



Vontobel full-year 2019 results

Zeno Staub
CEO
February 12, 2020

Martin Sieg Castagnola
CFO

Cautionary statement regarding forward-looking statements and disclaimer

This document may contain projections or other forward-looking statements related to Vontobel that are subject to known and unknown risks, uncertainties and other important factors. These projections and forward-looking statements reflect management's current views and estimates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Vontobel's future results may vary materially from the results expressed in, or implied by, the projections and forward-looking statements contained in this document. Potential risks and uncertainties include, in particular, factors such as general economic conditions and foreign exchange, share price and interest rate fluctuations as well as legal and regulatory developments. Vontobel has no obligation to update or alter its forward-looking statements based on new information, future events or other factors.

This presentation and the information contained herein are provided solely for information purposes, and are not to be construed as a solicitation of an offer to buy or sell any securities or other financial instruments in any jurisdiction, in particular Switzerland and the United States. No investment decision relating to securities or financial instruments of or relating to Vontobel Holding AG or its affiliates should be made on the basis of this document. No representation or warranty is made or implied concerning the information contained herein, and Vontobel Holding AG assumes no responsibility for the accuracy, completeness, reliability or comparability thereof. Information relating to third parties is based solely on publicly available information which is considered to be reliable. Vontobel undertakes no obligation to update or revise its forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable Swiss laws or regulations.

A glossary of non-IFRS performance indicators and abbreviations is provided in the Annual Report on pages 243-244

Image on cover page: New York, where Vontobel has been operating for more than a quarter of a century. Today, Vontobel offers its expertise in the areas of asset and wealth management to its North American clients.

Overview

Highlights

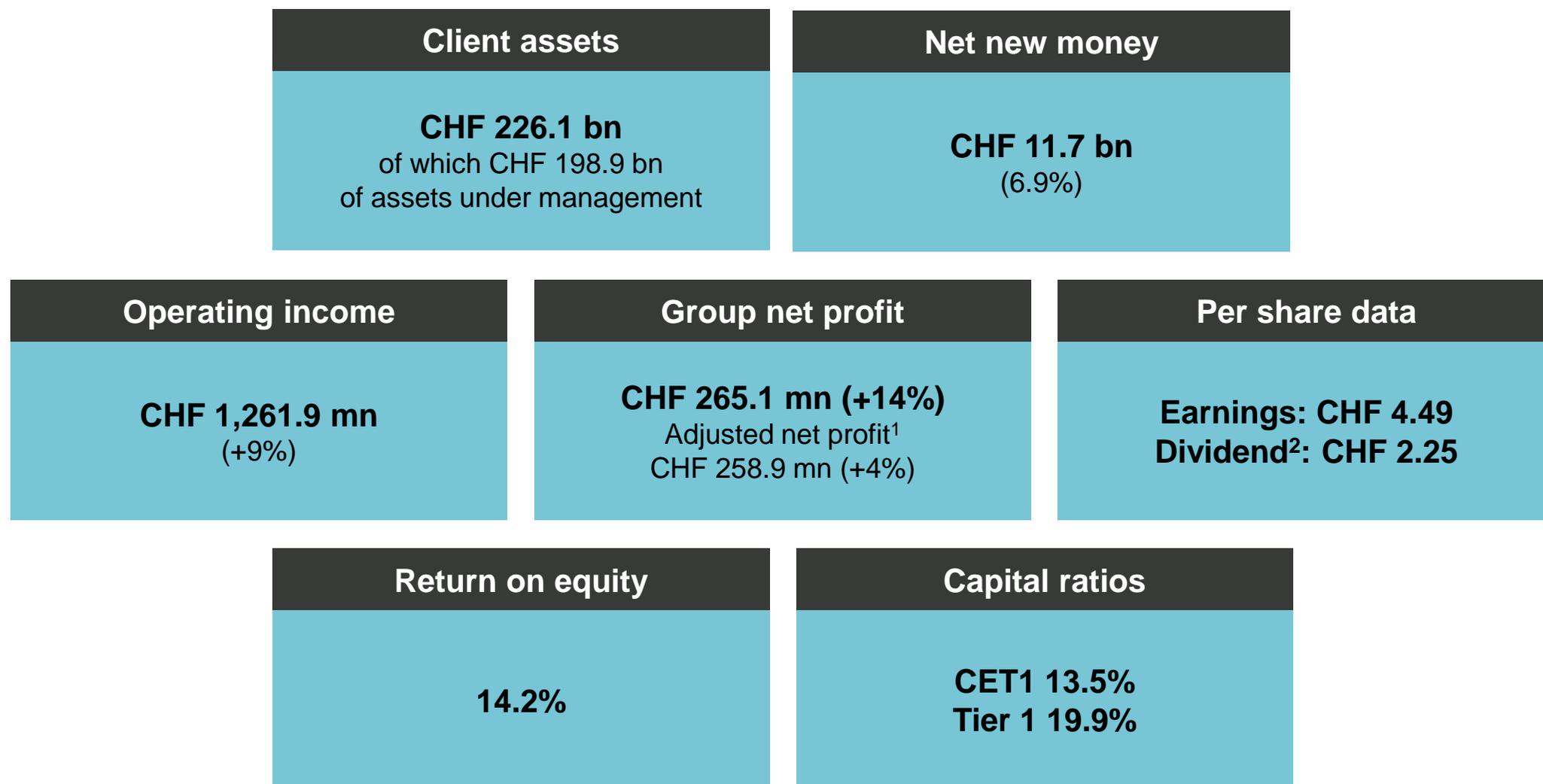
Full-year 2019 results

Strategy update

Questions and answers

Good performance in asset-linked businesses drive earnings per share and return on equity

Key figures as of December 31, 2019



Notenstein La Roche Privatbank AG consolidated as of July 2018

¹ In FY 2019 excluding integration costs for Notenstein La Roche (NLR) and the US-based private clients portfolio of Lombard Odier totaling CHF 10.2 million after tax, a special dividend from our participation in SIX Group AG of CHF 6.1 million after tax and the benefit of a change in tax law in the Canton of Zurich of CHF 10.3 million; in FY 2018 excluding integration costs for NLR of CHF 17.0 million after tax.

² Proposed to the General Meeting of Shareholders 2020

Asset Management confirmed position as strong driver of growth and Combined Wealth Management realized economies of scale

February 12, 2020

Clients continue to endorse our products and services

- Operating income grew by 9%, driven by contributions from Combined Wealth Management¹ and Asset Management
- NNM of CHF 11.7 billion (6.9%) and strong investment performance resulted in AuM of CHF 198.9 billion

Strong asset-linked business

- Asset-linked business generated 88% of pre-tax profit², with Combined Wealth Management successfully defending its RoA and Asset Management even slightly increasing its RoA
- Growth momentum and development of margins both confirm our strong competitive position

Executing with discipline in Financial Products

- Market share on exchanges defended and volumes on Vontobel digital channels increased by 53% to CHF 9.2 billion

Integration of acquisitions completed

- Notenstein La Roche and US-based private clients portfolio of Lombard Odier fully integrated

Vontobel is set to become a fully client-centric investment manager

- Transition to pure-play buy-side investment manager announced on December 9, 2019
- New way of working in place as of January 1, 2020

¹ Wealth Management segment and External Asset Managers business unit

² Excluding Corporate Center

Overview

Highlights

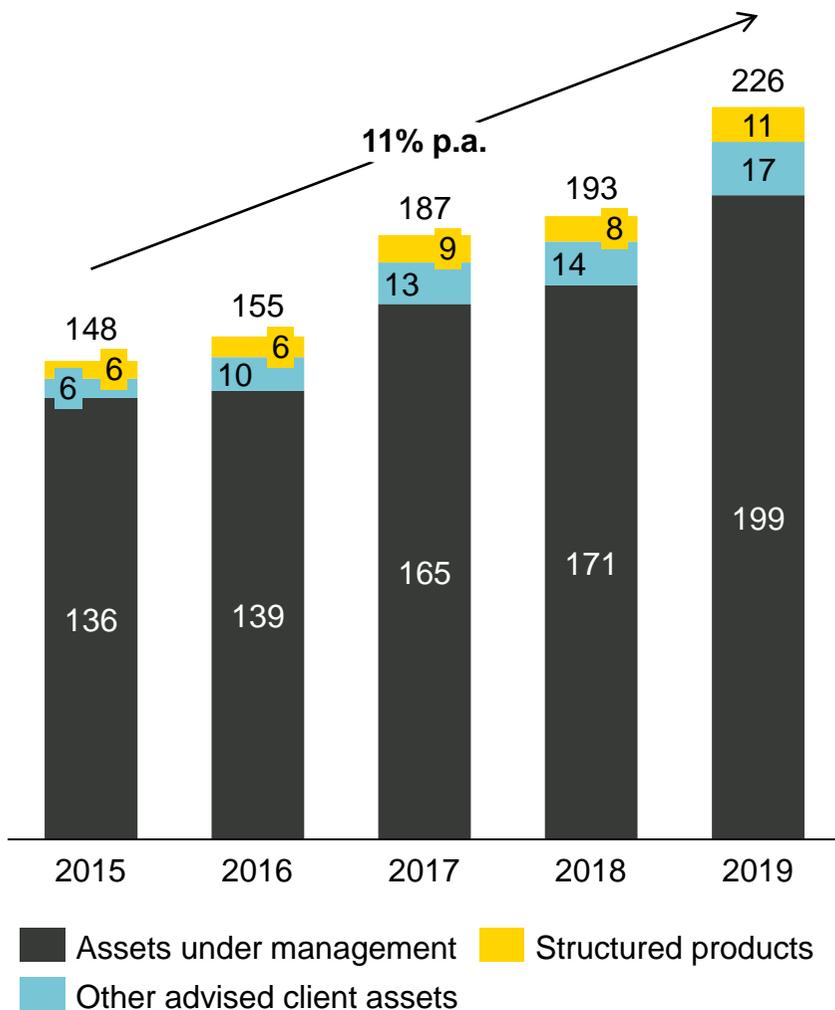
Full-year 2019 results

Strategy update

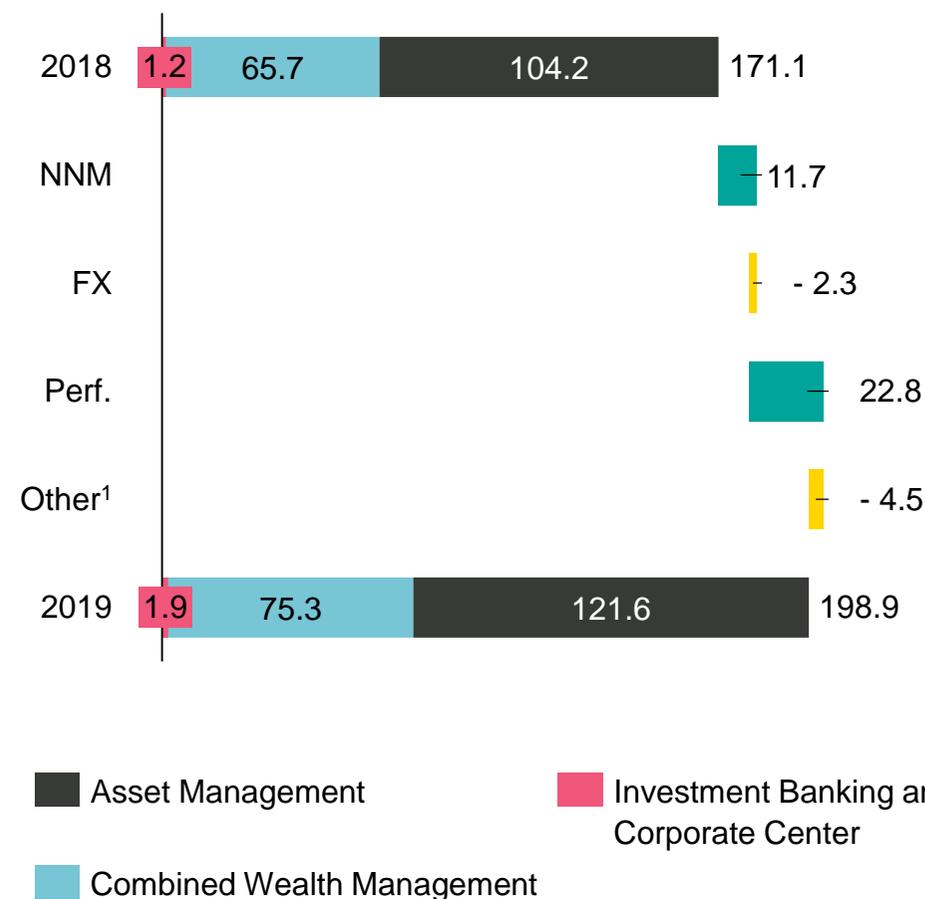
Questions and answers

Advised client assets reach new high at CHF 226.1 billion driven by strong performance and strong net new money

Advised client assets (CHF bn, end of period)



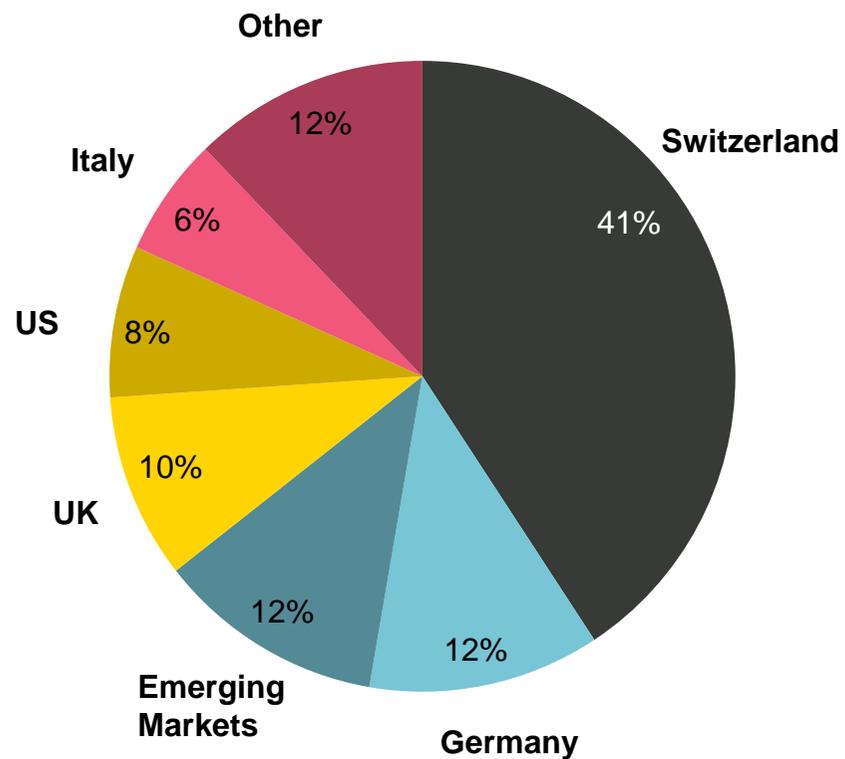
AuM development (CHF bn)



