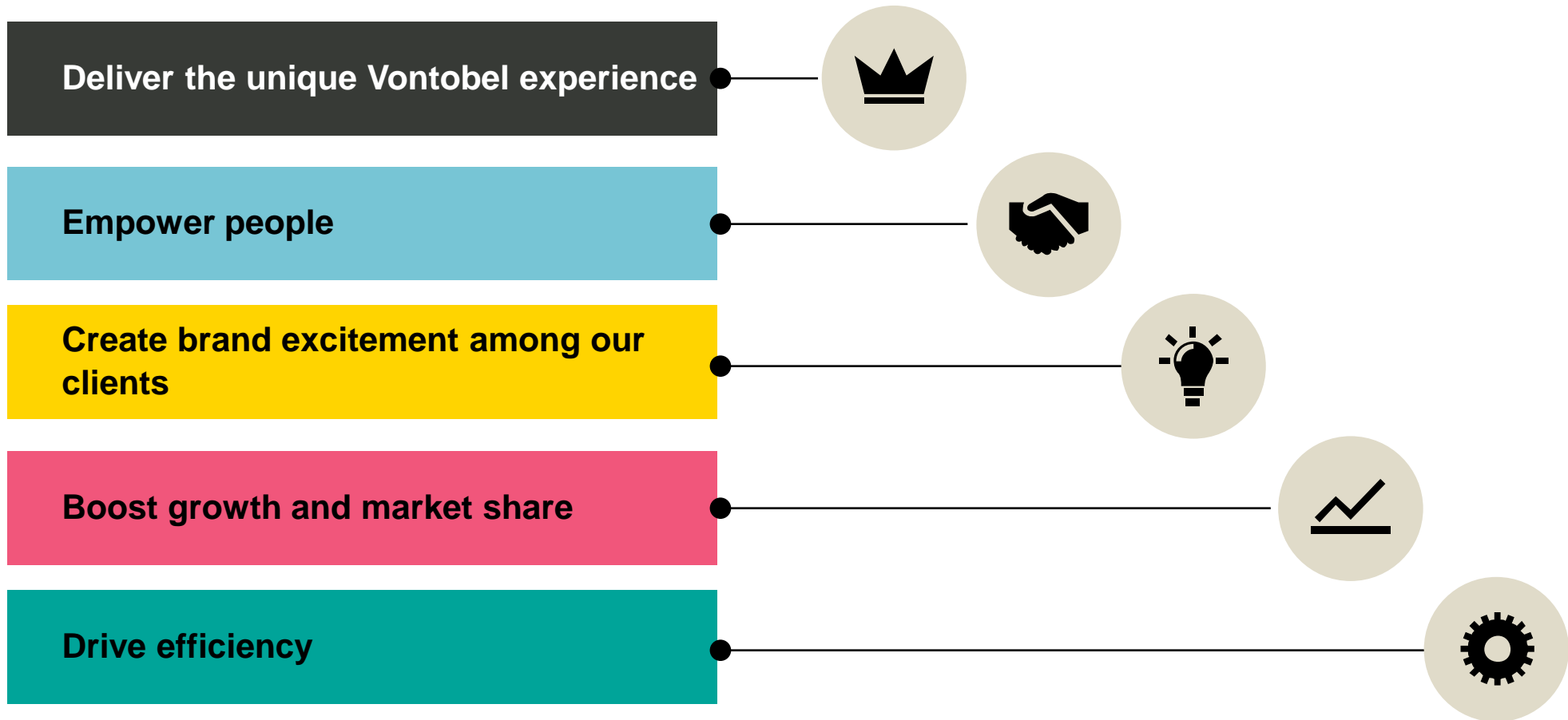
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Strategy 2020: Progress on strategic priorities

February 12, 2019



Vontobel Wealth Management is disrupting the capped growth model of the traditional private banking industry...

Value proposition



- Tradition, relationships, discretion are typical characteristics of the offering; there is very limited differentiation at product and service level → 'private banking since'
- No true investment management culture
- Standardized offering with focus on industrial processes (for HNWI and lower segments)

Service model



- Relationship manager as sole contact for clients, with responsibility for client relationship, sales initiatives, administration, etc.

Operating set-up



- Complex operating models consisting of legacy core banking and middleware systems and diverse booking platforms
- Limited ability to build consistent and flexible digital client journeys


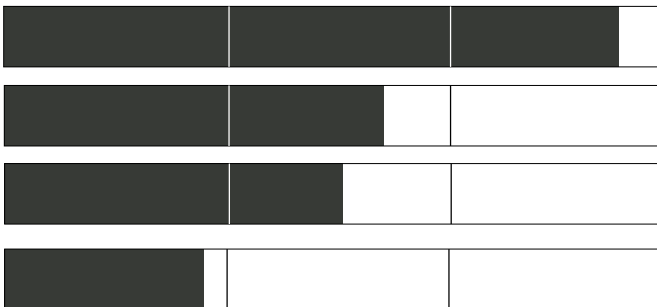

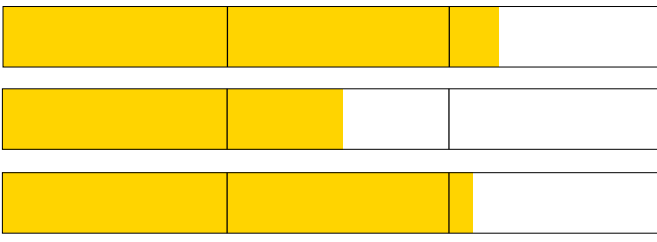



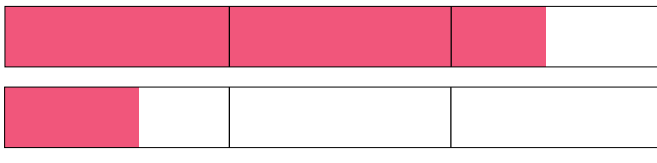
Growth drivers



- Organic growth based on predatory approach (i.e. poaching advisors with existing networks of wealthy clients)
- Personal networks get monetized by advisors

...ready for next growth phase

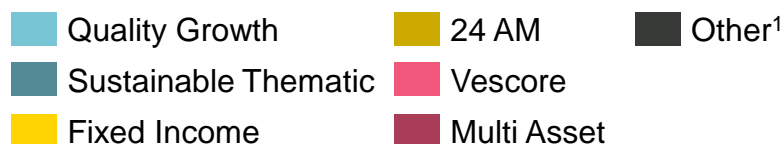
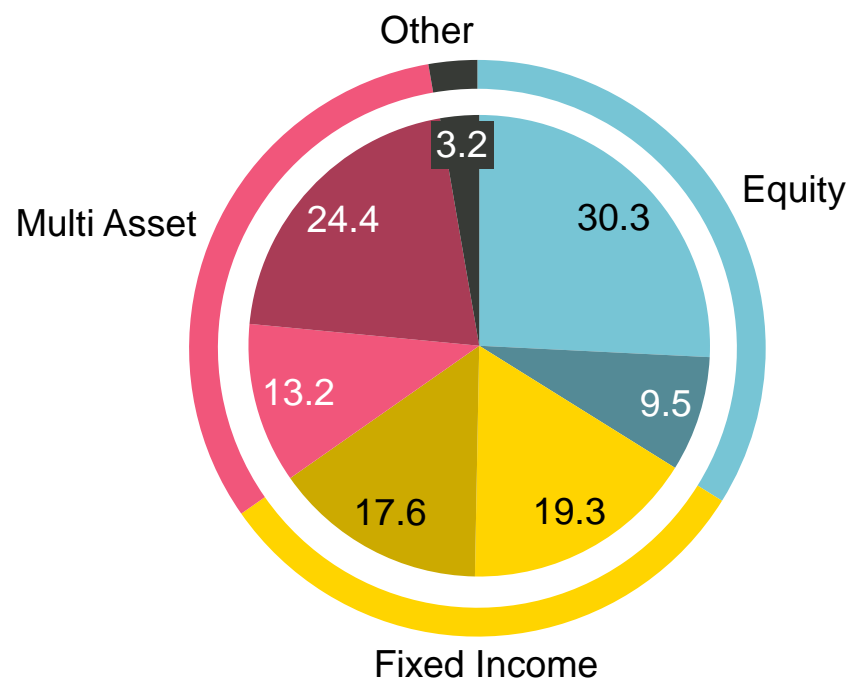
Implementation Progress

<p>Value proposition</p> 	<ul style="list-style-type: none"> - Vontobel brand relaunched - Build-out of investment capabilities and introduction of proprietary 3α-Investment approach - Holistic client advisory process introduced, feeding into a modular product offering linked to value-based pricing - Reworking of key customer journeys, e.g. client onboarding 	
<p>Service model</p> 	<ul style="list-style-type: none"> - Rolled-out academy for relationship manager and experts to further enhance quality of service - Introducing state-of-the-art expert systems with fully integrated pre-trade, cross-border risk engine - Actively managed digital wealth management solution for our clients and third parties 	
<p>Operating set-up</p> 	<ul style="list-style-type: none"> - Reduced number of booking centers and complexity - Invested in state-of-the-art core banking platform - Building highly sophisticated sales and distribution platform 	
<p>Growth drivers</p> 	<ul style="list-style-type: none"> - Capacity to attract talents in all areas, including client advisors, investment specialists, software developers - Big data, AI and automated personalized marketing system to generate leads 	

Asset Management is well positioned to benefit from challenging markets with its high-conviction boutique approach

Diversified book of business

Total advised client assets: CHF 117.5 bn (end-2018)



Long-term achievement of growth

- In the top 400 asset managers 2018 list published by Investment & Pension Europe (IPE), Vontobel rose up by 35 ranks compared to 2011, to reach number 128 in the world.
- While the IPE top 400 asset managers grew their assets under management by average 10% per annum since 2011, Vontobel could increase their AuM in the same period by on average of 18%.
- Vontobel net flows in the European and cross-border fund markets in 2018 demonstrate good momentum: Vontobel ranks 9th out of around 1,450 active managers².

