

Vontobel half-year 2021 results

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July 27, 2021

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A glossary of non-IFRS performance indicators and abbreviations is provided in the half-year report on pages 55 – 56.

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Basel – a city full of exciting contrasts. With more than 170,000 inhabitants, it is Switzerland's third-largest city and is world renowned – not only because of its famous Carnival and its love of visual arts but especially also due to the presence of companies such as Novartis, Hoffman-La Roche and Lonza, which make it a leading center for international life sciences. Located at the point where the borders of France, Germany and Switzerland meet, Basel counts as one of the country's traditional financial centers and is also home to the Bank for International Settlements (BIS). For decades, Vontobel has served its private clients as well as financial intermediaries in the region directly from its Basel branch – offering them its investment expertise and services. Basel is one of the centers of growth in Vontobel's Swiss home market, as is also highlighted by its acquisition of Notenstein La Roche Privatbank AG several years ago and the subsequent expansion of its Basel branch.

Achievements



- **Further strengthening client trust in Vontobel**, resulting in strong net new money of CHF 6.6 billion (6.0% growth), record advised client assets of CHF 274.5 billion and improved market shares in structured products
- **Strategic progress** in investment-led UHNWI offering, expanded range of ESG products, and acquisition of remaining 40% stake in TwentyFour Asset Management
- **Outstanding H1 2021** results with operating income of CHF 779.6 million (+25% yoy) and Group net profit of CHF 191.8 million (+48% yoy)
- Strong equity capital generation confirming **very solid and resilient balance sheet with** a CET1 ratio of 14.5% and a Total capital ratio of 20.5%

Overview

Highlights and strategic progress

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Outlook

Q&A

Very strong H1 2021 for Vontobel

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Key figures as of June 30, 2021

Advised client assets

CHF 274.5 bn
of which CHF 244.2 bn of
assets under management

Net new money

CHF 6.6 bn
(6.0%¹)

Operating income

CHF 780 m
(+25%)

Pre-tax profit

CHF 233 m
(+50%)

Group net profit

CHF 192 m
(+48%)

Return on equity

18.7% (+5.3 pp)

Capital ratios

CET1: 14.5%
Tier 1: 20.5%

¹ Annualized, in % of AuM at the beginning of the period.