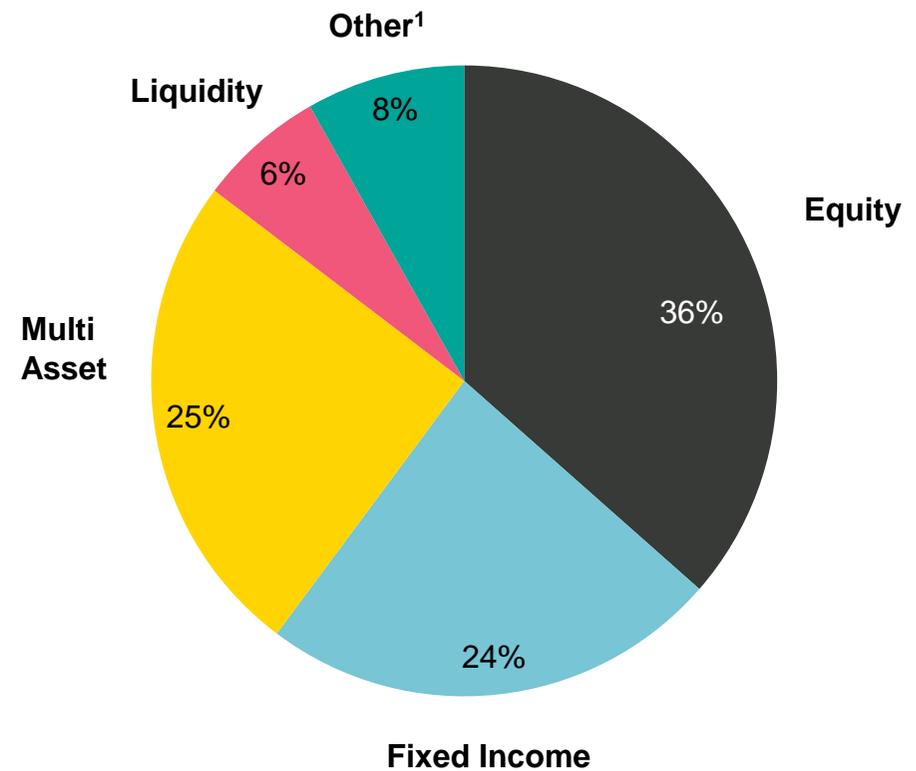
¹ Other contains the reclassification of solution-related assets such as the PLF business of CHF 4.1 billion (now shown under other advised client assets), as well as acquisitions and divestments. Lombard Odier accounted for CHF 0.7 billion, whereas divestments, such as real estate and HF funds, led to CHF 1.0 billion reduction in AuM.

Well-diversified asset base reflects our resilient business model

Advised client assets by client domicile (end-2019)



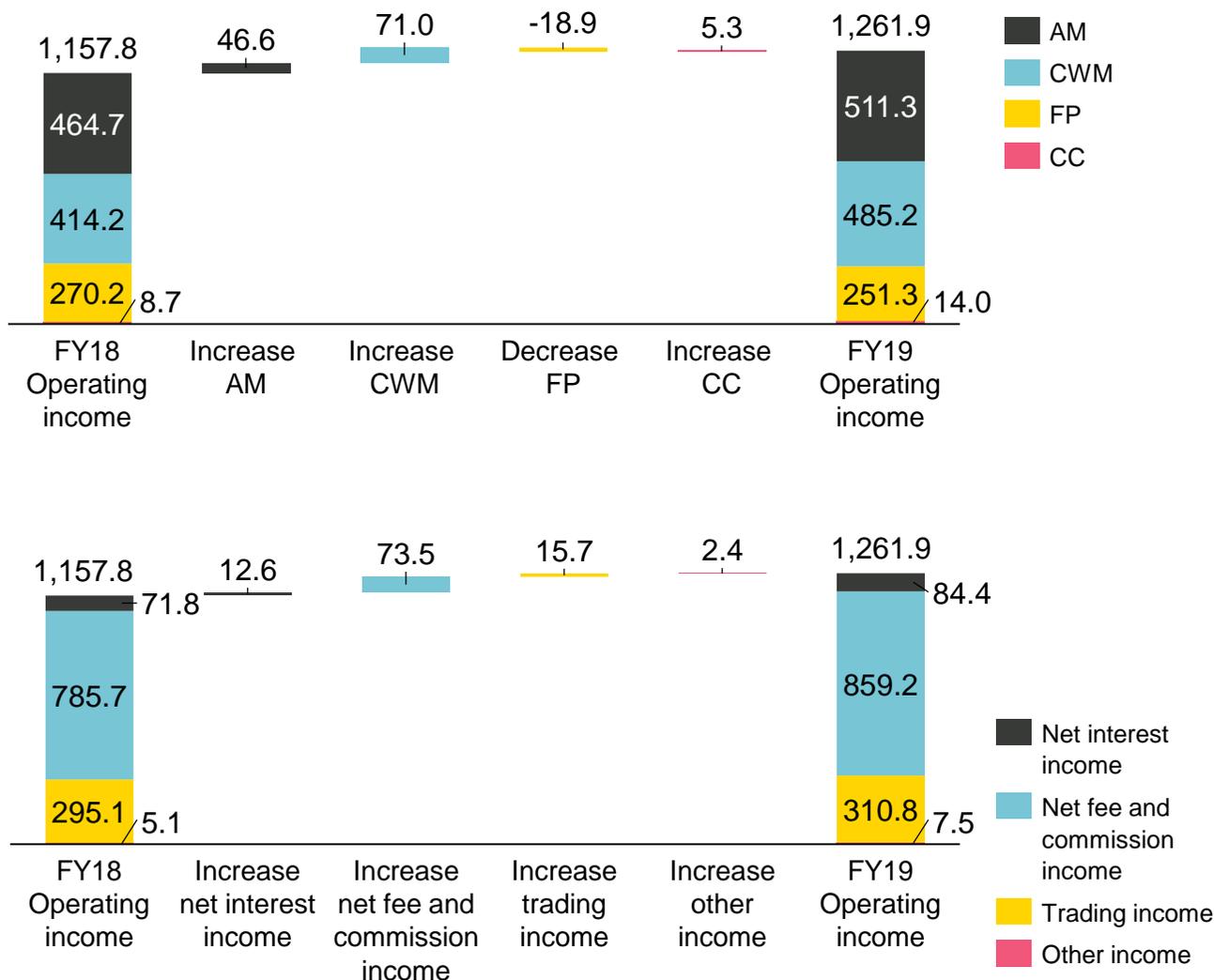
Advised client assets by product (end-2019)



¹ Other includes structured products and the Private Label business, among others, and corrects for double counting of CHF 0.9 billion as well as the Corporate Center.

Operating income increases by 9% with solid growth in net fee and commission income

Operating income (CHF mn)

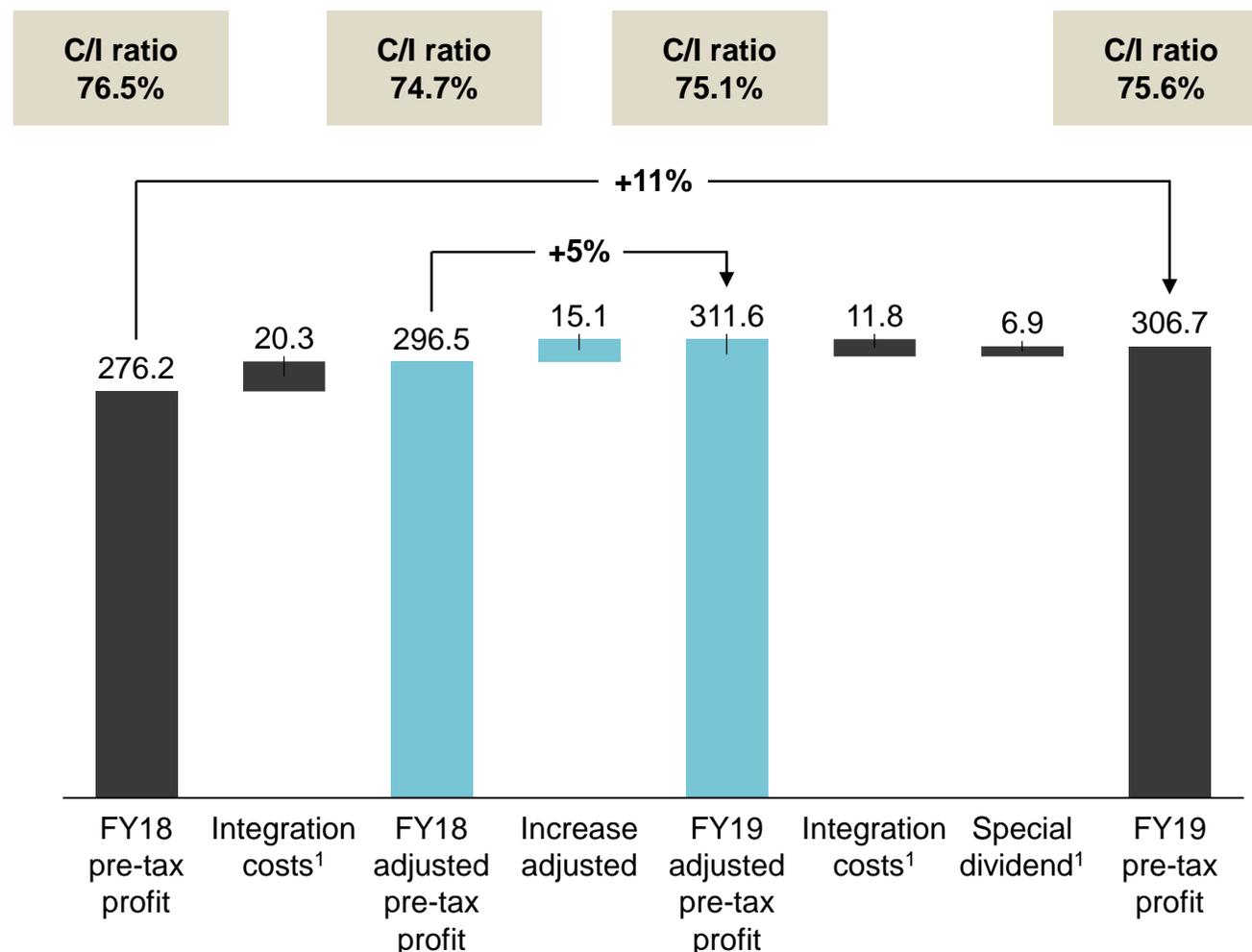


Comments

- Operating income rose by 9% on the back of an increased asset base in Asset Management and Wealth Management
- Corporate Center benefited from the special dividend of SIX Group AG in 1H19, while Financial Products stabilized at a lower level
- Net fee and commission income was up 9%, contributing 68% of operating income in 2019. The increase was driven by higher advisory and management fees (+14%)
- Net interest income accounted for only 7% of operating income. The 18% increase in 2019 was driven by the one-off SIX dividend distribution of CHF 6.9 million
- Trading income increased by 5%

Adjusted pre-tax profit increases 5%

Pre-tax profit (CHF mn)



Comments

- Operating income rose by 9%, or 8% adjusted for the SIX special dividend
- Operating expense increased by 8% or 10% on an adjusted basis
- Personnel expense was up 12%, or 8% adjusted, reflecting investments in the business (average FTE up 7%)
- Non-personal expenses rose 2%, including investments in new locations

¹ One-off impacts in FY 2018 include integration costs of CHF 20.3 million (CHF 17.0 million after tax) for Notenstein La Roche; in FY 2019, they include integration costs for Notenstein La Roche and the Lombard Odier portfolio of CHF 11.8 million (CHF 10.2 million after tax) and a special dividend of CHF 6.9 million from our participation in SIX Group AG (CHF 6.1 million after tax).