¹ Other contains the Private Label business and corrects for double counting of CHF 1.4 billion in the boutiques

² Broadridge data

³ Investment & Pensions Europe

Product quality and distribution reach are key in Asset Management

High-quality products

- 50% of our funds have received a 4 or 5 star Morningstar rating, compared to only 35% in the market
- On an asset-based view, Vontobel has 80% of 4 or 5 star ratings as all our 13 mutual funds with client assets of more than CHF 1 bn fall into one of these two rating categories
- Vontobel is well established as an Emerging Markets expert and received several awards in this category¹ in 2018 and beginning of 2019
- TwentyFour Asset Management received a platinum and a gold award from Portfolio Adviser Fund Awards in the Unconstrained Fixed Income and the UK Fixed Income categories
- Vontobel Asset Management has been selected by Capital Fonds-Kompass as one of the best fund providers in Germany.

Strengthening our distribution platform

- Expansion of teams for Latin America, US and Iberia
- Expansion of sales channels for funds in Germany and Switzerland
- Establishment of presence in Japanese market in 2019



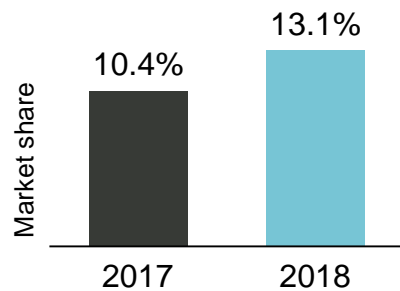
¹ "Emerging Markets Manager of the Year" at UK Pension Awards; 11 awards from Lipper for Vontobel mtx funds; "Platinum Award" by Fund Selector Asia for Emerging Markets Bond; "Best Asset Manager" in categories Asia ex-Japan Equities and Emerging Markets Debt

Financial Products: Continue on our path and focus on profitable market share growth and leadership in our platform businesses Vontobel

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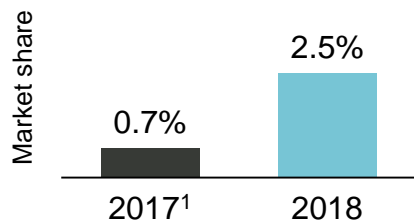
Products

Europe



- Entered Denmark in January 2019
- Consolidate position in Switzerland and gain market share in other European markets

Hong Kong

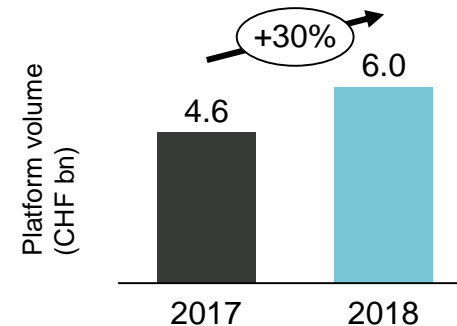


- Patience and tenacity are key to succeed in Asia. We have both!
- Next steps: Gain market share and expand product offering

Platforms

deritrade

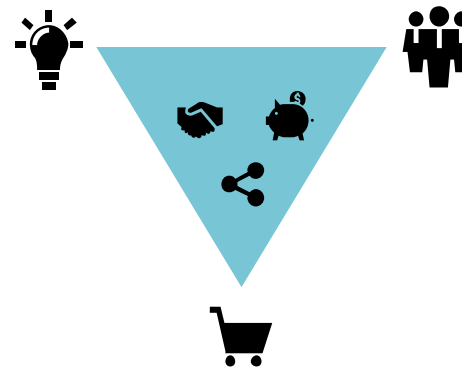
by Vontobel



- In target segment, turnover on deritrade MIP exceeds turnover on SIX

investerest

by Vontobel



- Actively managed certificates according to theme or strategy
- Over 300 products issued
- Around CHF 2bn outstanding volume

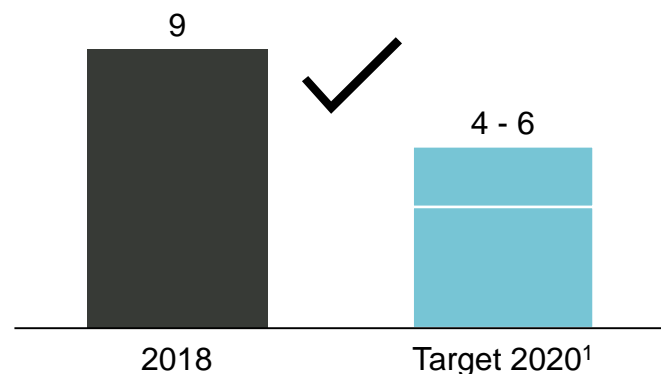
¹ Only considering September to December, Vontobel market share was 1.8%

Our results show we are on track to reach our 2020 targets

February 12, 2019

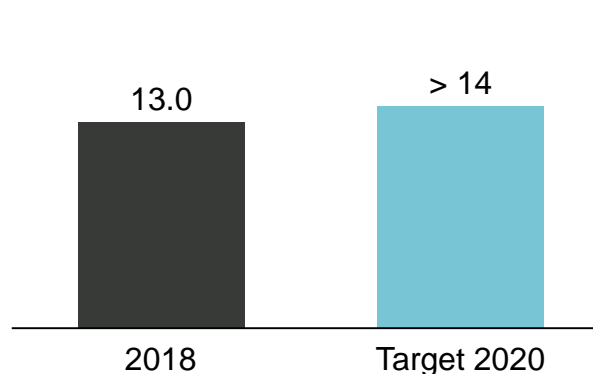
Growth

Top-line growth (in %)



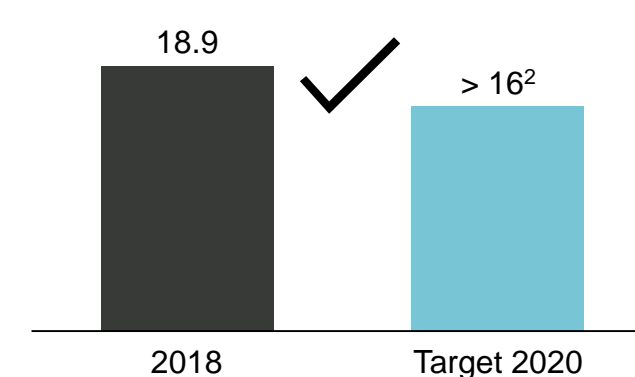
Profitability

Return on equity (in %)

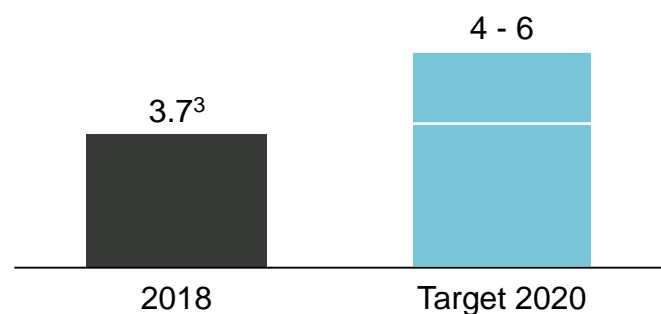


Capital and payout

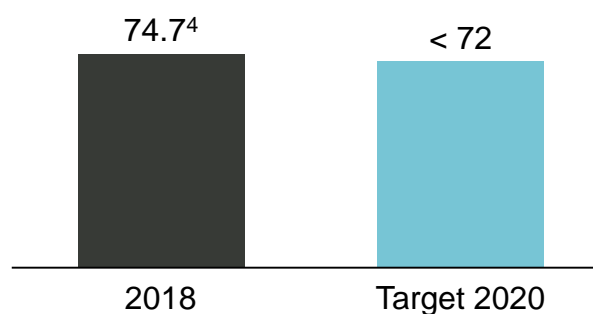
Total capital ratio (in %, end of period)



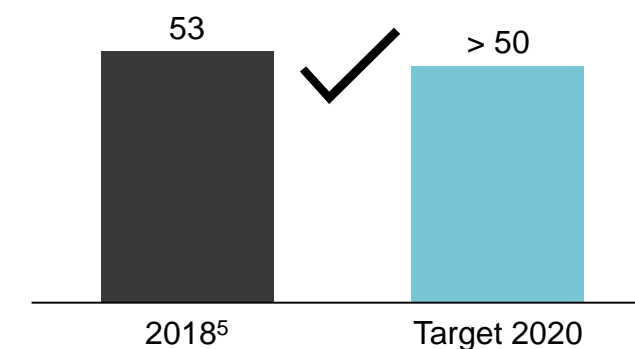
Net new money growth (in %)



Cost/income ratio (in %)



Payout ratio (in %)



¹ Excluding market performance

³ Organic, excluding Notenstein La Roche

⁵ Based on proposed dividend for 2018 to be paid in 2019

² CET1 target of >12%

⁴ Excluding integration costs of Notenstein La Roche

Overview

Highlights

Full-year 2018 results

Strategy update

Outlook

Questions and answers

Brand, talent and technology are key - We will continue to invest in future growth

Worst investment year since 1931

- After a strong 2017, 2018 was a far more challenging year, with trade tensions, political and economic uncertainty and fear of central bank policy error, which peaked in Q4
- Diversification across asset classes did not smooth returns in 2018: Total returns in almost all asset classes were negative – there was no place to hide
- In the last 90 years, multi-asset performance¹ was worse in only one year: 1931
- Markets rebounded strongly in January 2019, emerging markets are back on investors' minds but investor sentiment still shaken
- Global wealth creation is set to continue



In this world and markets ...