Strategic direction—acting from a position of strength

July 27, 2021

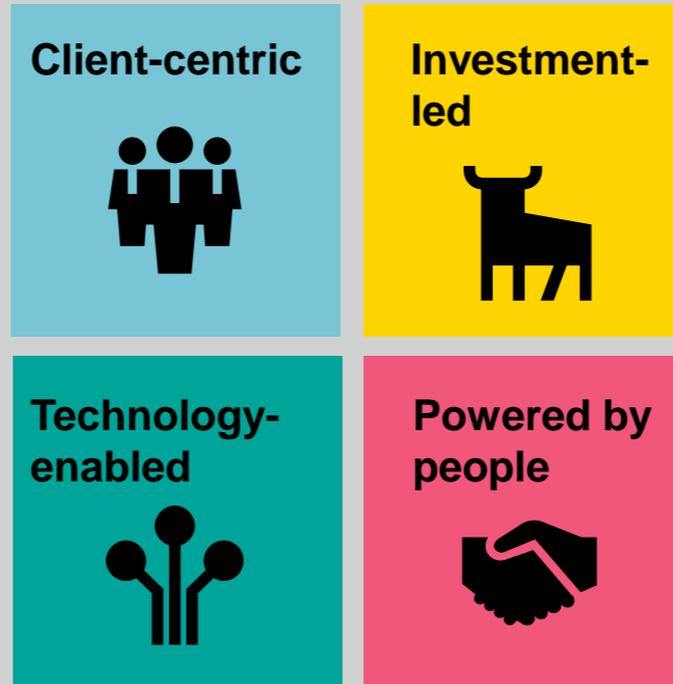
Focus on the long term



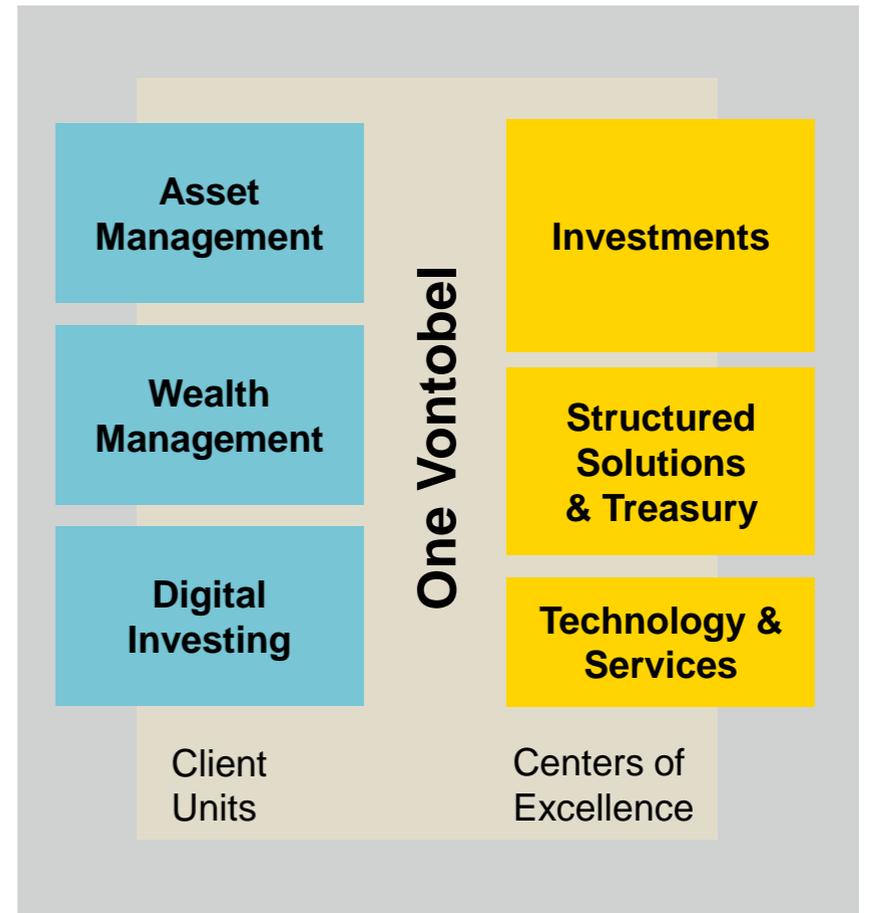
2030

Long-term
Lighthouse strategy
and ambition level

Transform Vontobel into a pure-play buy-side investment firm



Leverage a collaborative model across the firm

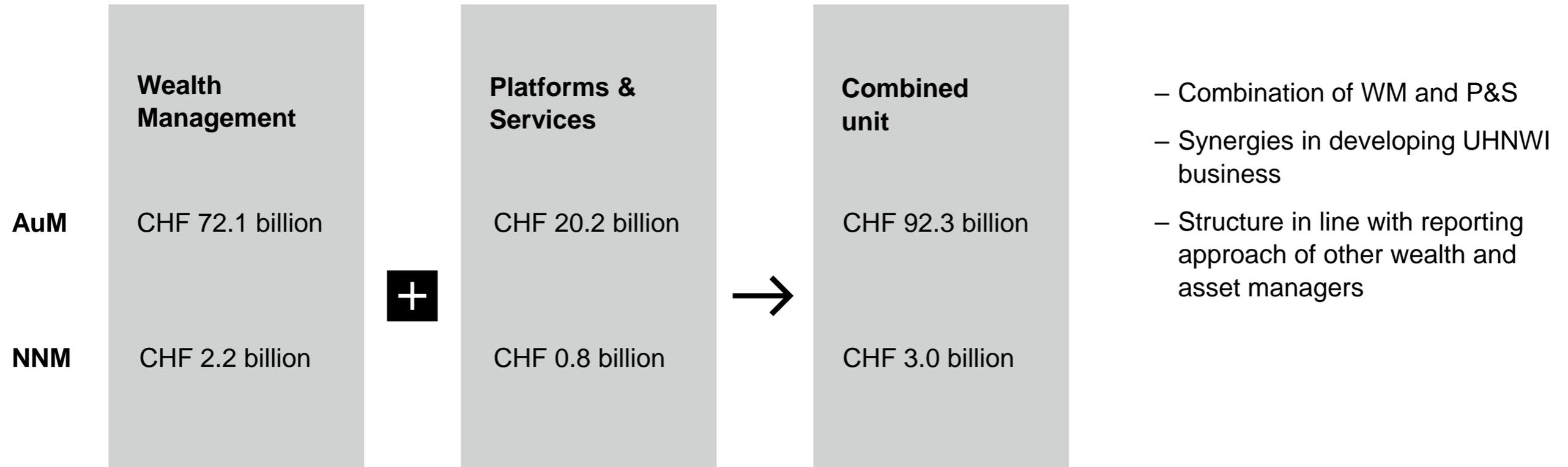


Strategic direction—progressing towards the lighthouse in H1 2021

July 27, 2021

- 1 Deliver the Vontobel experience**
 - International recognition: Ranked # 20 in Europe by Broadridge Fund Brand Survey
 - Strong reputation pays off in home market: Voted strongest Swiss Banking Brand by BrandFinance
- 2 Deliver a pure-play investment firm to all clients**
 - Acquisition of remaining 40% stake of TwentyFour Asset Management
 - New “frontiers” in ESG: Green Bond fund, Sustainable EM Debt fund and Global Impact fund
- 3 Deliver on tipping points to our future growth ambition**
 - Investment-led UHNWI approach combined with leveraging of all investment boutiques produces first positive results
 - Expansion of footprint in Asia
 - Strong progress in platform business (cosmofunding, strategic collaborations deritrade/Avaloq)
- 4 Deliver the power of technology, data & analytics**
 - Analytics platform rollout (e.g. social marketing)
 - Volt: Broad experience gained for future steps