Good performance translates into solid net profit and a new record earnings per share

Group net profit (CHF mn)

	31-12-19	31-12-18	Δ
Operating income (CHF mn)	1,261.9	1,157.8	+9%
Operating expense (CHF mn)	955.2	881.6	+8%
Profit before taxes (CHF mn)	306.7	276.2	+11%
Taxes	41.6	44.0	-5%
Group net profit (CHF mn)	265.1	232.2	+14%
<i>excl. one-offs¹</i>	258.9	249.2	+4%
Group net profit excluding minority interest (CHF mn)	251.0	220.7	+14%
Basic earnings per share (CHF)	4.49	3.96	+13%
<i>excl. one-offs</i>	4.38	4.26	+3%
Return on equity (%)	14.2	13.0	+1.2pp

Comments

- Group net profit rose 14% to CHF 265.1 million, translating into CHF 4.49 per share, a new high
- On an adjusted basis, Group net profit was CHF 258.9 million; this also reflected the announced change in tax law in Zurich, resulting in a one-off benefit of CHF 10.3 million
- This one-off and other positive impacts on taxes² drove the 2019 tax rate down to 13.6% (from 15.9%). Excluding all these effects, the tax rate would be around 17%
- Group net profit excluding minority interests was CHF 251.0 million (+14%); EPS were CHF 4.49 (+13%)
- Return on equity increased to 14.2% in FY19 compared to 13.0% in FY18, in line with our 2020 target

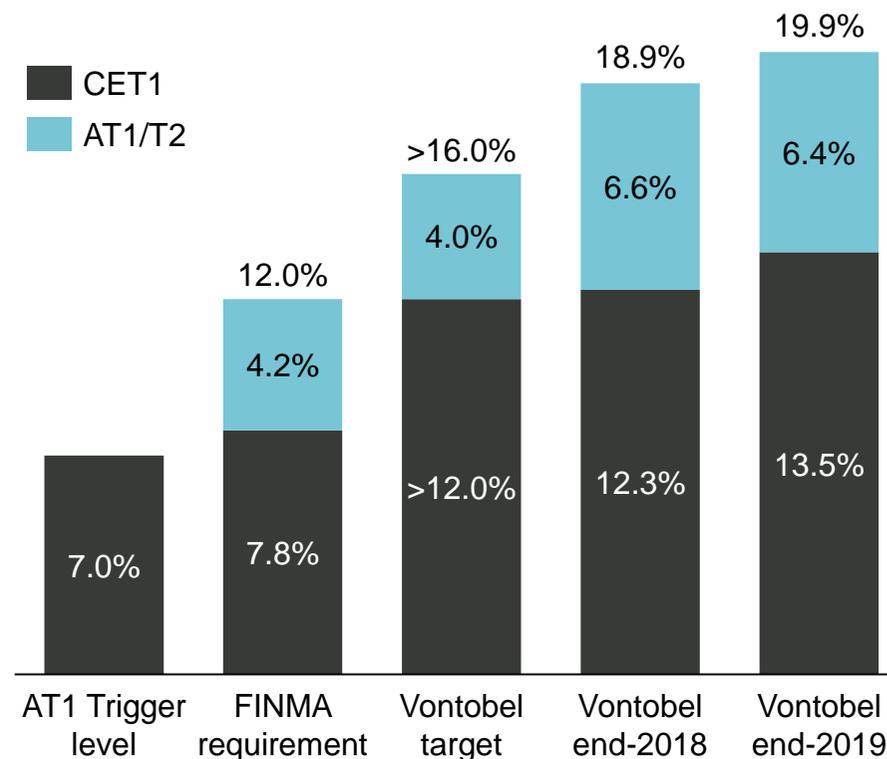
¹ One-off impacts in FY 2018 include integration costs of CHF 17.0 million after tax; in FY 2019, they include integration costs of CHF 10.2 million after tax and a special dividend of SIX Group AG of CHF 6.1 million after tax as well as the one-off tax benefit of CHF 10.3 million resulting from a change in the tax law in Zurich.

² Impact of deferred tax assets in Germany and a US tax refund from 1H19.

Strong capital ratios

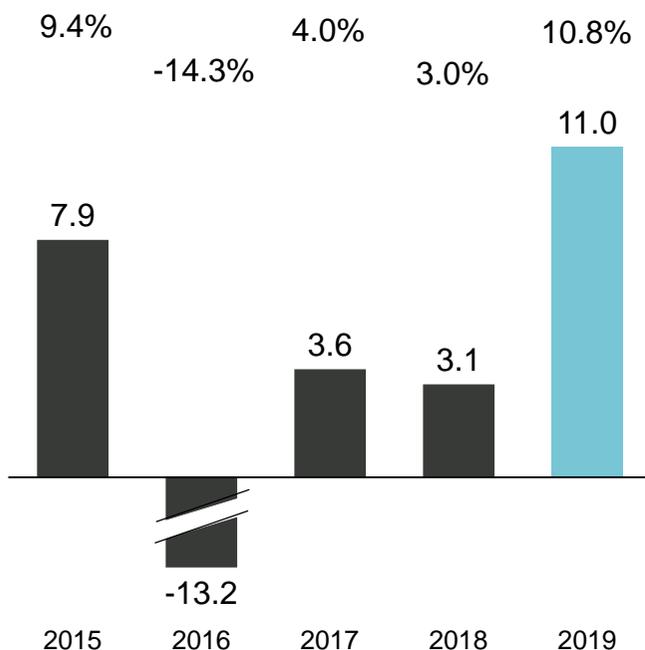
Capital ratios

- CET1 ratio increased to a very solid 13.5%.
4% growth in risk-weighted positions was more than offset by increased capital (+14%), mainly stemming from retained earnings
- Total Capital Ratio was 19.9%, compared to 18.9% at end-2018
- The adoption of IFRS 16 for leases increased the size of our balance sheet as all our office leases now have to be capitalized over the lease term. This also led to a CHF 173 million increase in RWA. Excluding this effect, CET1 ratio would have been 13.8% and the Total Capital Ratio 20.4%
- In 2019, operating income grew by 9% compared to 2018 and risk-weighted assets by 1% versus end-2018, excluding the impact of IFRS 16
- Average LCR (Liquidity Coverage Ratio) is 193%, far exceeding FINMA requirement of 100%
- Leverage ratio is 5.2%

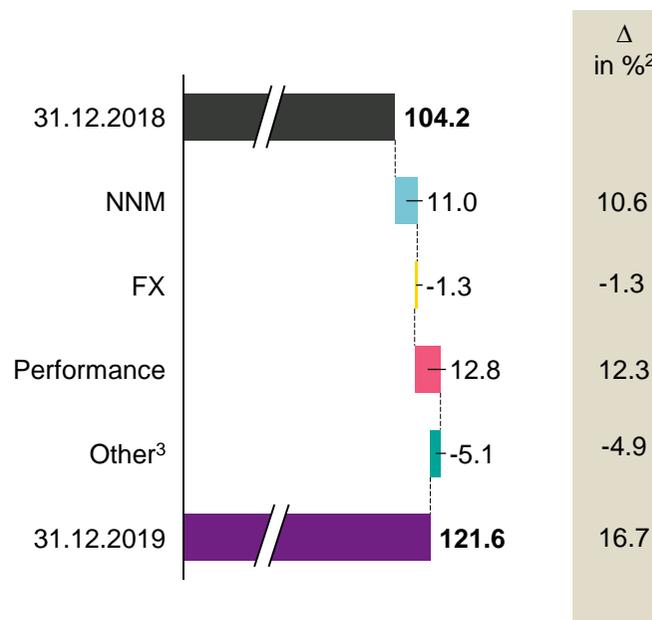


Asset Management with above-target inflows – leading to new record advised client assets ...

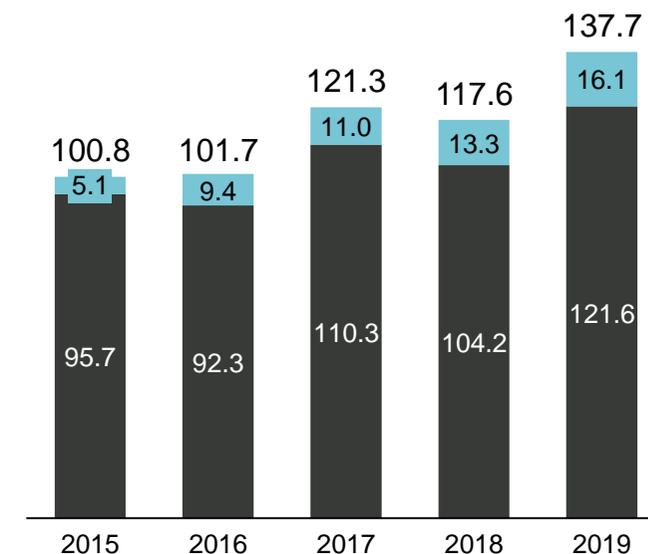
Net new money¹ (CHF bn)



Development of AuM² (CHF bn)



Advised client assets (CHF bn)



- Strong net new money in 2019
- Strongest net inflows in Fixed Income, including TwentyFour AM, Multi Asset and Sustainable Equities
- Raiffeisen funds also contributed to net new money

- Asset growth was driven by strong performance and net new money
- Solution-related assets will be shown as other advised client assets in future to enhance transparency for investors
- AuM grew by 17% to CHF 121.6 billion compared to end-2018

- Advised client assets reached CHF 137.7 billion, an increase of 17% since end-2018

■ AuM
■ Other advised client assets

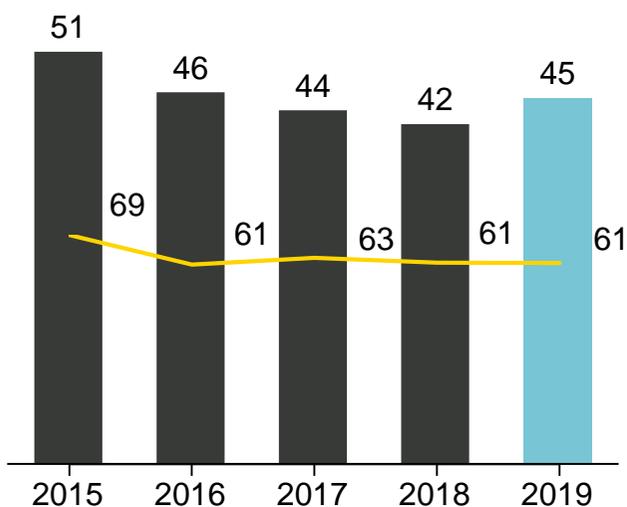
¹ Growth in AuM attributable to NNM is adjusted for double counting

² Not adjusted for double counting

³ Solution-related assets now shown under other advised client assets, for example PLF business, as well as divestitures

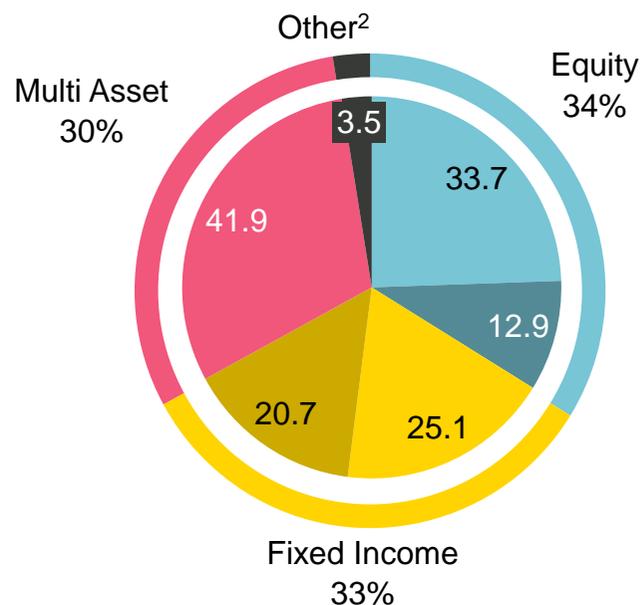
... strong margin and solid pre-tax profit due to our high-conviction focus

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

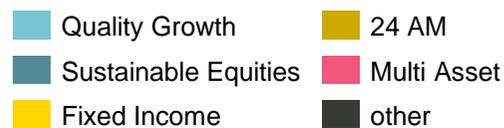


- Good gross margin of 45 bps reflects strong underlying business
- Reclassification of PLF business as other client assets improved gross margin by 1.4 bps

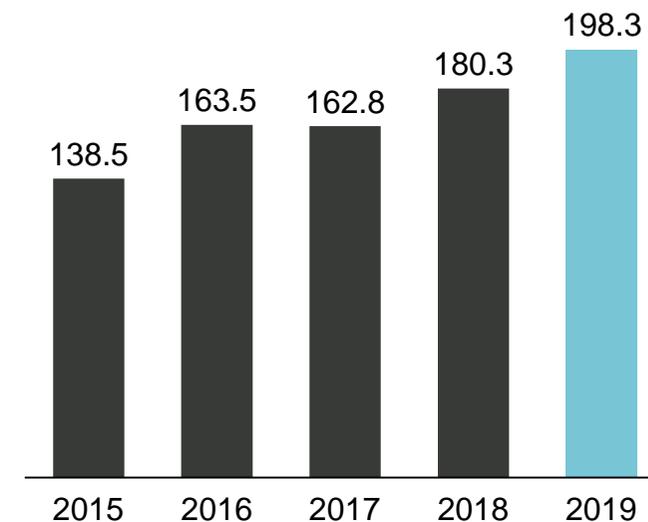
Advised client asset split by product (%)



- Fixed Income share of advised client assets has increased from 15% to 33% over the last 5 years



Pre-tax profit (CHF mn)



- Pre-tax profit of CHF 198.3 million, 10% higher than good 2018 result
- Results are driven by business expansion and high quality of our products. Performance fee rose to CHF 15.1 million (CHF 3.2 million in 2018)

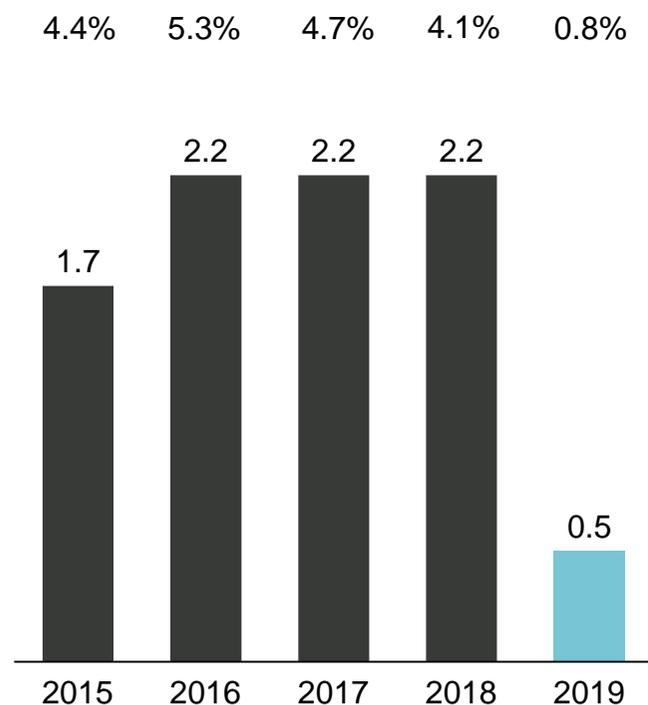
■ Gross margin on AuM (bps) — Cost/income ratio (%)

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

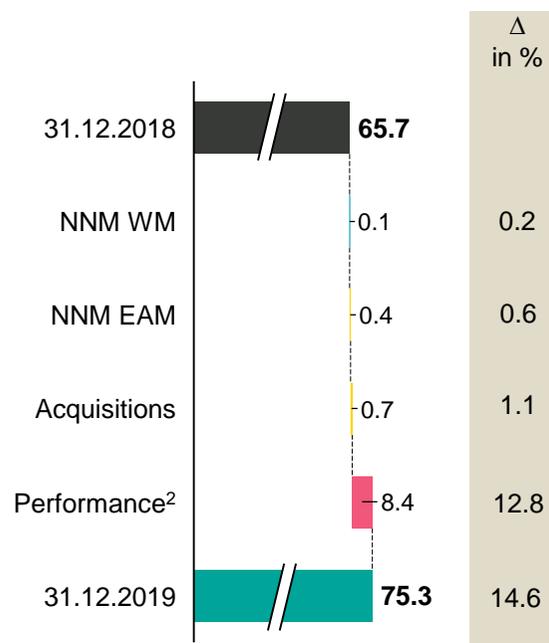
² Other contains the Private Label business and corrects for double counting of CHF 1.3 billion in the boutiques