Long-term governance backed by a solid balance sheet and

a client-centric strategy with:

- a strong brand
- technology and innovation
- and talent

are now more important than ever

... we will continue to focus on long term growth

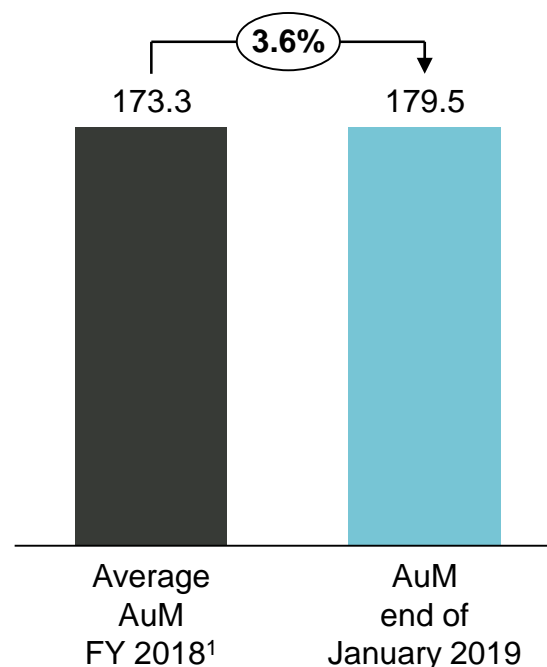
¹ S&P 500, MSCI Europe, UK Stocks/FTSE-100, German Government Bonds, US Government Bonds, US Corporate Bonds, Commodities, Gold

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 as well as political and economic uncertainty may negatively impact global asset pools – and therefore revenues – in the short-term
- Shift in wealth through transfers from older generations to the next generation, which is more tech savvy and wants digital solutions
- Operating environment remains demanding – continued low or even negative interest rates and subdued client activity

Strong asset base



Vontobel to focus on organic growth and client journeys

- Strong brand to foster organic growth
- Combined Wealth Management: Focus on 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 profitable market share in Europe and Asia

¹ Based on end of month assets under management

Overview

Highlights

Full-year 2018 results

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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

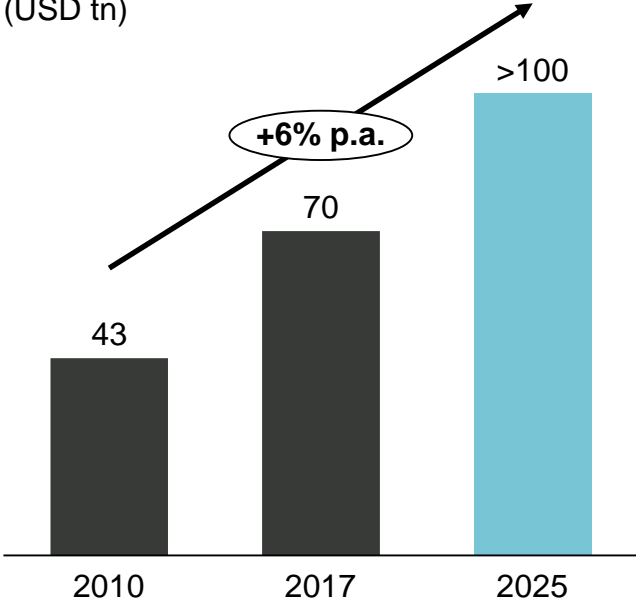
Active asset management

- Industry AuM is growing by an average of 8% p.a.
- Vontobel is focused on high-conviction asset management and outstanding performance quality

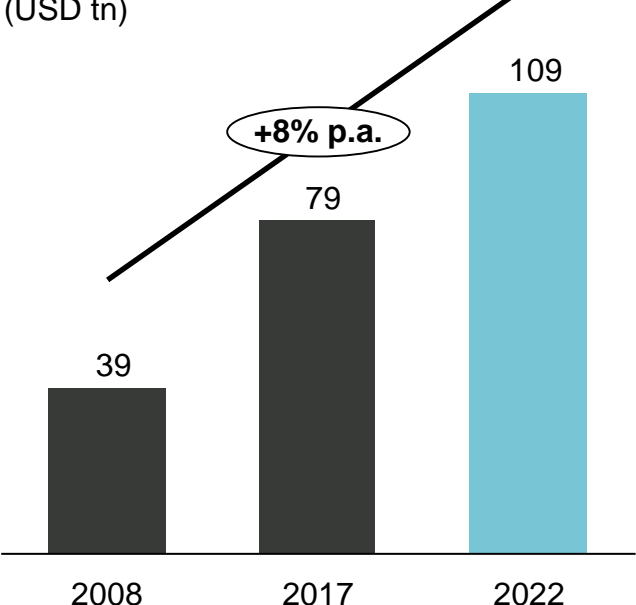
Financial products

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

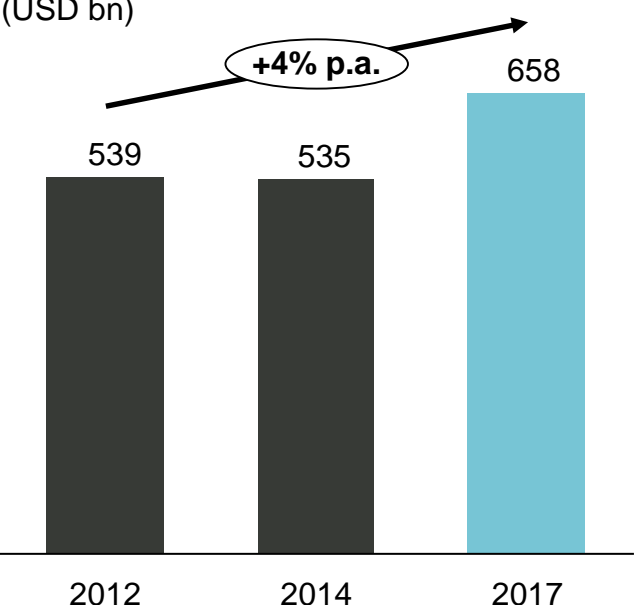
Global HNWI wealth (USD tn)



Assets managed globally (USD tn)



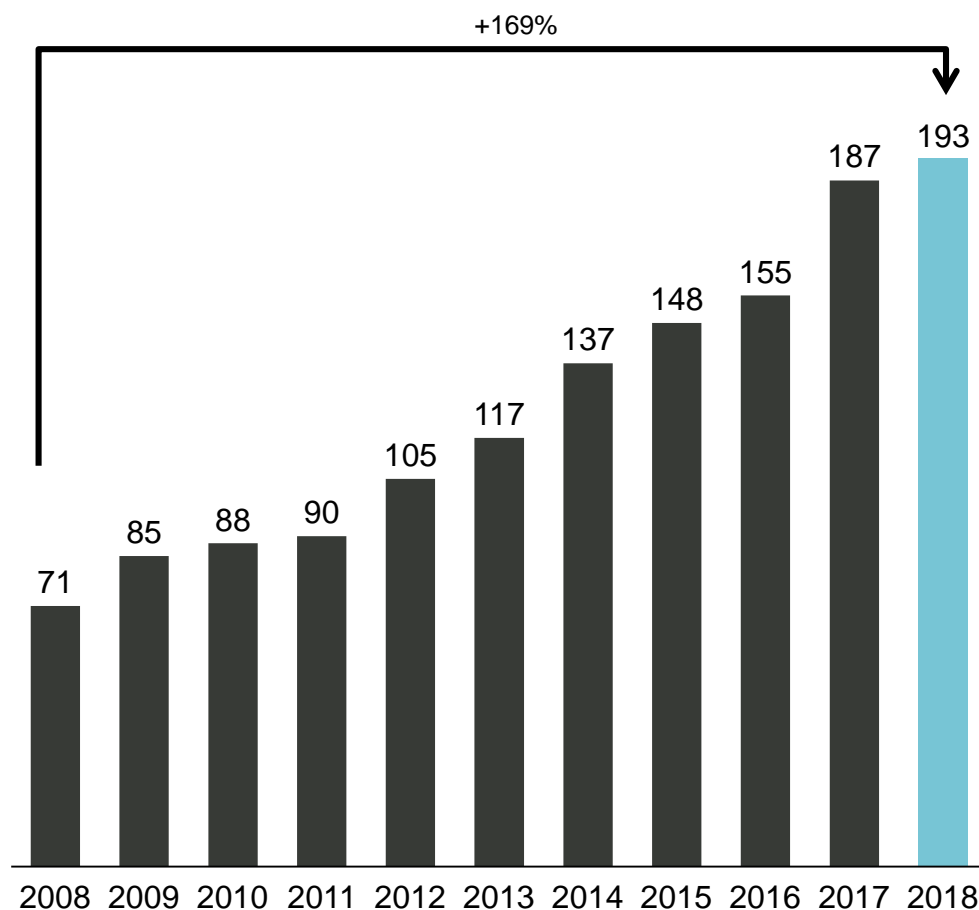
Exchange turnover in Europe/Asia¹ (USD bn)



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)



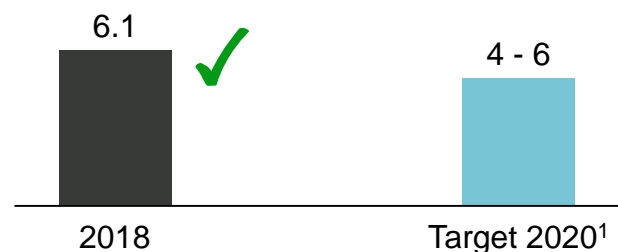
Vontobel's business model

- **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 53% in 2009 to 68% in 2018 – 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 WM with new ones since June 2018

Combined Wealth Management¹

NNM growth² (in %)



Gross margin on AuM (in bps)

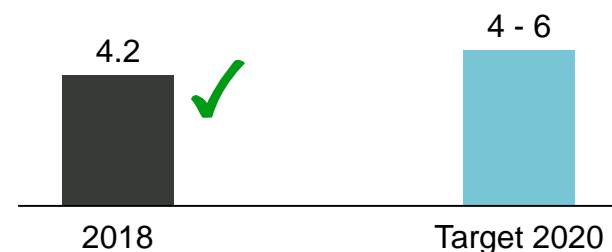


Cost⁵/income ratio (in %)



Asset Management

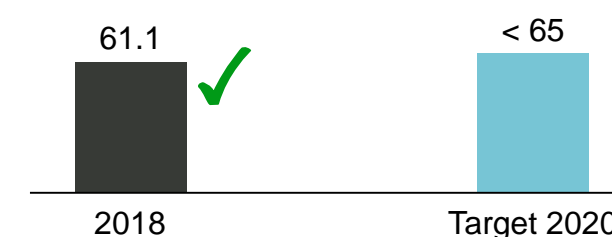
NNM growth^{3/4} (in %)