- 5 Deliver a great place to work for people who want to excel**
 - Continuous progress in diversity, training & education
 - Strong buy-in of global workforce: >95% of employees are proud to work for Vontobel and support its strategy

Strengthening client service



TwentyFour Asset Management—a success story

July 27, 2021

Acquisition delivers on original 2015 targets

- Successfully diversified institutional asset base with greater focus on fixed income (from 11% in 2014 to 30% in 2020)
- Increased UK domiciled client base by 32% p.a. since 2014
- Resulted in initial stake payback period of less than 6 years

Excellent fit

- TwentyFour AM is today one of UK's leading specialist fixed income managers with offices in London and New York
- Entrepreneurial spirit preserved
- Future compensation aligned with Vontobel incentive scheme
- Vontobel RoE +2 p.p. (all other things being equal)

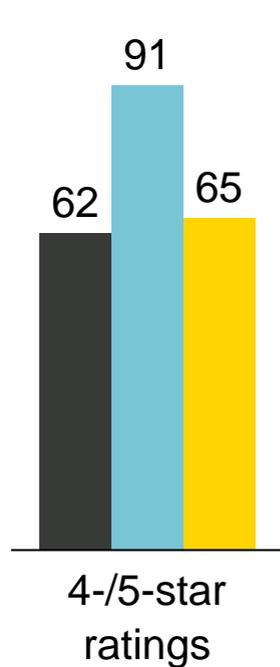
Success journey only just started

- Active Fixed Income remains an important asset class particularly in a low interest rate environment
- TwentyFour AM remains well positioned to increase its share of the growing fixed income market
 - Investment excellence
 - Global client access as part of Vontobel
 - Tap into high growth segments such as Multi-Sector Bonds (top 5 peers > CHF 300 billion addressable market size)
- Additional revenue synergies of CHF 50 million p.a. expected