Combined Wealth Management¹ with good investment performance while absorbing flow effects from the integration

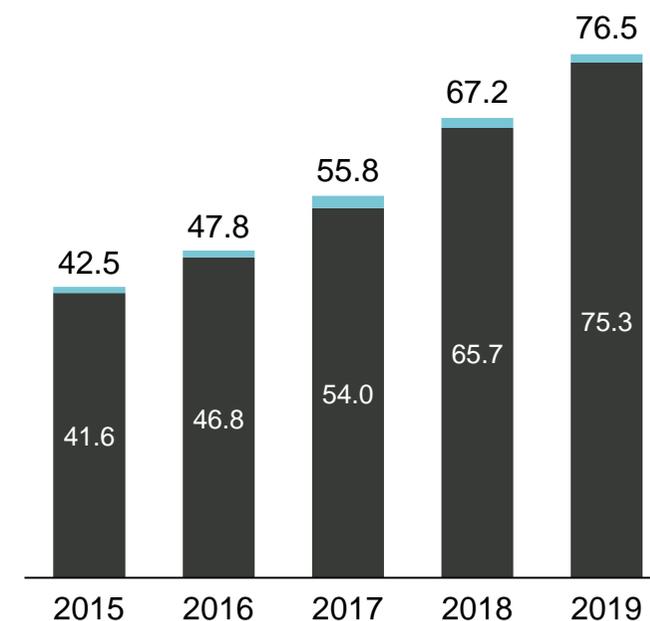
Net new money (CHF bn)



Development of AuM (CHF bn)



Advised client assets (CHF bn)



- Net new money in Combined Wealth Management partially reflects flow effects from the integration of Notenstein La Roche
- We are convinced our underlying structural growth path is intact and are committed to our 4-6% target for net new money in 2020

- AuM increased by 14.6% compared to end-2018, reflecting predominantly good investment performance
- Vontobel Conviction Strategy achieved outperformance compared to peers with similar investment strategy

- Advised client assets reached a new high of CHF 76.5 billion

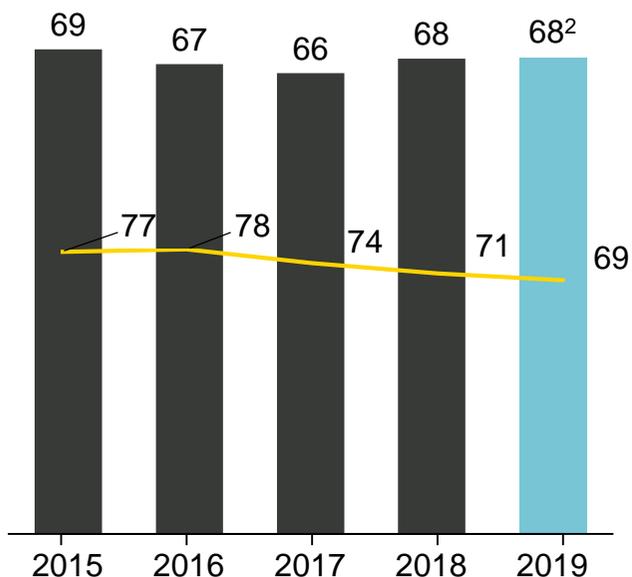
■ AuM
■ Other advised client assets

¹ Wealth Management segment and External Asset Managers business unit

² FX performance (CHF -1.0 bn), market performance (CHF 9.4 bn)

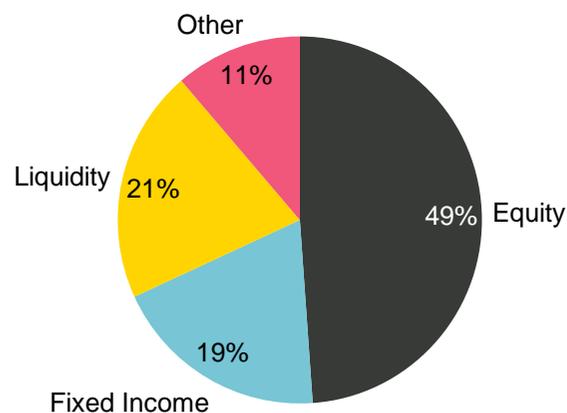
... and increased profitability due to good revenue growth and focus on a lean and scalable business model

**Combined Wealth Management
Gross margin¹ on AuM (bps)
and CIR (%)**



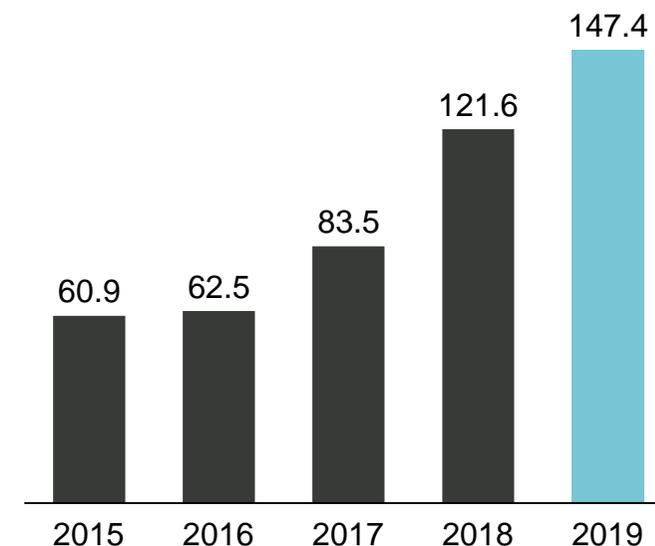
- Margin remains stable at 68 bps, driven by strong demand from new clients for our specialized offering
- Large liquidity holdings (21% of AuM) are still a drag on gross margin

**Advised client asset split by
investments (%)**



- Cost/income ratio further improved to 69% in 2019; we are already in line with our 2020 target of below 70%.

Pre-tax profit (CHF mn)



- Growth in pre-tax profit of 21% to CHF 147.4 million, supported by the acquisition of Notenstein La Roche and the consistent execution of our strategy

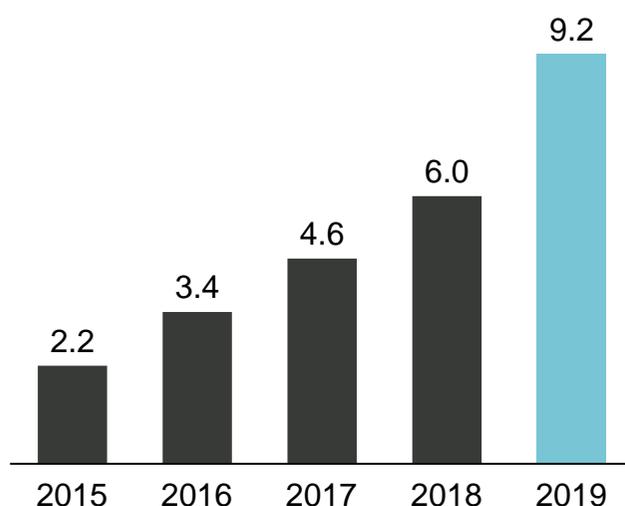
■ Gross margin on AuM (bps) — Cost/income ratio (%)

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

² Of which 53 bps are commission driven, including 42 bps from recurring fee income

Financial Products impacted by lower demand in all markets

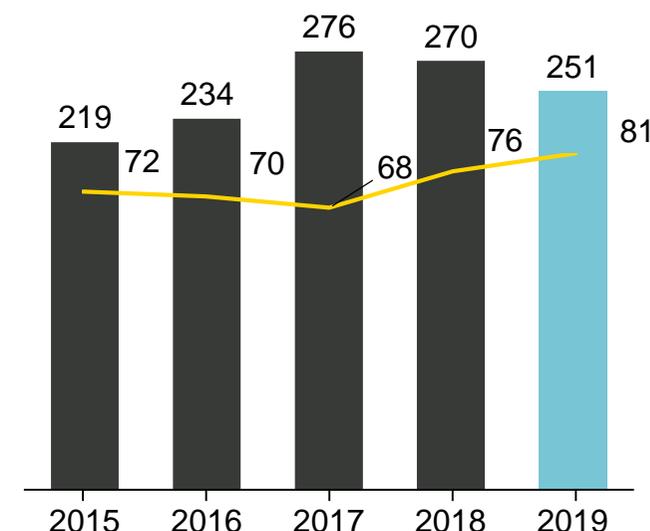
Notional volume issued through Vontobel's digital channels (CHF bn)



Market share of listed products in 2019

MARKETS	Rank	TURNOVER	# TRADES
Switzerland ^{1/2}	#1	32.0%	40.4%
Germany ¹	#5	9.8%	8.8%
Nordics ^{3/4}	#4	7.8%	4.4%
Italy ³	#4	14.5%	14.2%
France ³	#5	7.8%	10.0%
Netherlands ³	#5	7.2%	11.4%
Europe		12.5%	9.1%
Hong Kong	#11	1.5%	3.0%

Operating income (CHF mn) and CIR (%)



Distributors on deritrade

- 89 banks
- >550 external asset managers

2 collaboration agreements in place

- UBS Wealth Management
- Raiffeisen

White Label partnerships in place

- Basler Kantonalbank

- Vontobel Financial Products defended its market share in Europe
- While volumes on exchanges were down significantly, Vontobel was able to accelerate flows through its digital channels

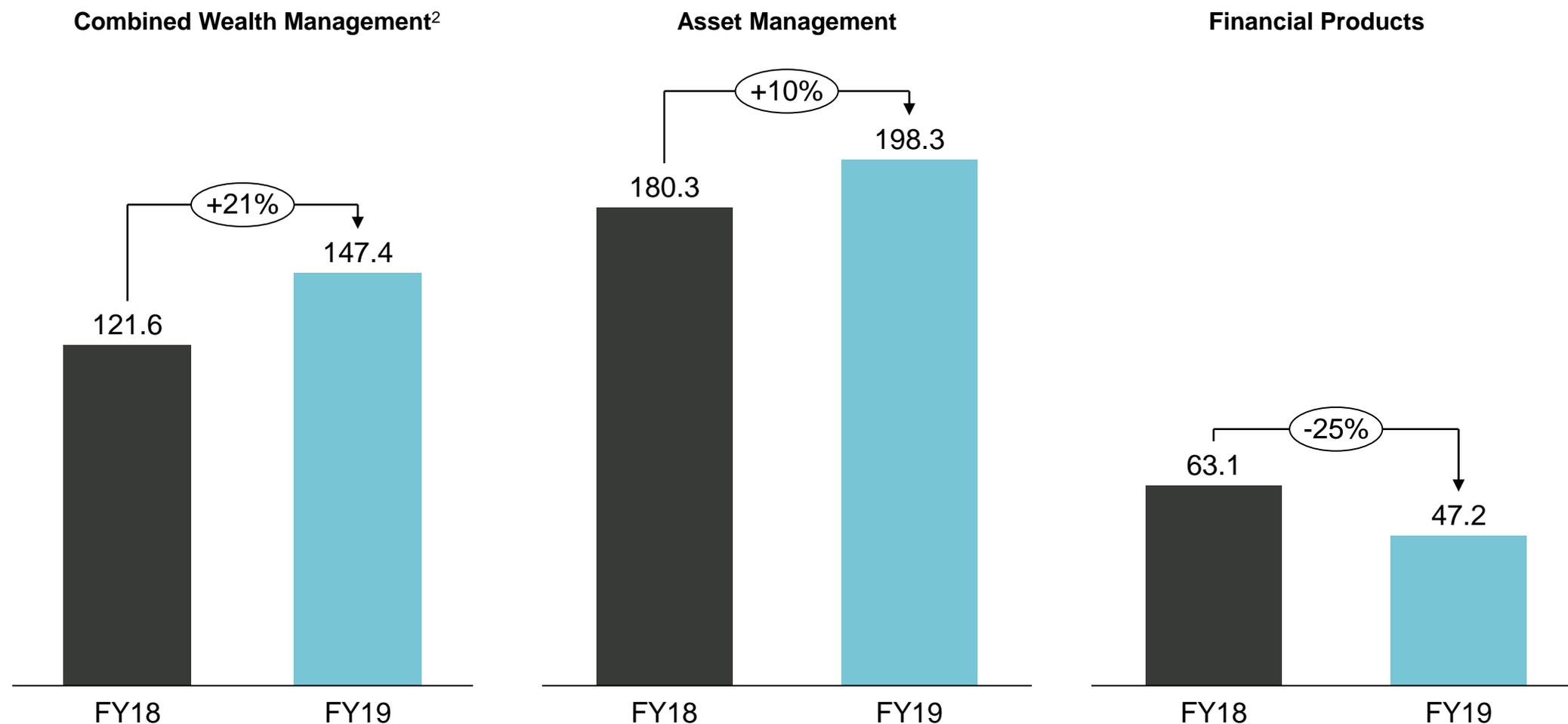
- Operating income was negatively impacted by low volumes and margin
- Lower operating income and a evolving cost base over time led to a decline in pre-tax profit of 25%

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

¹ Investment and leverage products
² On exchange and on book
³ Leverage products
⁴ Sweden and Finland (NGM and OMX)

Acceleration in Asset Management and Combined Wealth Management – now jointly accounting for 88% of pre-tax profit¹

Pre-tax profit of core activities (CHF mn)



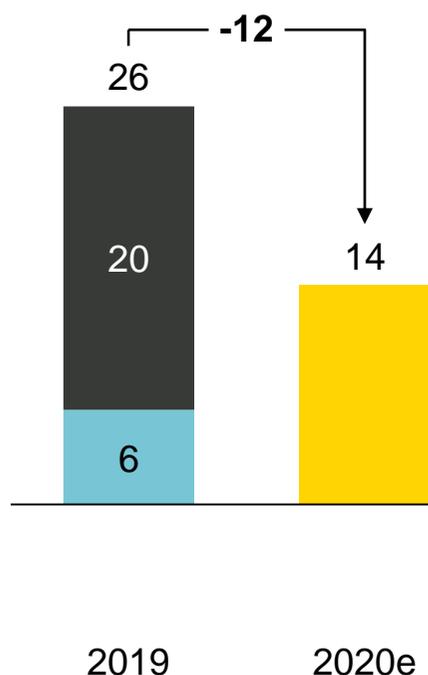
¹ Excluding Corporate Center

² Wealth Management segment and External Asset Managers business unit

Financial impact of discontinuation of sell-side business combined with immediate synergies from our new way of working