Gross margin on AuM (in bps)

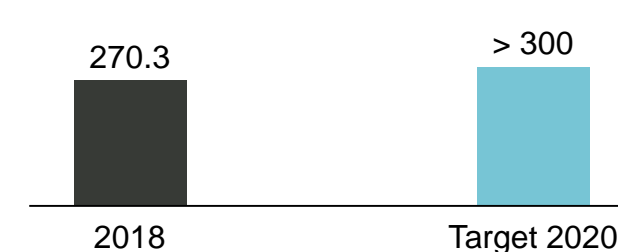


Cost⁵/income ratio (in %)



Financial products

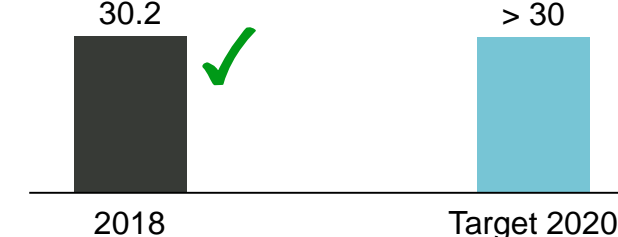
Operating income



Cost⁵/income ratio (in %)



Pre-tax ROAC⁶ (in %)



¹ Wealth Management segment and External Asset Managers business unit

² Adjusted for assets that are managed on behalf of other segments

³ Operating expense excl. provisions and losses

⁴ Organic, excluding Notenstein La Roche

⁵ Excluding outflows of CHF 1.4 bn due to consolidation measures of a client in low margin private label business

⁶ Pre-tax return on allocated capital (according to BIS III, 8%)

93% of advised client assets stem from home and focus markets

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

	Home market	Focus markets					Other markets	Total
	SWITZERLAND	GERMANY	ITALY	UK	US	EMERGING MARKETS ¹		
Advised client assets	82.4	23.2	10.4	18.8	16.4	27.7	13.7	192.6
Combined Wealth Management	Full offering	Onshore Cross-border	Cross-border	Cross-border	Onshore ² and EAM	Onshore Cross-border	Cross-border	67.2
Asset Management	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	Institutional Wholesale	114.3 ³
Financial Products	FP, Brokerage, CF, TB	FP Brokerage	FP (cloud services)	Brokerage	Brokerage	FP	FP (cloud services), Brokerage	11.0
Breakdown								
Assets under mgmt.	75.1	16.3	10.4	18.8	16.4	20.6	13.6	171.1
Other adv. client assets	1.2	5.1	-	-	-	7.0	0.2	13.5
Structured products	6.1	1.8	-	-	-	-	-	7.9

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

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

³ Excluding advised client assets managed on behalf of other segments (CHF 2.0 bn) and including advised client assets from Corporate Center (CHF -1.3 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 ...

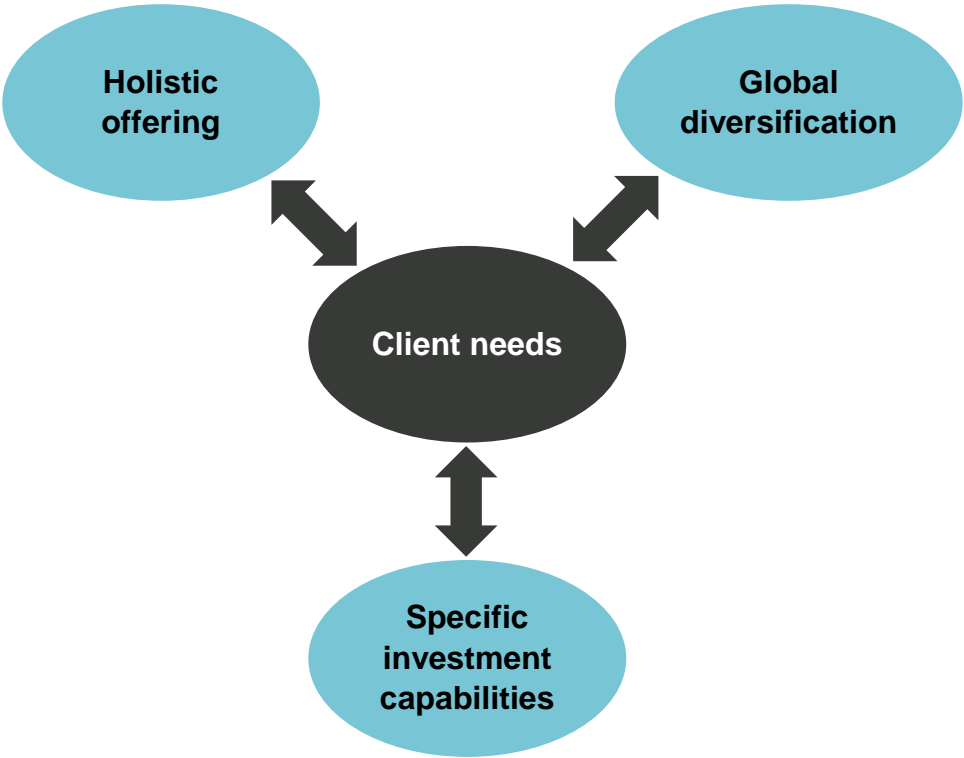
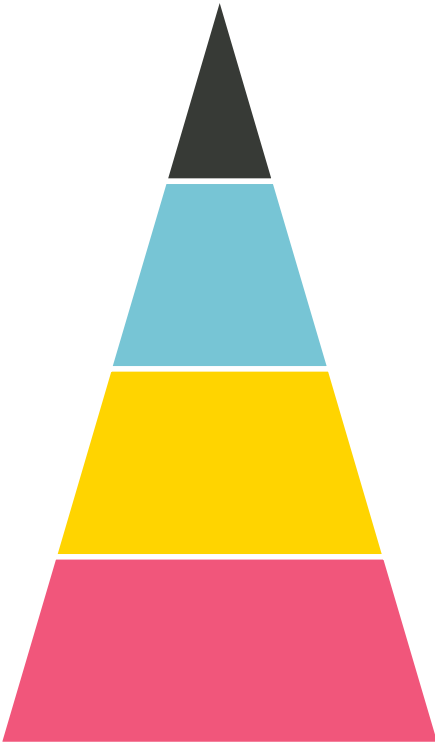
... but Vontobel's offering is based on client-specific needs

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



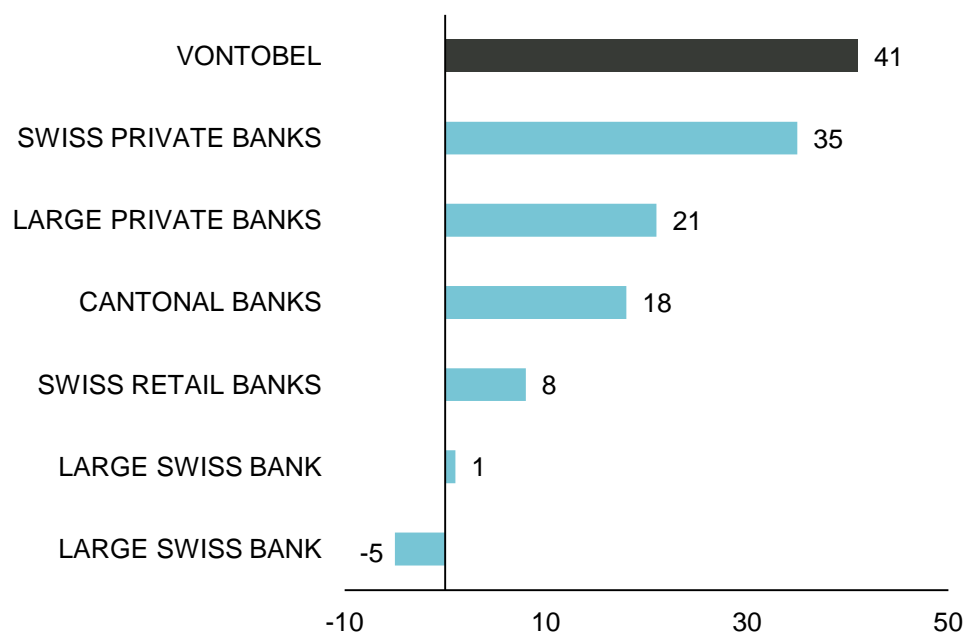
Source: 'Global Wealth 2017: Transforming the Client Experience' (BCG), Vontobel

Clients and third parties reward us for our offerings

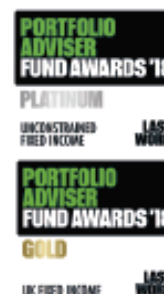
Our clients recommend us

- 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 (%)