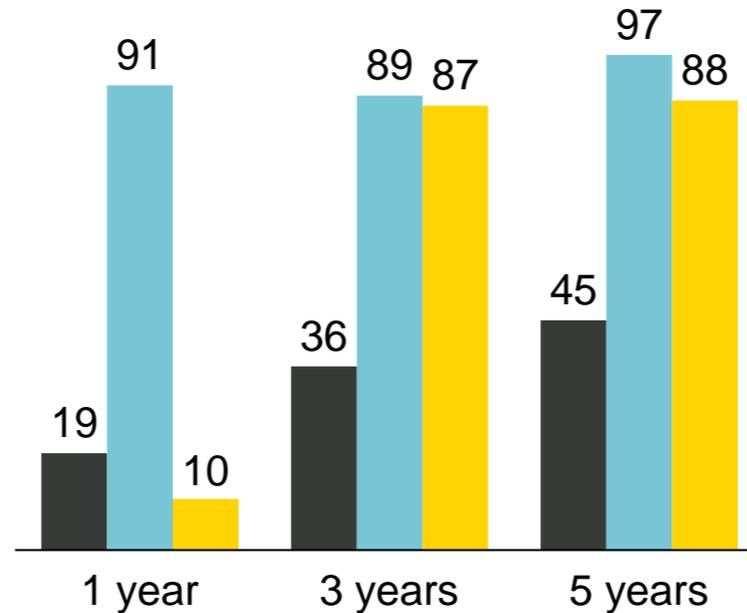
Proven and distinctive investment capabilities

Track record in funds

% of fund assets with 4-/5-star ratings¹



% of fund assets in 1st and 2nd quartiles²



■ Equity ■ Fixed Income ■ Multi Asset

- Strong performance in Fixed Income
- Percentage of 4- and 5-star rated Fixed Income funds improved to 91% (54% in December 2020)
- Quality-style equity products generally challenged in markets with momentum/hyper-growth tilt; trust of clients is reflected in good net new money inflows of CHF 2.8 billion in equity products since beginning 2020
- Mutual funds reflect less than 10% of Multi Asset AuM. Institutional and Wealth Management mandates achieved strong performance over one, three and five years

¹ Quantitative measure of a fund's risk-adjusted return, relative to similar funds. Best performers receive 5 stars and the worst performers receive a single star.

² Morningstar Percentile Rankings are the fund's total return rank relative to all funds in the same Morningstar category.

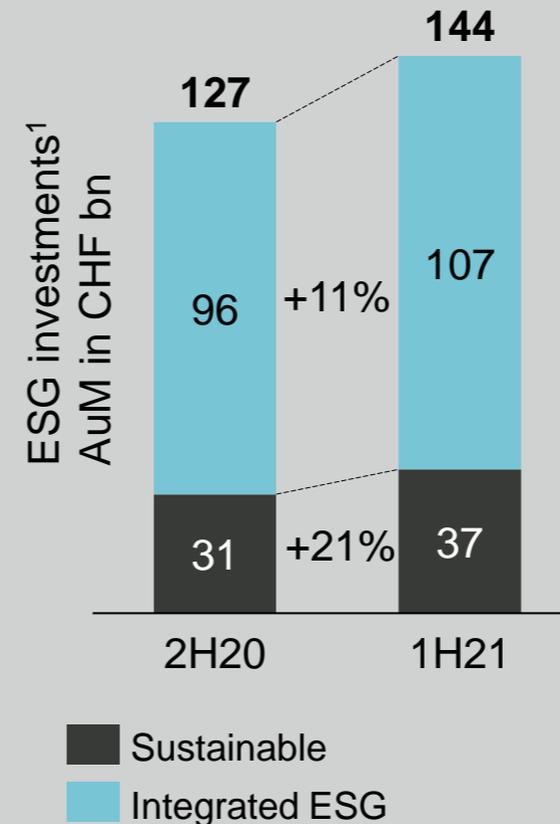
Vontobel further strengthens focus on ESG investing