February 12, 2020

Operating income (CHF million)

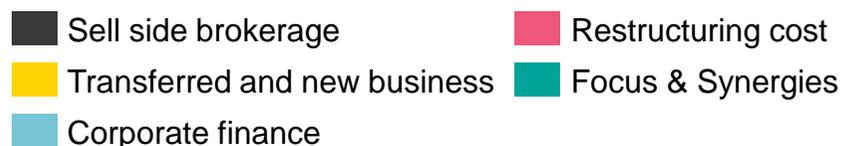


Operating expenses (CHF million)



Impact on realigned business

- In 2020, reduction in operating income will be more than offset by lower expenses and synergies
- Overall, we expect a positive impact of CHF 3 million



Financial Calendar



General Meeting of Shareholders

March 30, 2020

Update on future financial reporting

June 2020

Half-year 2020 results, including new mid-term targets

July 28, 2020

Investor Day 2020

September 23, 2020

9M trading update 2020

November 4, 2020

Full-year 2020 results

February 11, 2021

Overview

Highlights

Full-year 2019 results

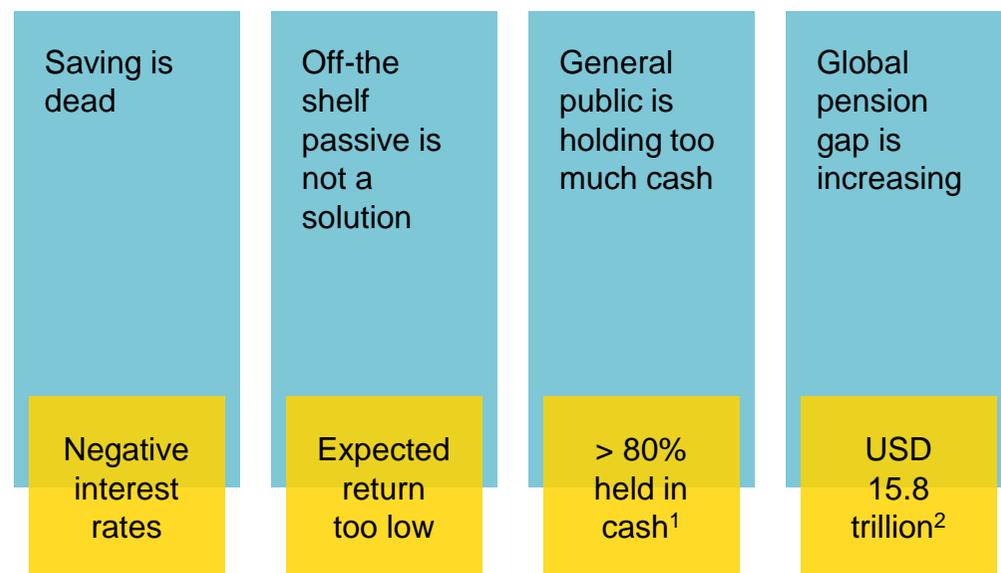
Strategy update

Questions and answers

Anticipating changing client needs and behavior

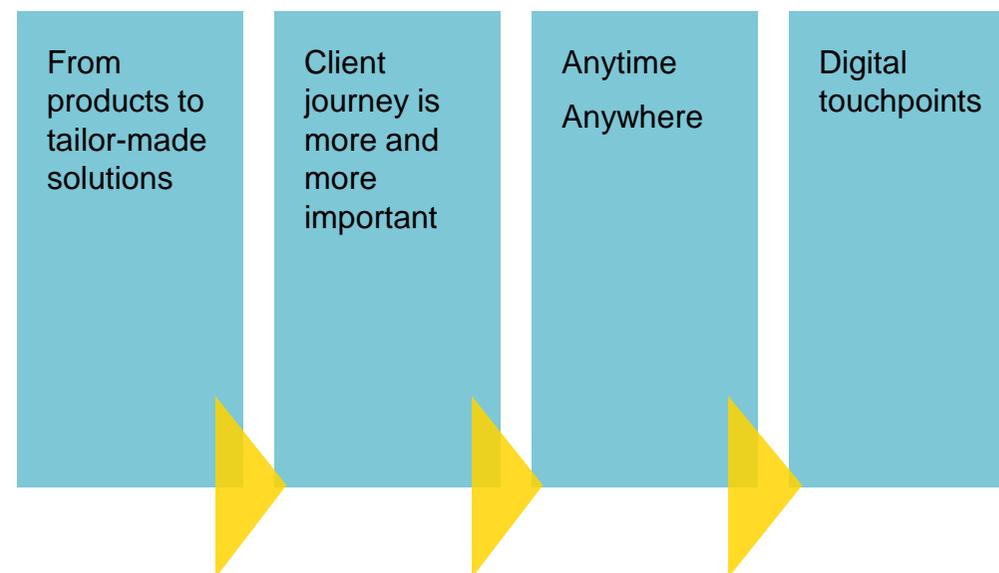
February 12, 2020

Challenges for investors



Clients need even more expertise and advice to secure their financial future

The criteria used to select a financial partner – and the way clients interact with that partner – are changing



Clients want to be in the driving seat of their financial journey and to benefit from outstanding service

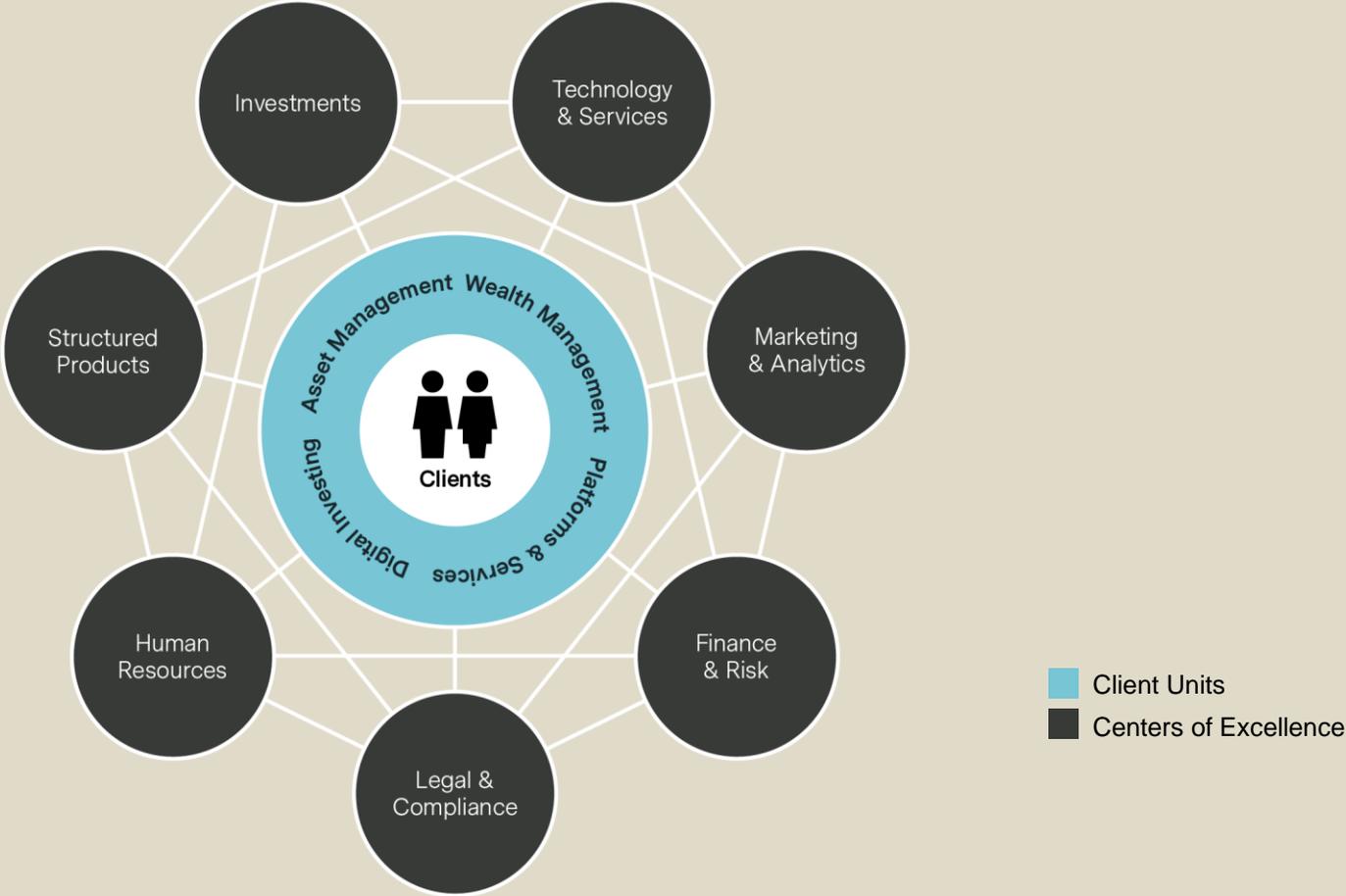
¹ Source: McKinsey Global Banking Pools 2019

² Source: G30: Fixing the pension crisis – ensuring lifetime financial security

We think in terms of client needs and deliver best-fit solutions

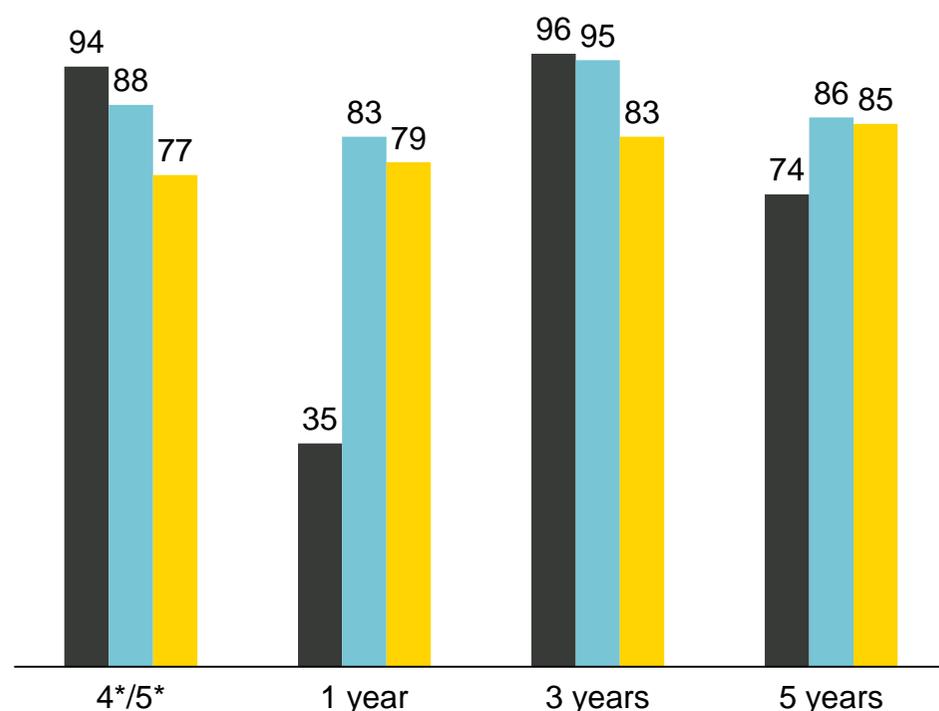
February 12, 2020

One Vontobel



High conviction strategy and strong investment culture pay off

Strong long-term track record in funds: 1st and 2nd quartiles (% of AuM)



Equity Fixed Income Multi Asset

Longstanding track record based on a valid investment conviction

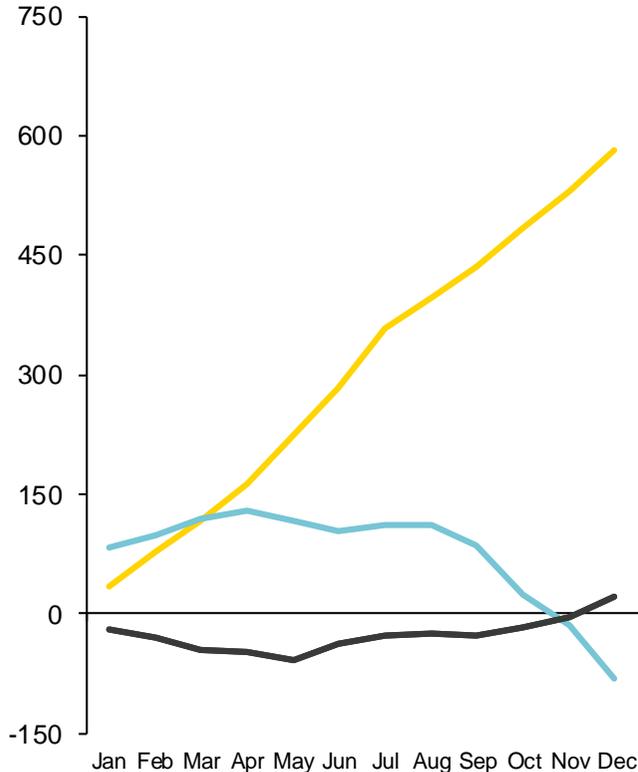
- 5 of our funds have a track record spanning more than 27 years
- 61% of our funds have received a 4 or 5 star Morningstar rating, compared to only 36% in the market
- From an asset-based view, Vontobel has 90% of 4 or 5 star ratings as all 13 of our mutual funds with client assets exceeding CHF 1 bn fall into one of these two rating categories
- Wealth Management mandates outperforming peers, strong 1st quartile position
- Actively managed megatrends certificates outperformed their thematic benchmarks