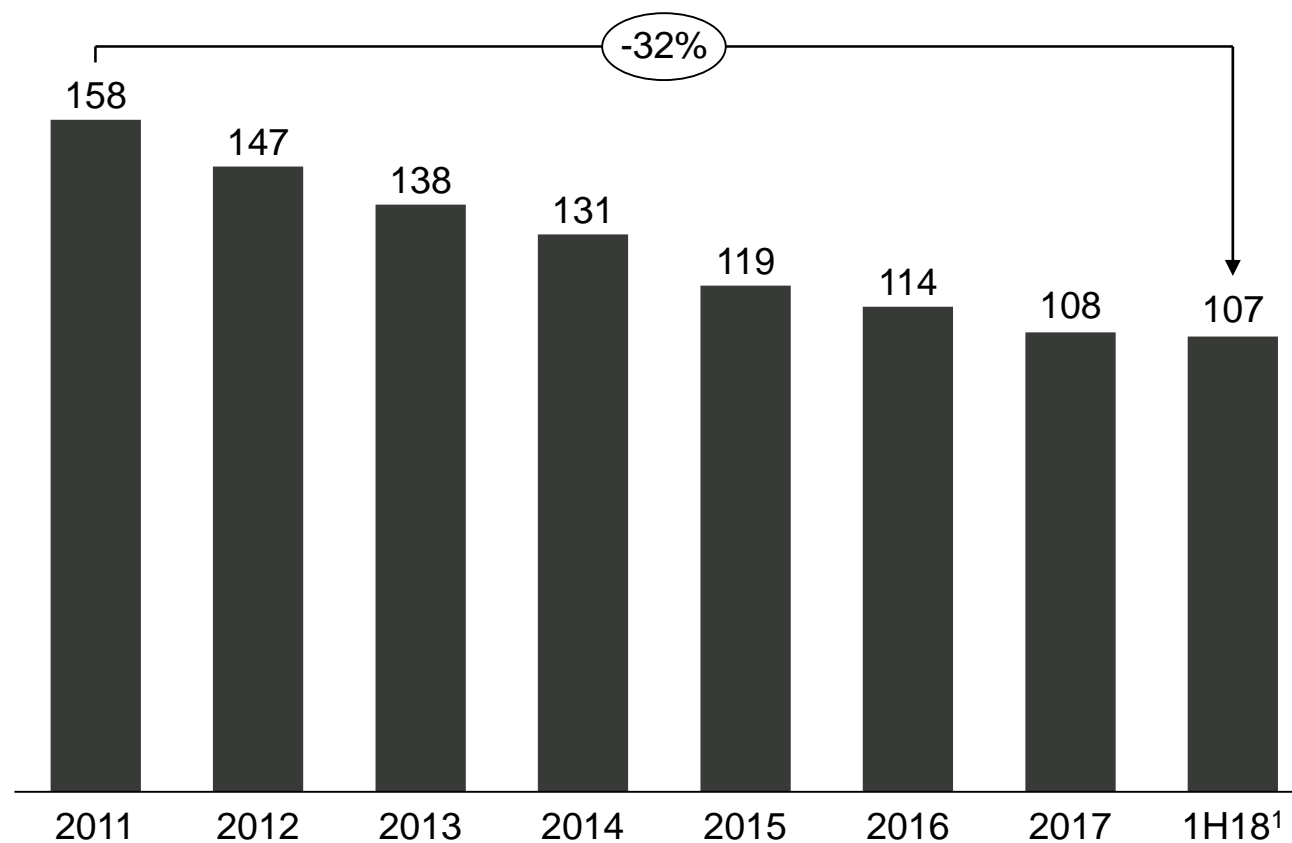
Vontobel gains external recognition



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



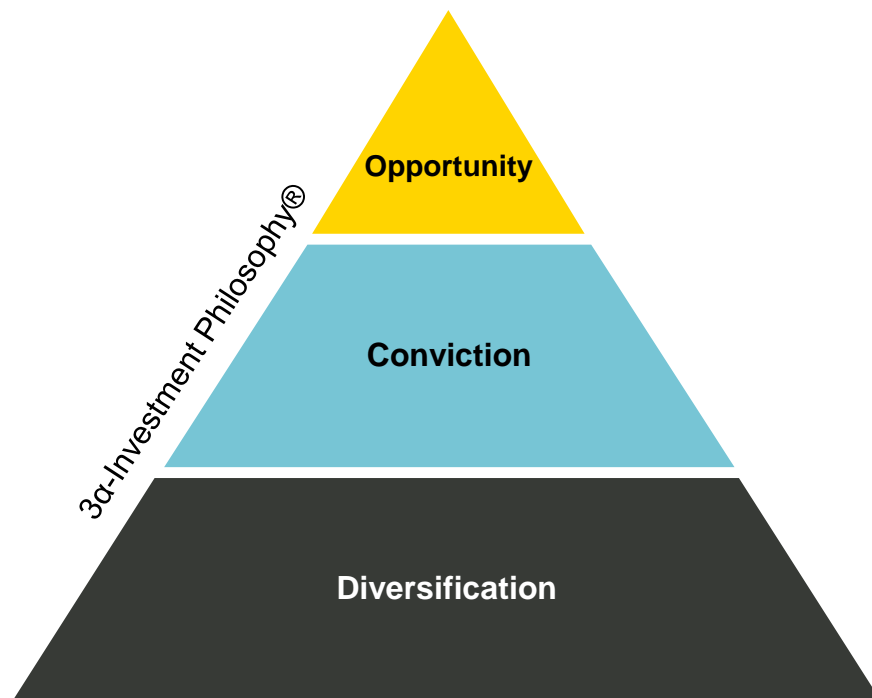
Comments

- Number of Swiss private banks has decreased by more than 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”)

¹ The transaction in 1H18 was Notenstein La Roche acquired by Vontobel
Source: “Clarity on Performance of Swiss Private Banks” (KPMG, August 2018)

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

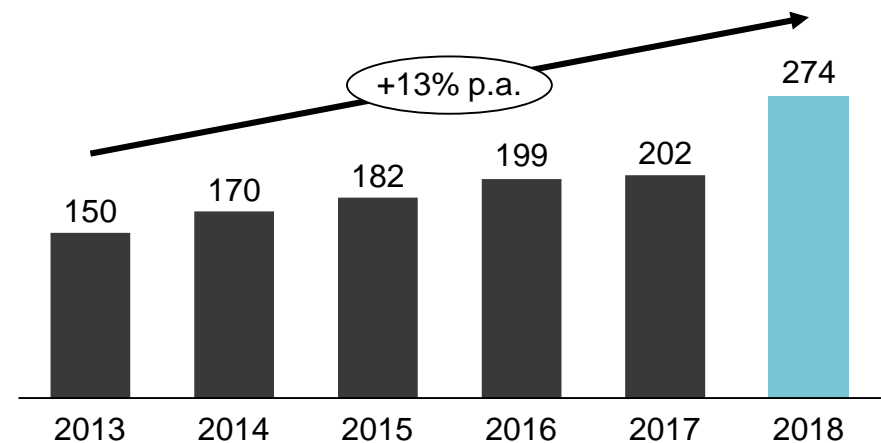
Our need-based segmentation, 3 α -Investment Philosophy[®] and value-based pricing set us apart



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)



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

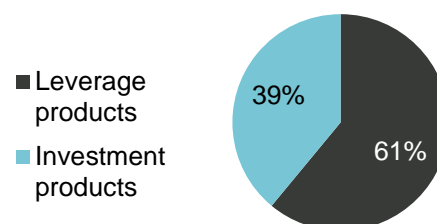
Leading offering / technology

Vontobel products issued	> 600,000
Leading investment universe	> 4,500
Quotes in own products per day	> 2,000,000,000
Volume of securities traded	> CHF 150,000,000,000

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

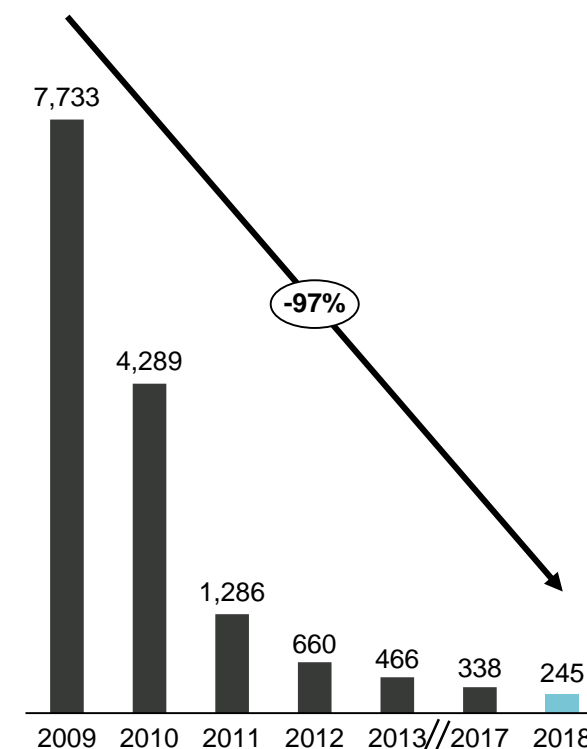
Turnover in Vontobel products (2018)



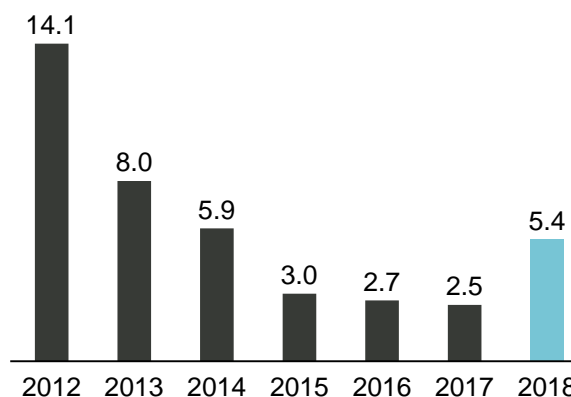
Cost leadership

- Industry-leading average costs per product of CHF 245

Cost per unit² (CHF)



Average Value at Risk¹ (CHF mn)



JAN CERTIFICATE AWARDS
2018



Miglior certificato a partecipazione
1° CLASSIFICATO

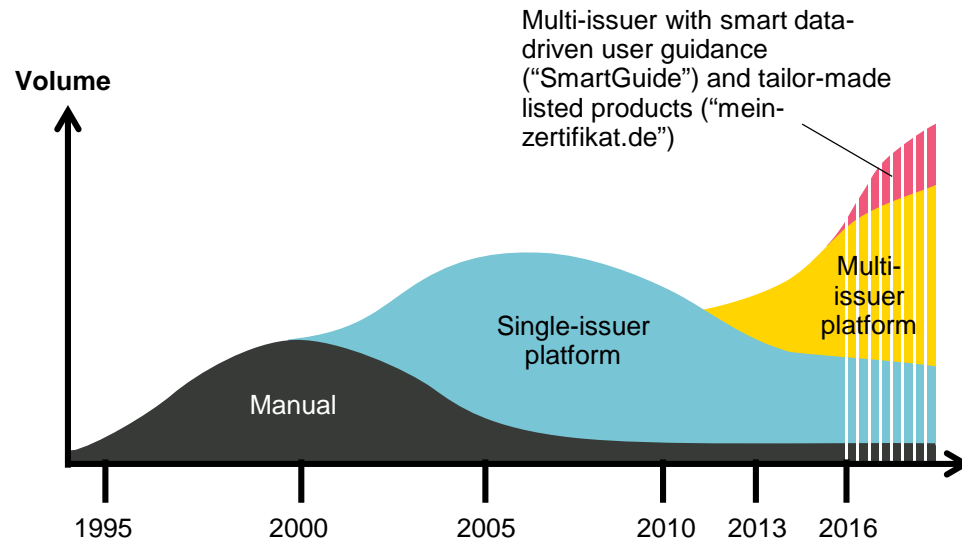


¹ Market risk; average Value at Risk 12 months; historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