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Our commitment

By 2022, we will actively integrate ESG/sustainability in every relevant investment and operating decision, across all of the company's CUs and CoEs to ensure that this will be a key driver of our future growth, while at the same time making a meaningful contribution to the global transition to a more sustainable economy and society.

Our progress



- Nearly all Vontobel funds take ESG risk into account
- Expanded offering with launch of three new funds in H1 2021: Green Bond fund, Sustainable EM Debt fund and Global Impact fund
- Strong ESG product offering in Emerging Markets Equity and Fixed Income
- Joined Global Impact Investing network
- ESG criteria are integral component of all our Swiss Equity Research

¹ Aligned with Sustainable Finance Disclosure Regulations (SFDR) classification

Overview

Highlights and strategic progress

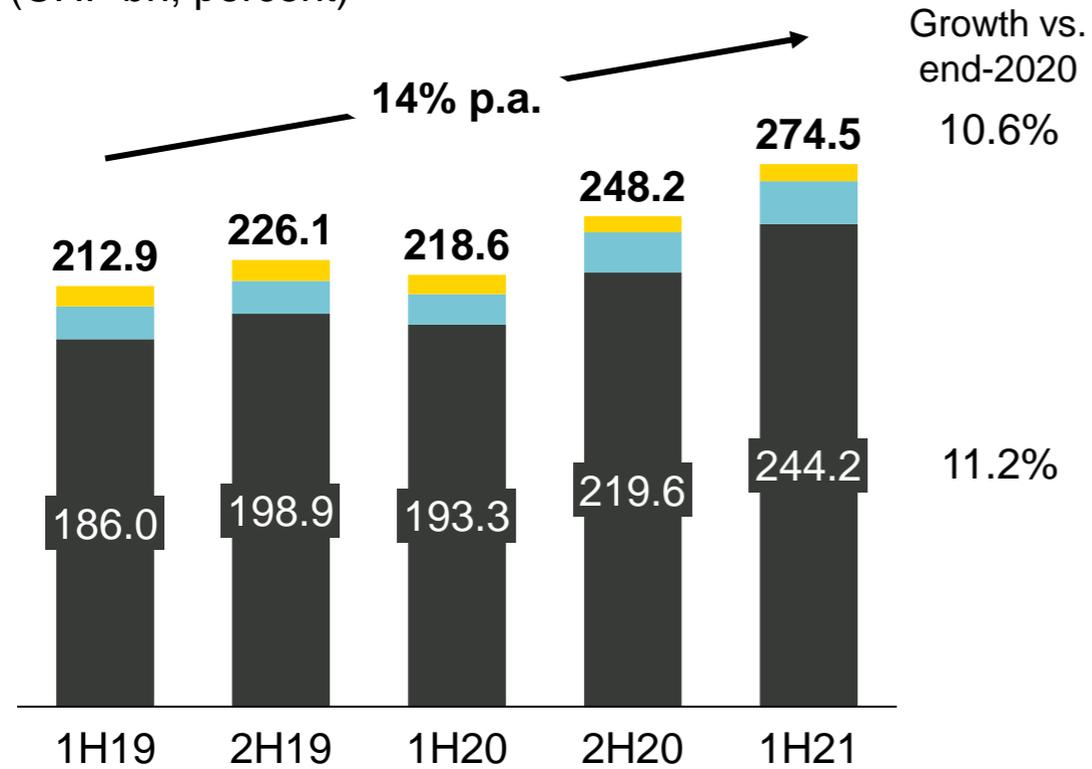
Half-year 2021 financial results

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Q&A

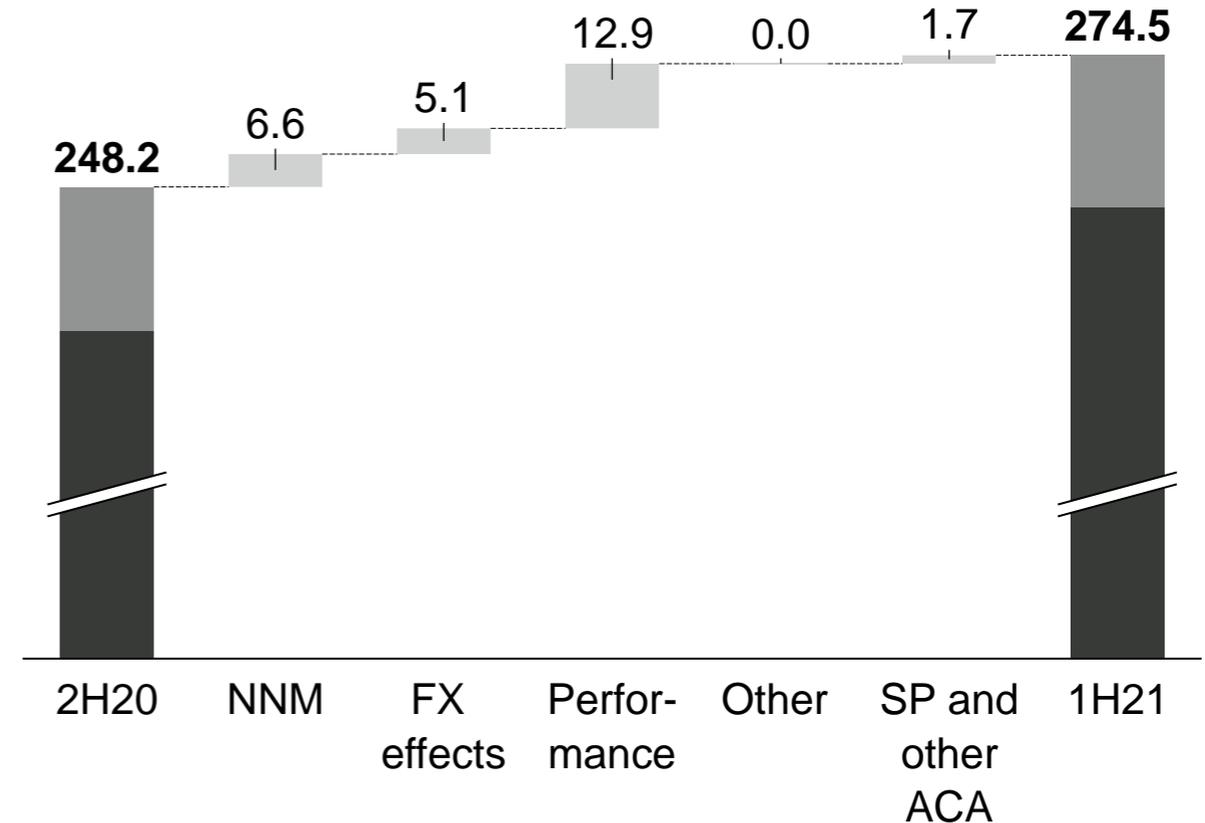
Record advised client assets of CHF 274.5 billion

Advised client assets; HY growth (CHF bn; percent)



Assets under management¹
 Structured products
 Other advised client assets

Advised client assets (CHF bn)