Based on Morningstar rated funds

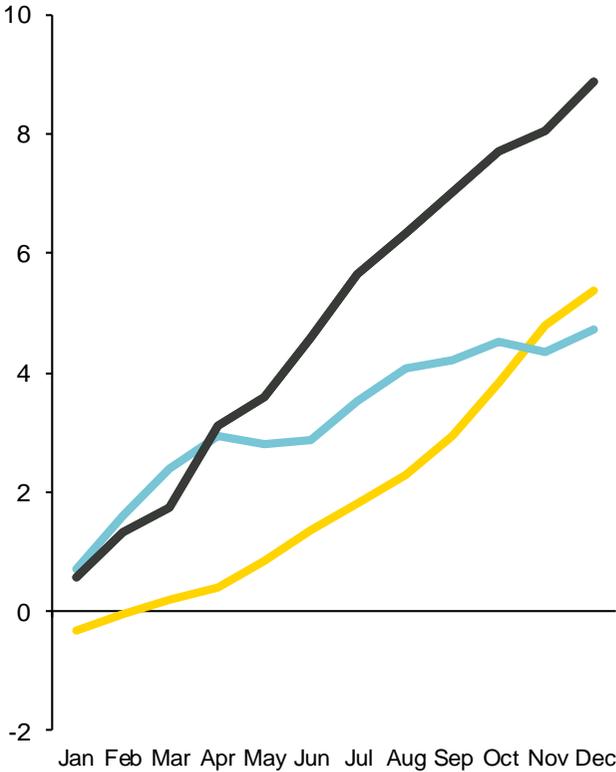
Relative strength translates into strong net new money flows – distribution platform is a key driver of this success

Cumulative flows in active funds¹ (CHF bn)

Market: Flows across European and cross-border funds



Vontobel: Broad-based flows across different focus markets



Strong distribution platform across different focus markets

- Well-diversified regional growth
- Established presence in Paris and expanded client coverage in the US and Latin America
- Enhanced Global Banks coverage

Top flow positions¹ in several Morningstar categories

- European & cross-border fund market (#3)
- EM Bond (HC) (#3),
- EM Corporate Bond (#2),
- EM Equity (#6)
- Global Flexible Bond (#4)
- EUR Corporate Bond (#7)
- EUR Flexible Allocation (#7)

2017 2018 2019

2017 2018 2019

¹ European and cross-border fund flows of 1492 active managers in Morningstar categories only and excluding Money Market funds and Fund of Funds
Source Market: Broadridge December 2019

Strong track record in ESG investing and expertise across the firm

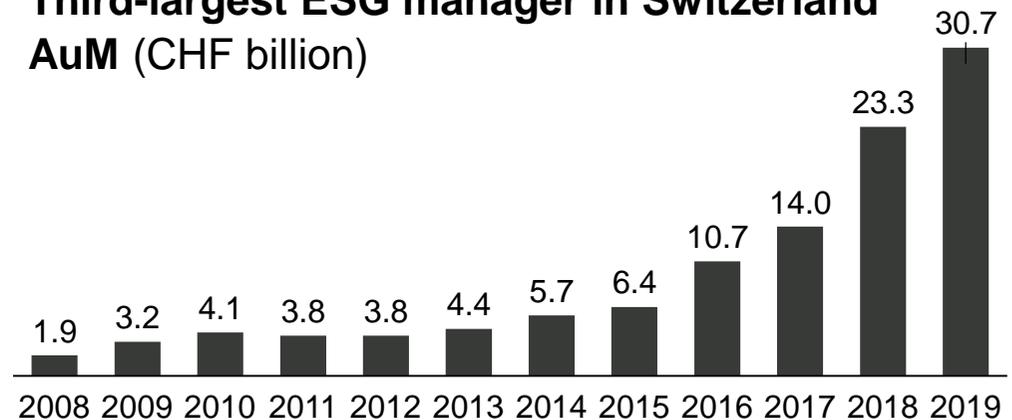
Pioneer in ESG investing

- Own ESG research team for more than 20 years; today, more than 40 investment experts focus on ESG investment strategies in research and fund management
- Managed ESG strategies across different asset classes and approaches since 1998
- Signatory of PRI since 2010; in 2019, achieved above-benchmark scores in all 7 modules of the PRI reporting
- In 2019, formalized a group-wide Sustainable Investing Policy
- 19 awards for Vontobel sustainable funds in 2019, including two Swiss sustainable fund awards for Swiss and Emerging Markets Equities

Signatory of:



Third-largest ESG manager in Switzerland AuM (CHF billion)



Product range

26 strategies/funds with sustainability criteria also offering customized solutions

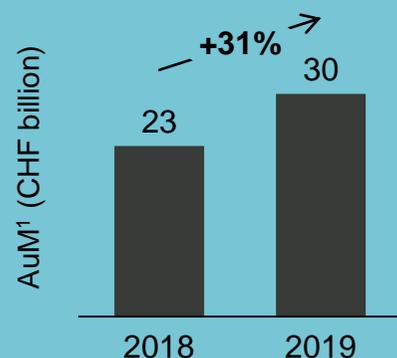
Clean Technology fund with innovative tool to measure impact

Structured products based on underlyings screened according to sustainability criteria

Sustainable investment themes such as impact for good, water, diversity

Client investment needs are changing Vontobel has credible experience and solutions

Emerging Markets – growing under-invested markets



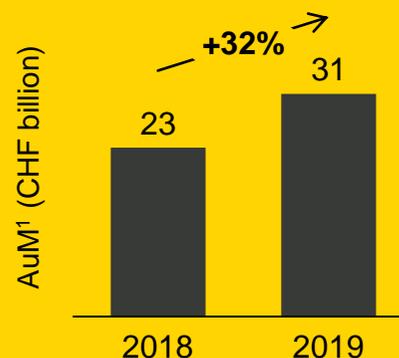
Track record:

- First fund launched in 1992
- 40 awards won in 2019

Experienced team of around 50 experts

Among the largest active EM managers in Europe

ESG – on the way to becoming mainstream



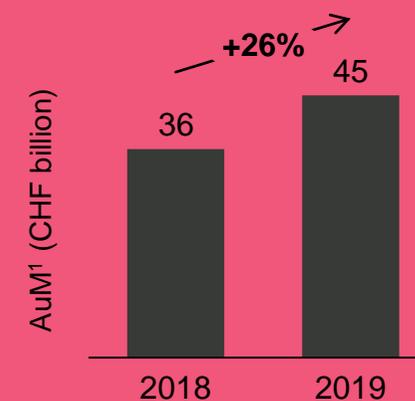
Track record:

- First ESG solutions in 1998
- 19 awards won in 2019

Third-largest Swiss sustainable investment manager in Switzerland

mtx Sustainable EM Leaders is largest European sustainable fund and belongs to the top 10 globally

Fixed Income – even more important with low or negative interest rates



Track record:

- First fund launched in 1991
- 30 awards won in 2019

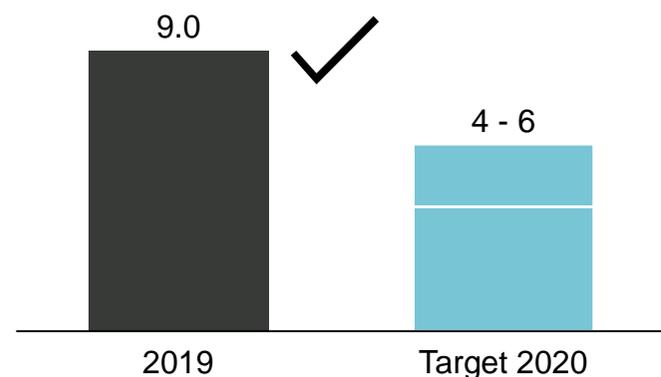
TwentyFour Asset Management strategic income strategy increased 150% p.a. since end of 2016

¹ Assets in the different categories are not mutually exclusive. There are Vontobel strategies that belong to all three categories.

We are committed to our 2020 targets

Growth

Top-line growth (in %)



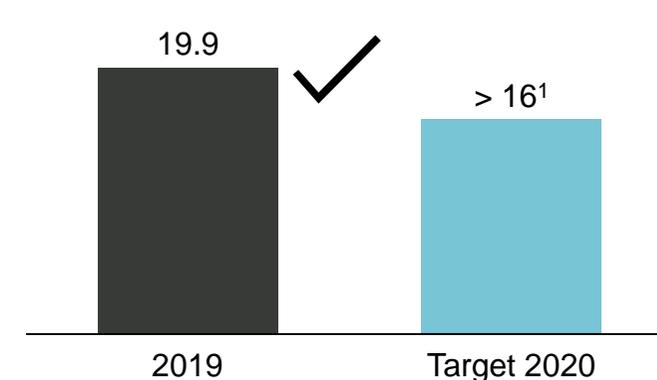
Profitability

Return on equity (in %)

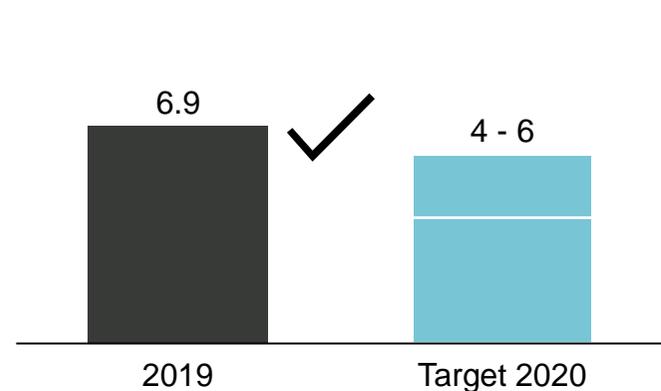


Capital and payout

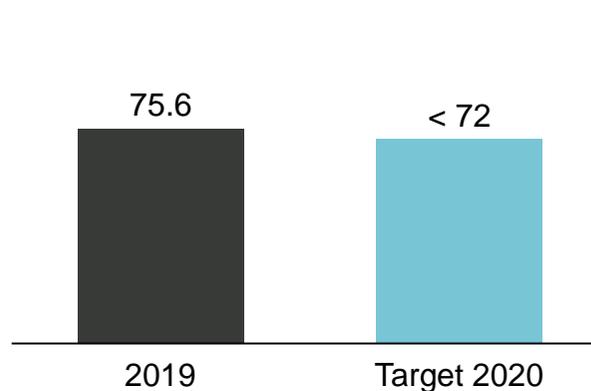
Total capital ratio (in %, end of period)



Net new money growth (in %)



Cost/income ratio (in %)



Payout ratio (in %)

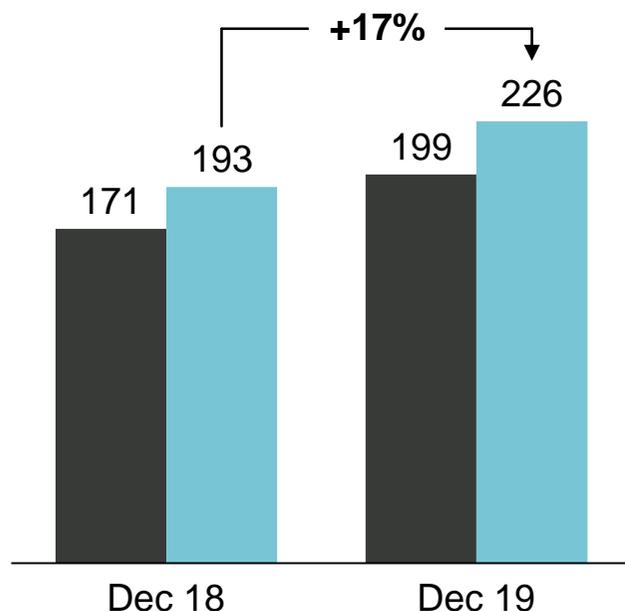


¹ CET1 target of >12%

² Based on dividend of CHF 2.25 proposed to the General Meeting of Shareholders 2020

Committed to building on a strong base to transform change into opportunity

Strong asset base (CHF bn)



Client-centric investment manager

- Anticipating growing demand for professional investment solutions and for individually tailored expert investment advice across all client groups
- Targeted use of technology solutions to profit from significant changes to the way clients select and interact with financial services providers
- Commitment to become a pure-play buy-side investment firm, positioning ourselves exclusively on the side of our investment clients

Increased client focus will deliver growth

- Complement well-established asset-class specialization with increased regional sales focus and local footprint in Asset Management
- Serve Global Bank clients worldwide on a coordinated basis
- Extend focus to new client groups, accelerate hiring and leverage proven experts in Wealth Management
- Become leading partner for wealth management services in Switzerland, Germany, Hong Kong and Singapore
- Make our competencies available to a wider group of investors via platforms and ecosystems

■ AuM ■ ACA

Questions and answers

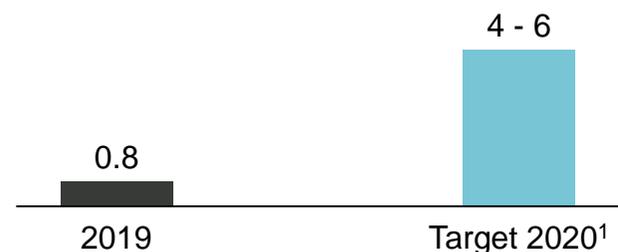


Appendix

All core businesses with ambitious targets WM with new ones since June 2018

Combined Wealth Management¹

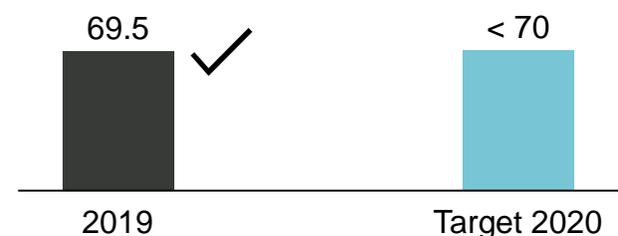
NNM growth (in %)



Gross margin on AuM (in bps)

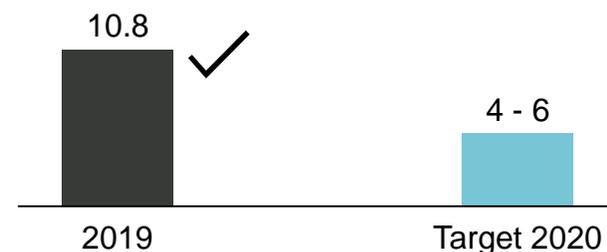


Cost²/income ratio (in %)