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

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

Innovation cycles



Benefits of Vontobel's multi-issuer platform

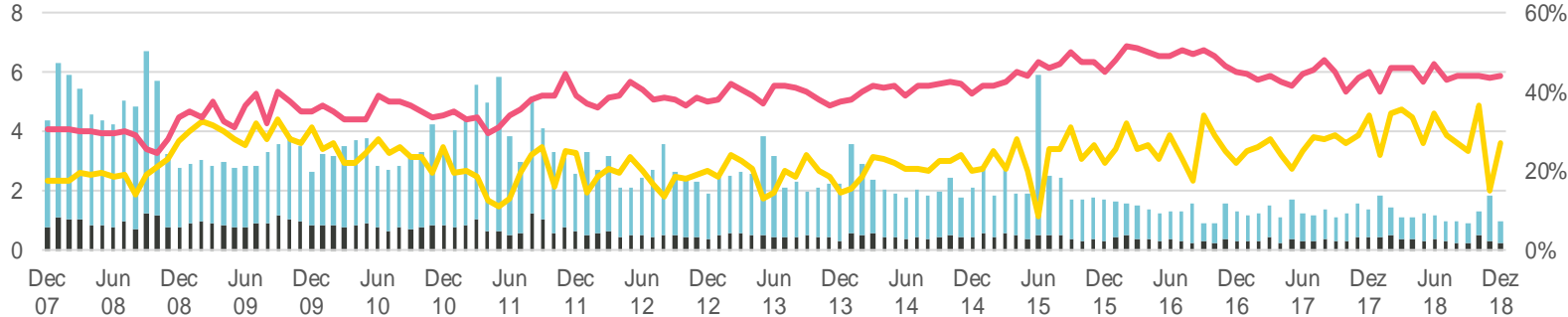
- deritrade[®] MIP provides full customization capabilities at best prices – bringing the Internet revolution to structured products and empowering the consumer
- Vontobel's multi-issuer platform provides numerous benefits such as:
 - Best execution
 - Higher client returns
 - Increased market reach 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)

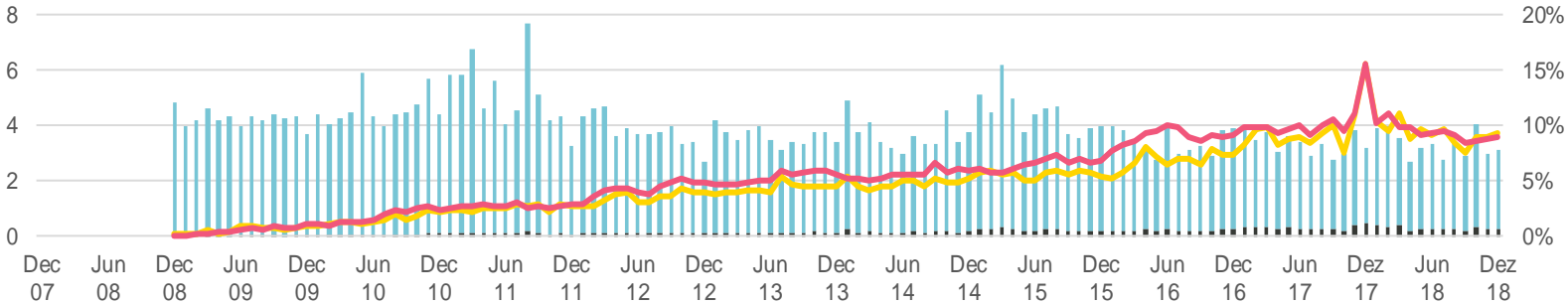
Switzerland (CHF bn)

Rank	#1 ¹
MARKET SHARE	
Turnover	28.4% ¹
# of trades	44.2% ¹



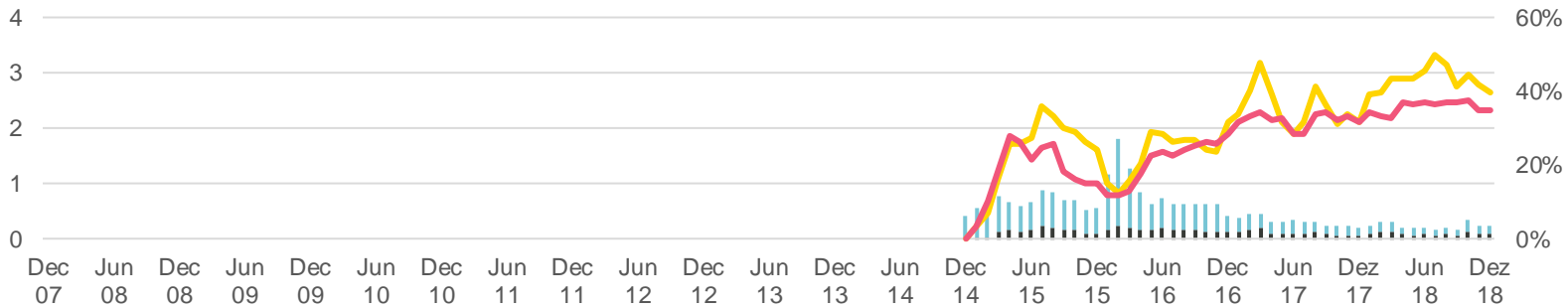
Germany (EUR bn)

Rank	#5 ¹
MARKET SHARE	
Turnover	9.3% ¹
# of trades	9.5% ¹



Nordics² (EUR bn)

Rank	#1 ¹
MARKET SHARE	
Turnover	43.0% ¹
# of trades	35.8% ¹



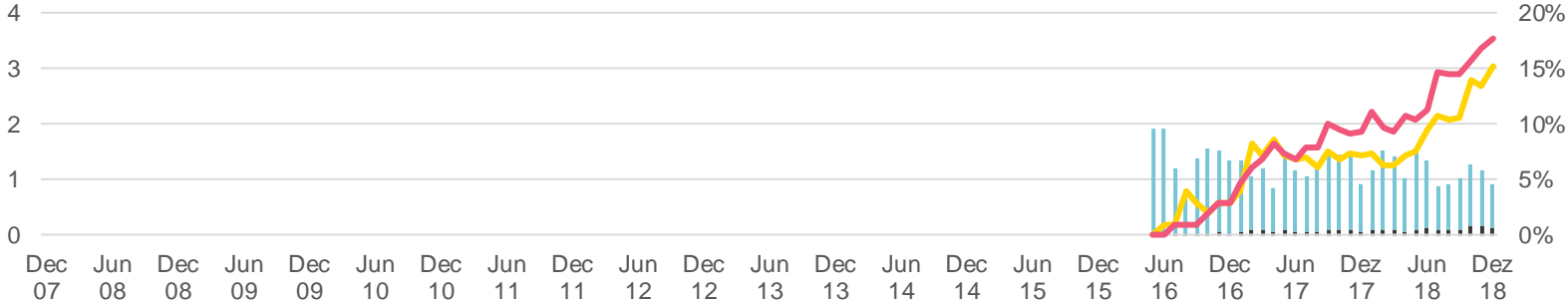
■ Market turnover (lhs)
 ■ Vontobel turnover (lhs)
 — Vontobel market share by volume (rhs)
 — Vontobel share by number of trades (rhs)

¹ 2018
² Sweden and Finland; leverage products

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

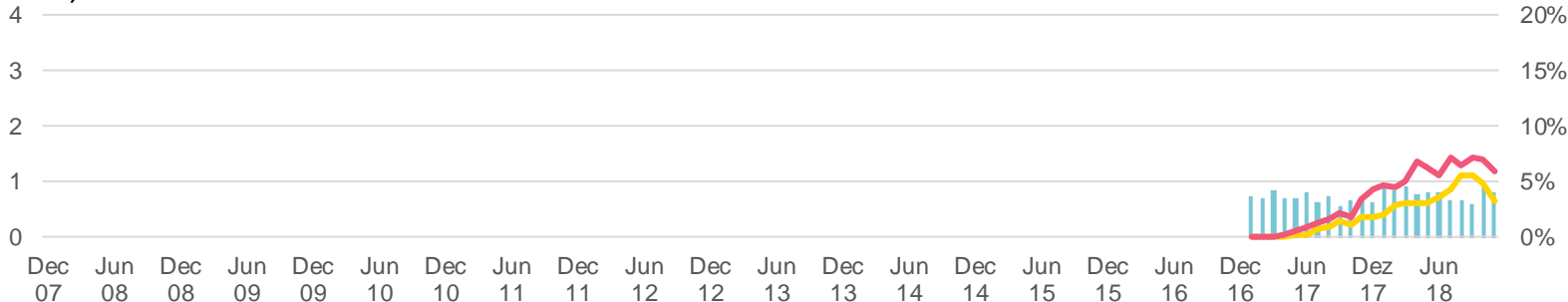
Italy² (EUR bn)

Rank	#4 ¹
MARKET SHARE	
Turnover	9.6% ¹
# of trades	12.9% ¹



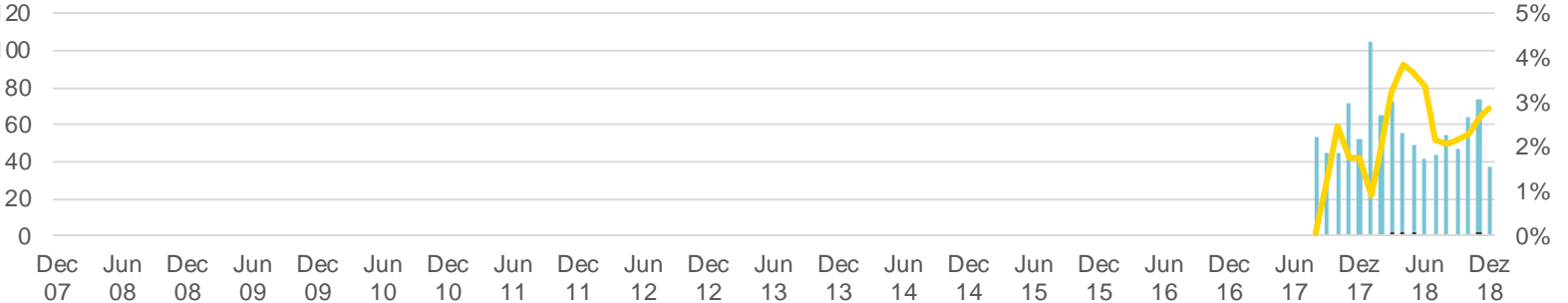
France/Netherlands² (EUR bn)

Rank	#6 ¹
MARKET SHARE	
Turnover	3.8% ¹
# of trades	6.1% ¹



Hong Kong² (USD bn)

Rank	#11 ¹
MARKET SHARE	
Turnover	2.5% ¹
# of trades	3.2% ¹

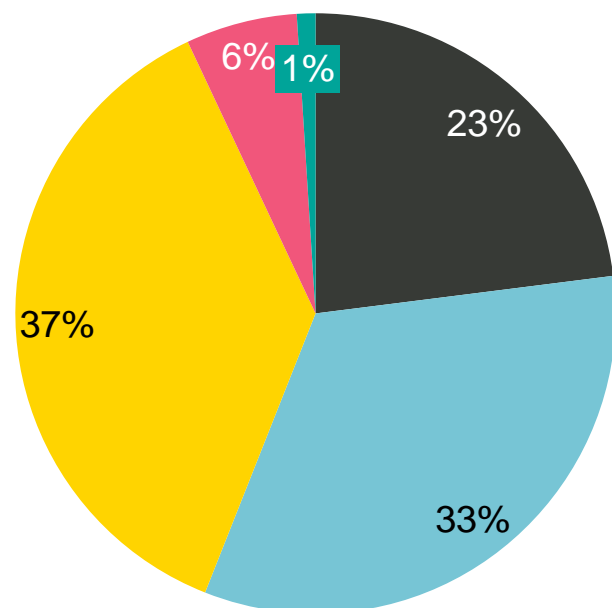


■ Market turnover (lhs)
 ■ Vontobel turnover (lhs)
 — Vontobel market share by volume (rhs)
 — Vontobel share by number of trades (rhs)

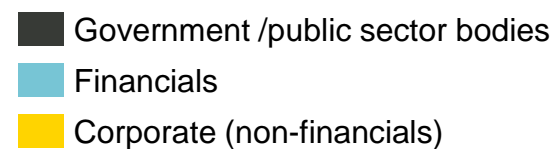
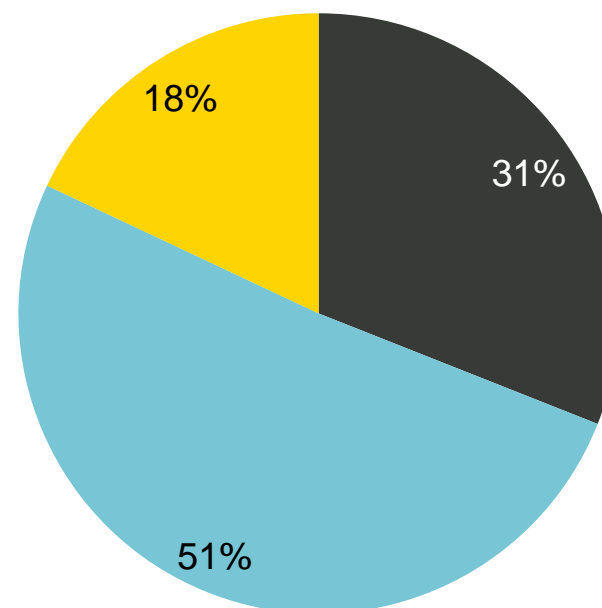
¹ 9M 2018
² Leverage products

High quality of bond portfolio maintained

Counterparty exposure by rating (end-2018)



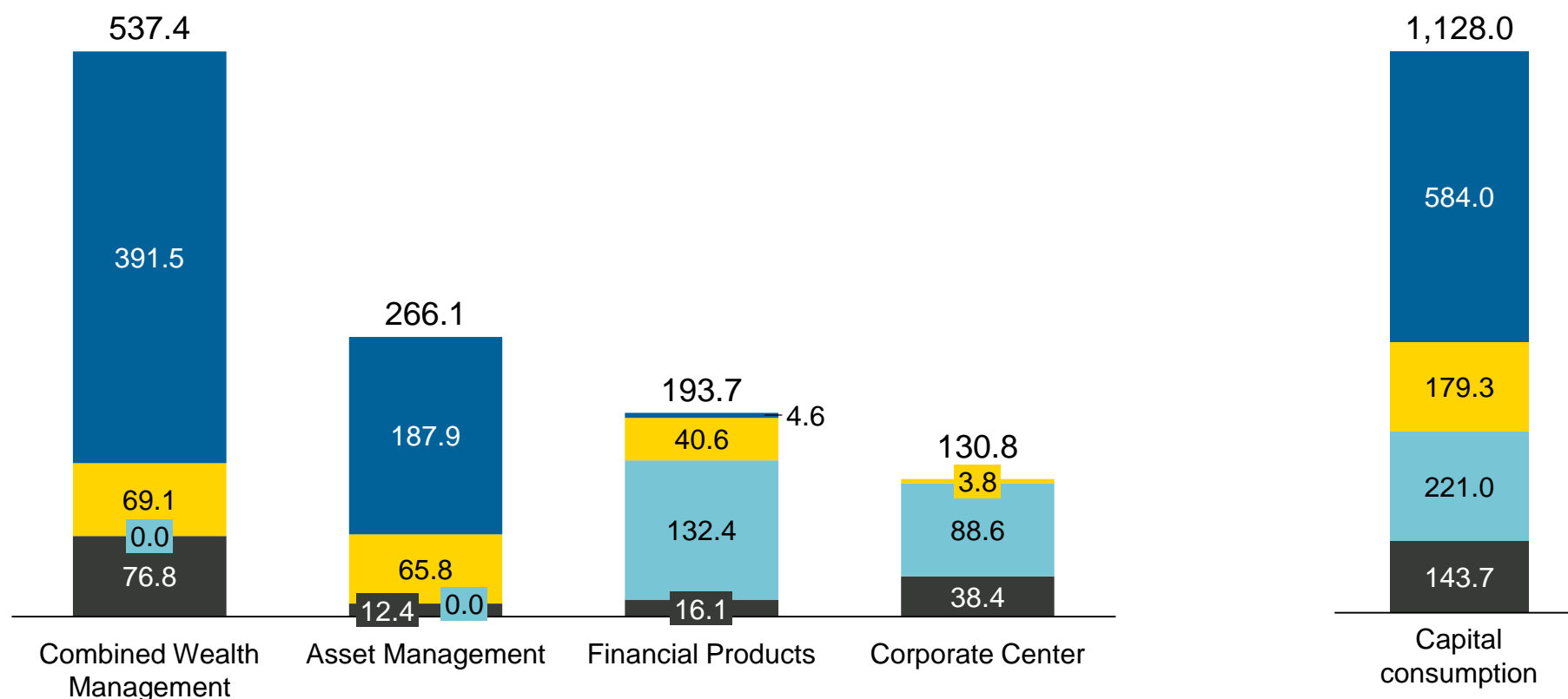
Counterparty exposure by sector (end-2018)



Note: Total issuer risk from debt instruments amounts to CHF 7.5 bn

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

Capital consumption as of 2018 (CHF mn)



Credit risk^{1/2}
 Operational risk²
 Market risk²
 Deductions from IFRS equity³

¹ Including non-counterparty related risks

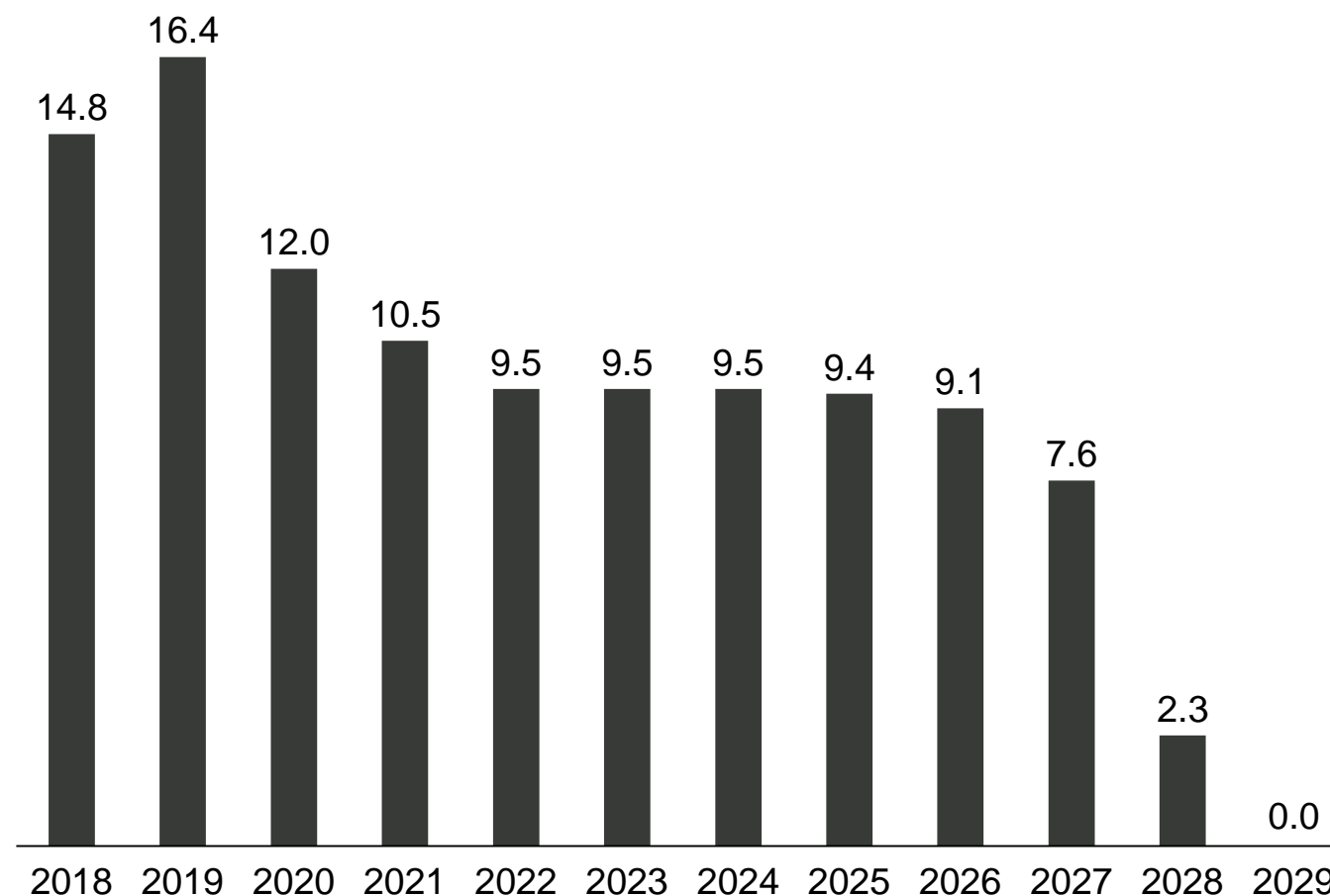
² Reported figures are based on BIS capital requirements, i.e. RWA multiplied by 8%