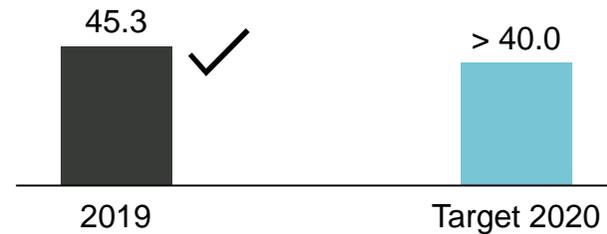


Asset Management

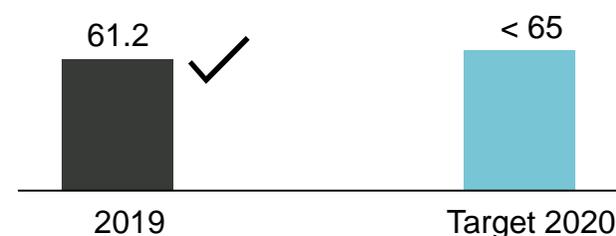
NNM growth (in %)



Gross margin on AuM (in bps)

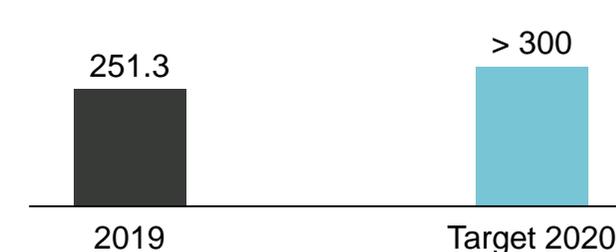


Cost²/income ratio (in %)



Financial products

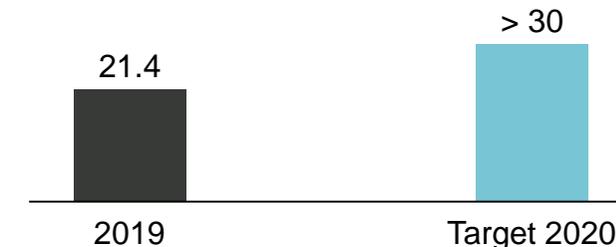
Operating income



Cost²/income ratio (in %)



Pre-tax ROAC³ (in %)



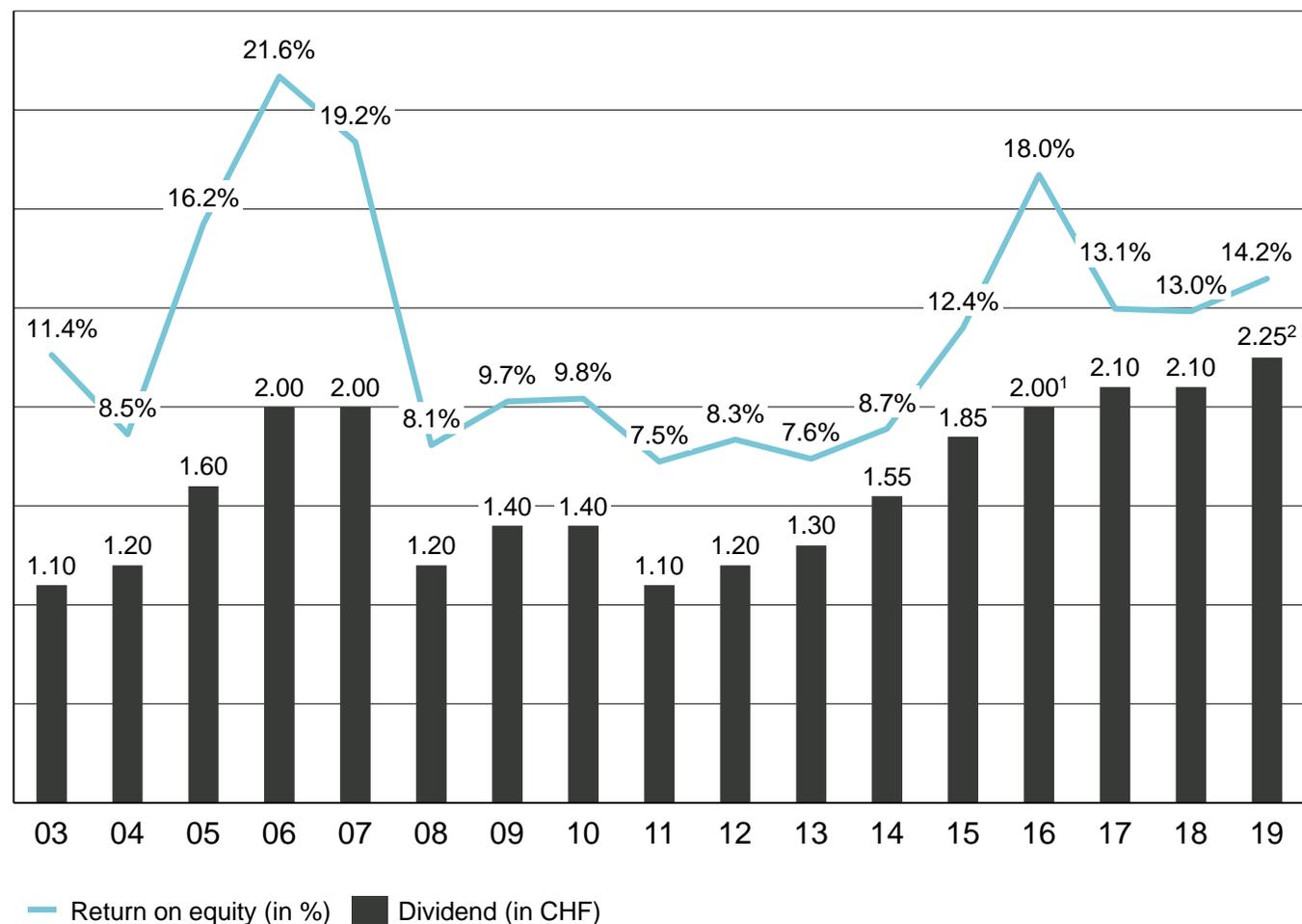
¹ Wealth Management segment and External Asset Managers business unit

² Operating expense excl. provisions and losses

³ Pre-tax return on allocated capital of RWA (according to BIS III, 8%)

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 capital
- Attractive dividend policy with a payout ratio of above 50%
- Increase in shareholders' equity of more than CHF 850 mn since 2003 without injection of fresh capital

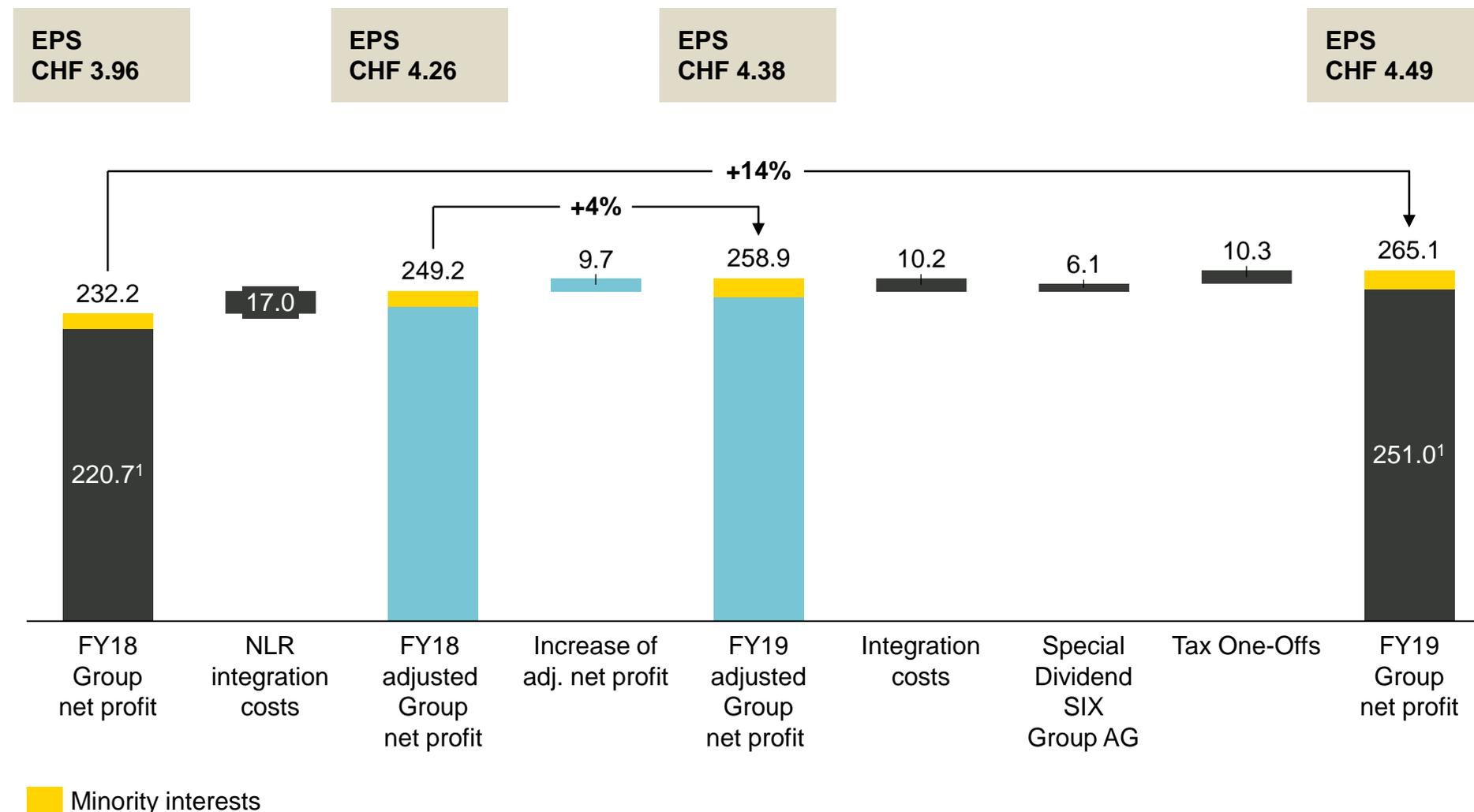
¹ Of which special dividend of CHF 0.10

² Proposed to the General Meeting of Shareholders 2020

Vontobel delivers good net profit in a difficult market environment for transaction-based business

February 12, 2020

Group net profit (CHF mn)

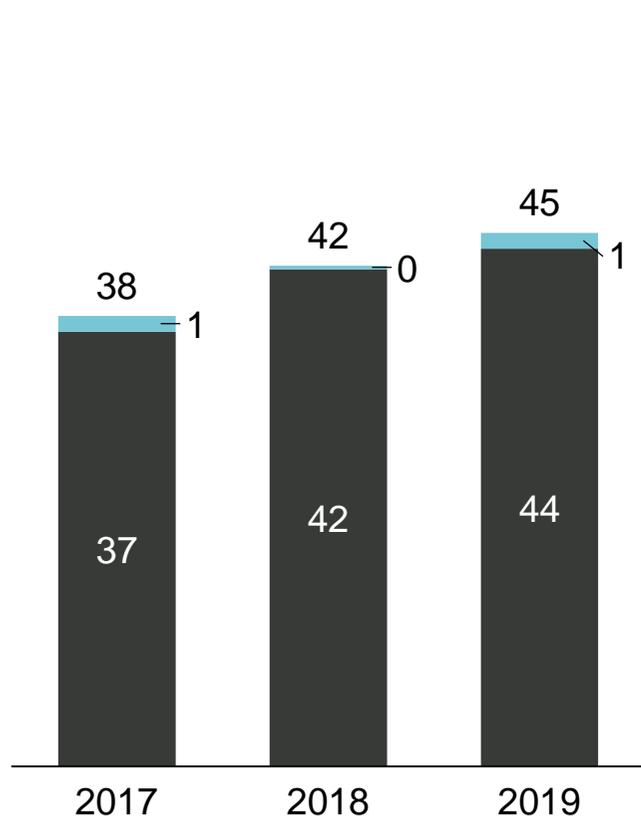


¹ Group net profit excluding minorities

Our value proposition and service model drove margin stabilization and a shift in mix towards more recurring income

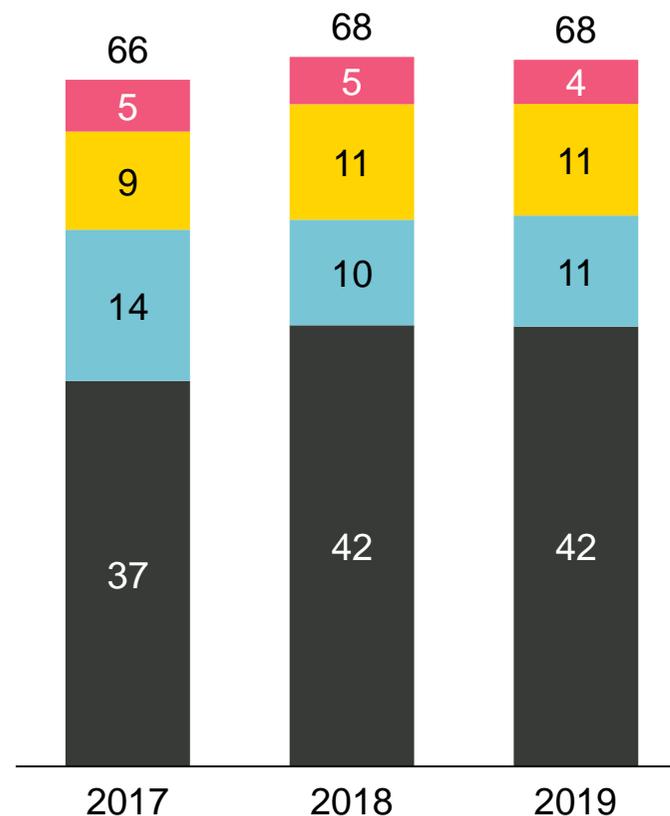
February 12, 2020

Composition of gross margin in Asset Management (in bps)



■ Commission income
■ Performance Fee

Composition of gross margin in Combined Wealth Management (in bps)



■ Commission income (recurring) ■ Interest income
■ Commission income (transaction based) ■ Other

Technology and data as key success factor going forward



People

- Critical mass and depth to attract tech talent
- Continued investments in full stack, artificial intelligence and cloud skills
- Offer work environment that bridges with tech culture



One speed end-to-end thinking

- Technology area shifts to one-speed-delivery organization, interacting with client groups peer-to peer, interlinked by one agile way of working
- 93% of employees are already on one global platform
- Clients get faster and better access to new functionalities on an ongoing basis



Client journey and intelligence

- The set-up of dedicated client units and a shared Marketing and Technology & Services function allows us to learn more about our clients and to upgrade our value proposition by delivering a relevant contextual and customized client experience