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

Amortization of intangibles from former acquisitions

February 12, 2019

Amortization of intangibles from former acquisitions¹ (CHF mn)



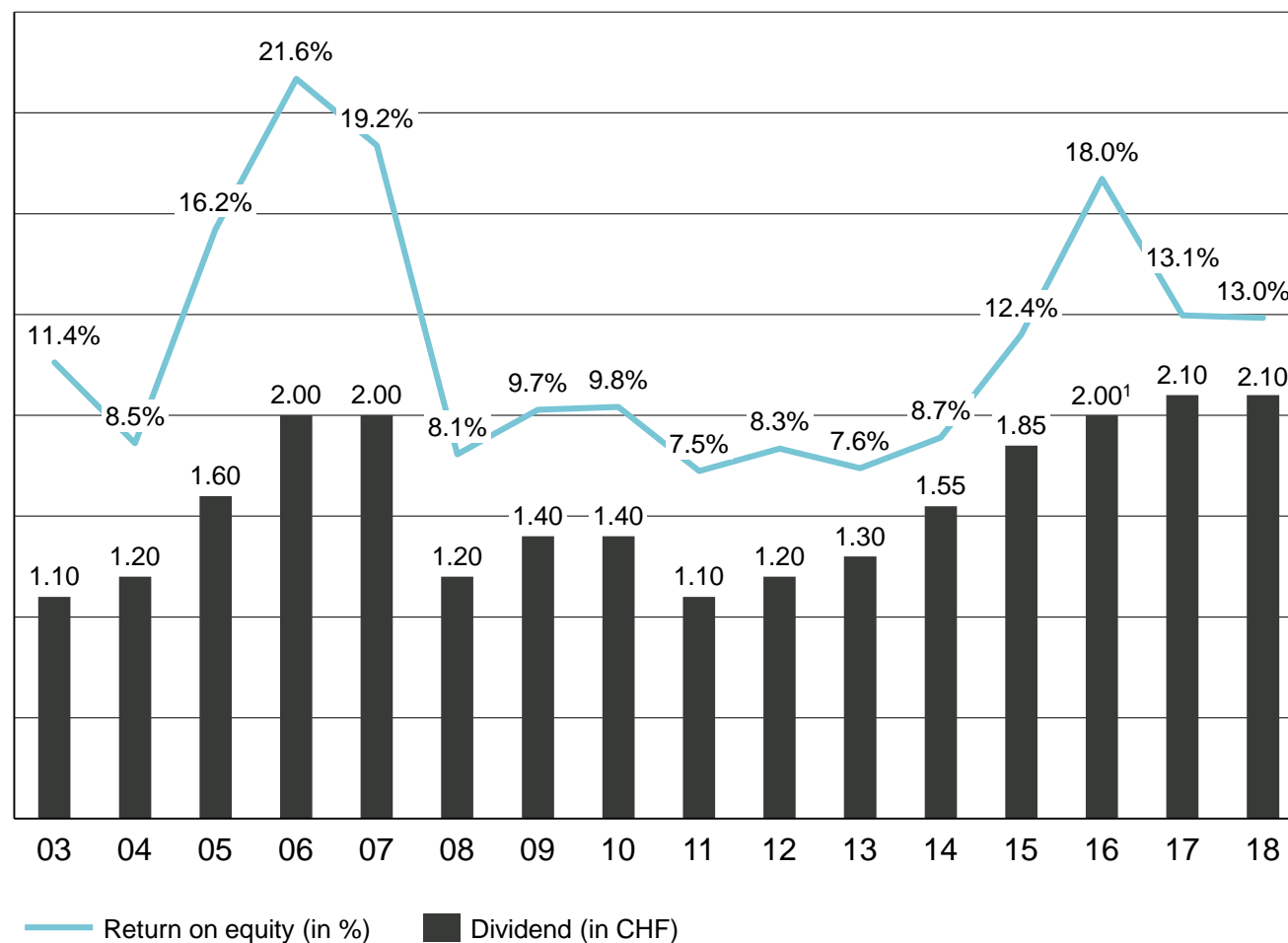
Comments

- 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
 - Notenstein La Roche until mid-2028; amortization amounted to CHF 2.3 mn in H2 2018 and is expected to be around CHF 4.7 mn in 2019.

¹ Including amortization for Notenstein La Roche

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 12.1% since 2003 – clearly above Vontobel's cost of equity
- Attractive dividend policy with a payout ratio of above 50%
- Increase in shareholders' equity of more than CHF 750 mn since 2003 without injection of fresh capital

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 67.2 bn, a gross margin of 68 bps on assets under management and an NNM growth rate of 6.1%³ in 2018

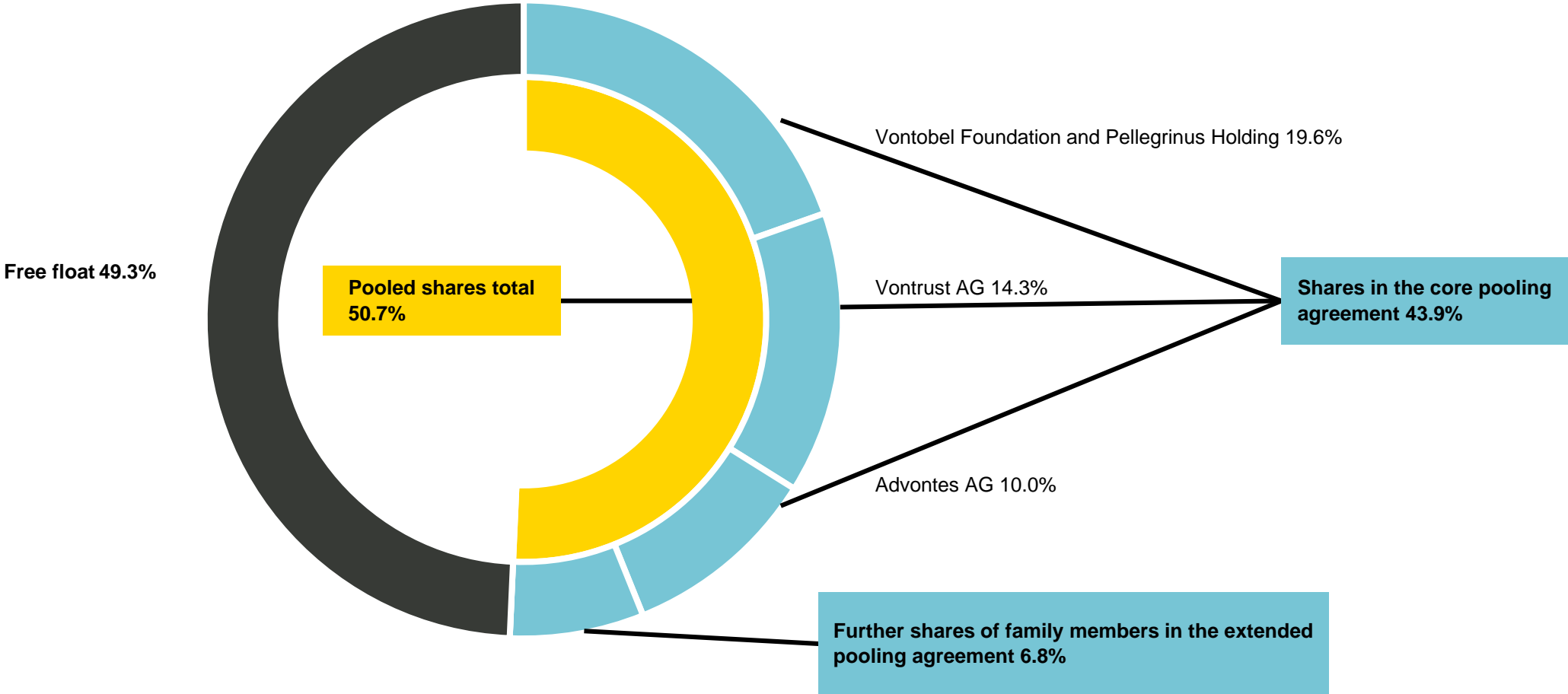
¹ Reported under the Investment Banking segment in financial statements

² Includes Brokerage, Corporate Finance and Transaction Banking

³ Organic, excluding Notenstein La Roche

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