Ecosystems

- Starting with the client's perspective, we think and act in ecosystems; for some clients, we are orchestrators; for others, we act as partners or suppliers/enablers



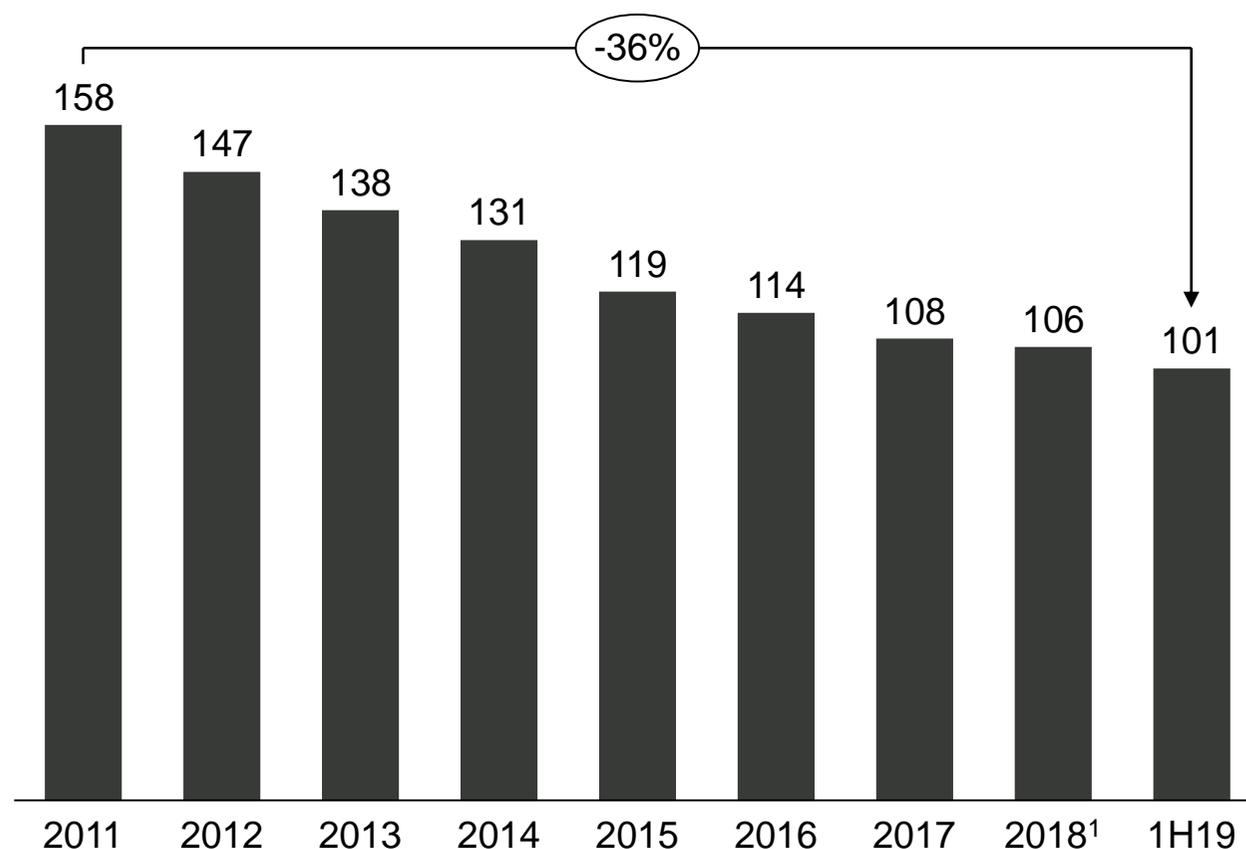
Modern Technologies

- Big data, artificial intelligence as well as Cloud services are key
- Cloud strategy while fully respecting data protection standards
- First-class cyber security

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

Private banks in Switzerland

Comments

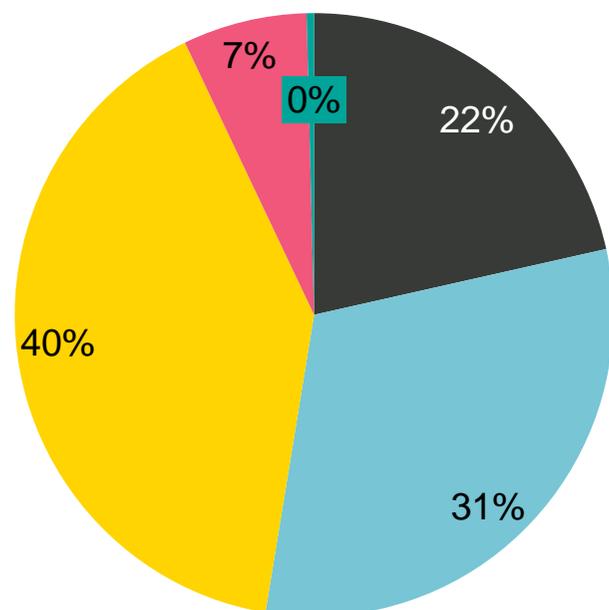


- Number of Swiss private banks has decreased by more than 30% since 2011
- Structural change is expected to continue
- Industry change is allowing Vontobel to attract new clients from banks that are:
 - Focusing their business model
 - Selling their franchise
 - Closing their operations (“silent consolidation”)

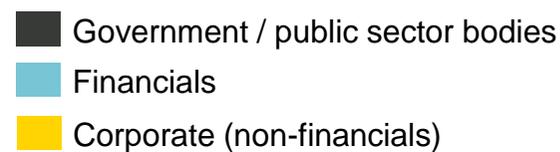
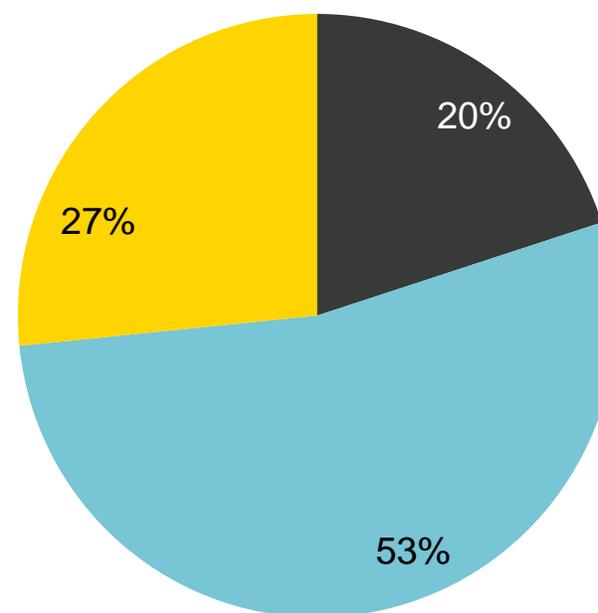
¹ One transaction in 2018 was Notenstein La Roche acquired by Vontobel
Source: “Clarity on Performance of Swiss Private Banks” (KPMG, August 2019)

High quality of bond portfolio maintained

Counterparty exposure by rating (end-2019)



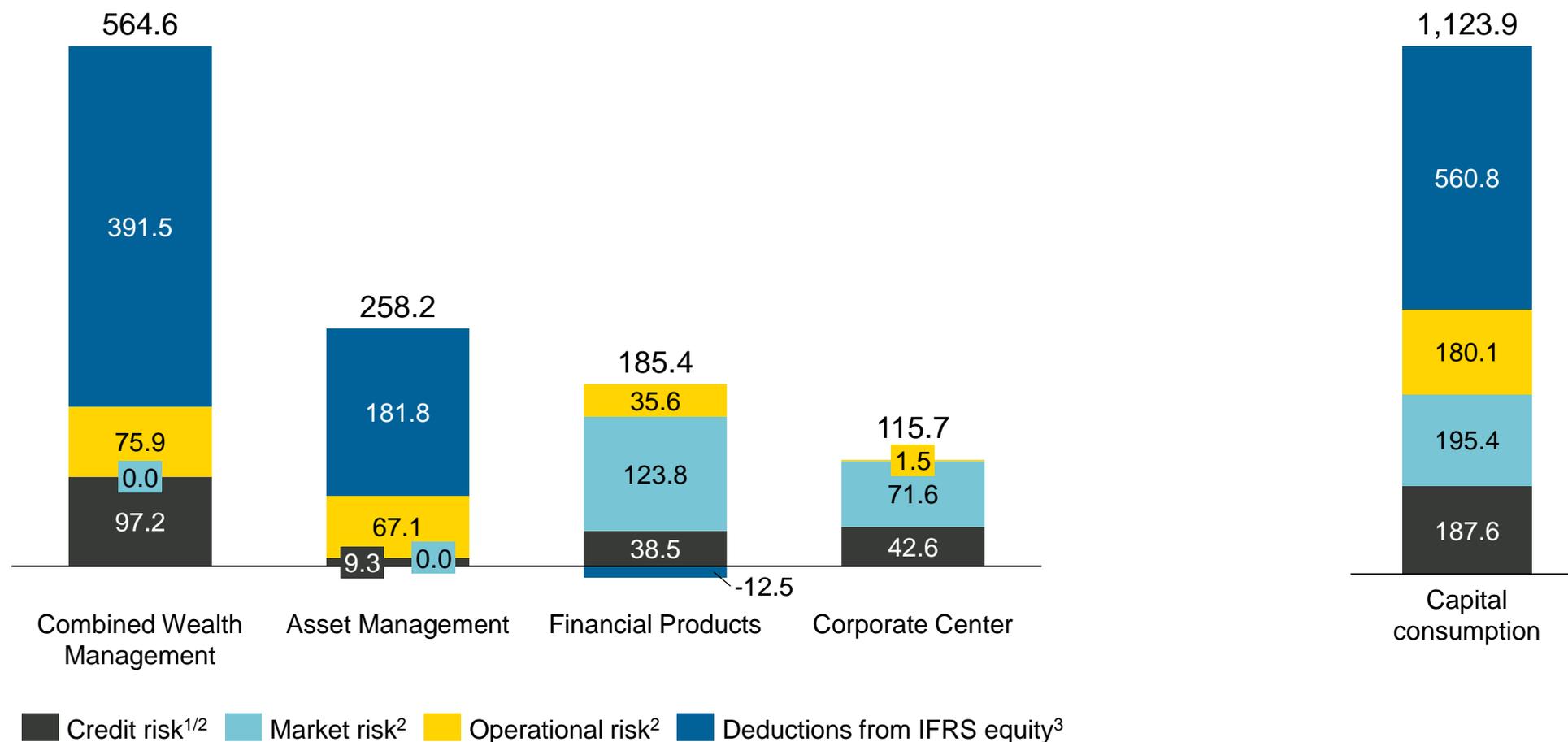
Counterparty exposure by sector (end-2019)



Note: Total issuer risk from debt instruments amounts to CHF 7.6 bn

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

Capital consumption as of 2019 (CHF mn)



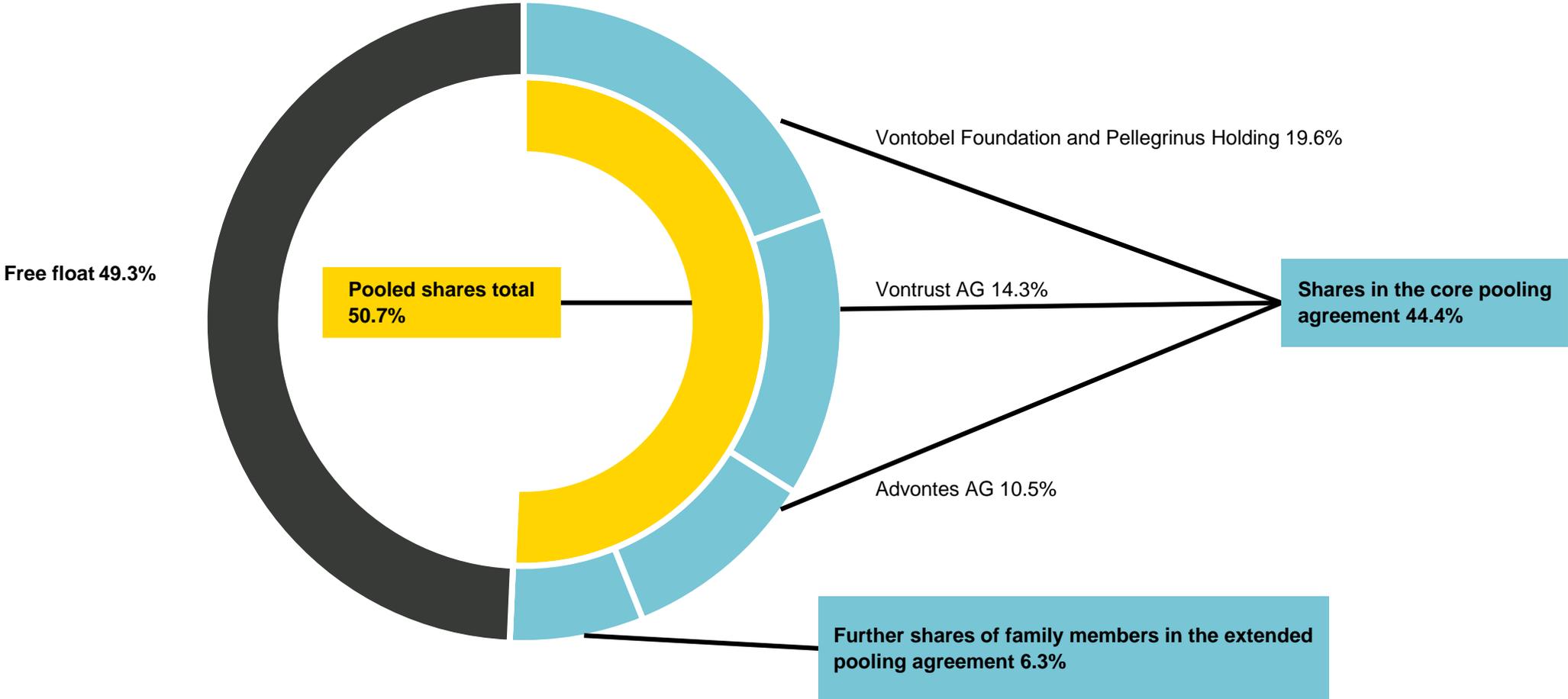
¹ Including non-counterparty related risks

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

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