AUM
 SP and other ACA²

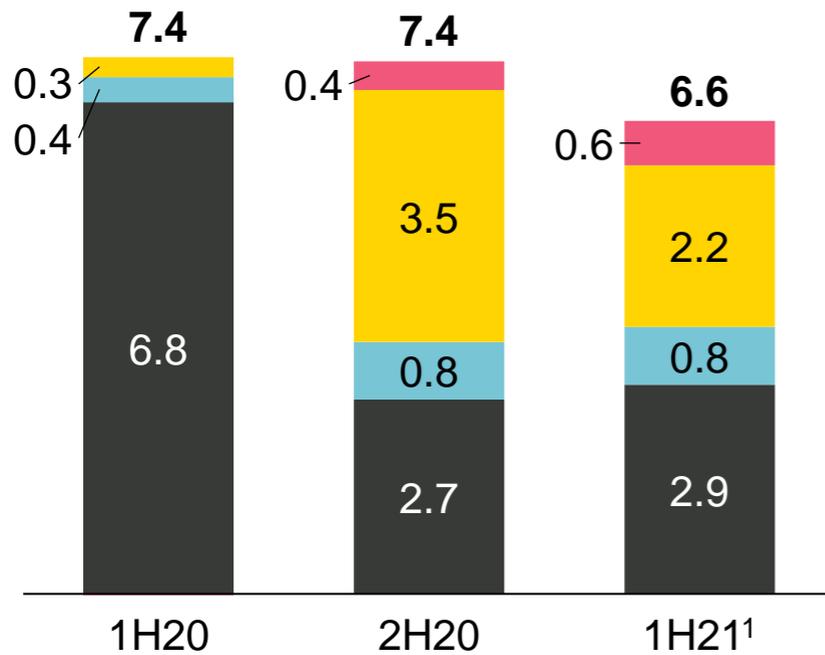
¹ Actively Managed Certificates in AuM since 2020.

² Structured Products and other advised client assets

Positive NNM contribution from all Client Units and Asset Classes

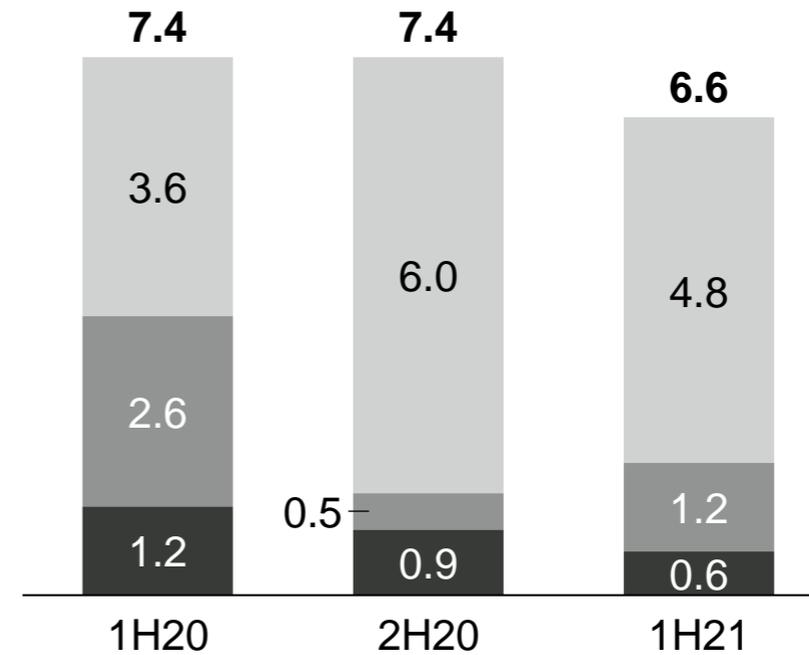
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NNM by Client Unit (CHF bn)



AM WM
P&S DI & Other

NNM by Asset Class (CHF bn)



Equity Multi Asset
Fixed Income

¹ Net new money growth of 6.0%: Asset Management 4.3%; Wealth Management 7.0%; Platforms & Services 9.1%; all annualized

Strong income and profit development

Key figures

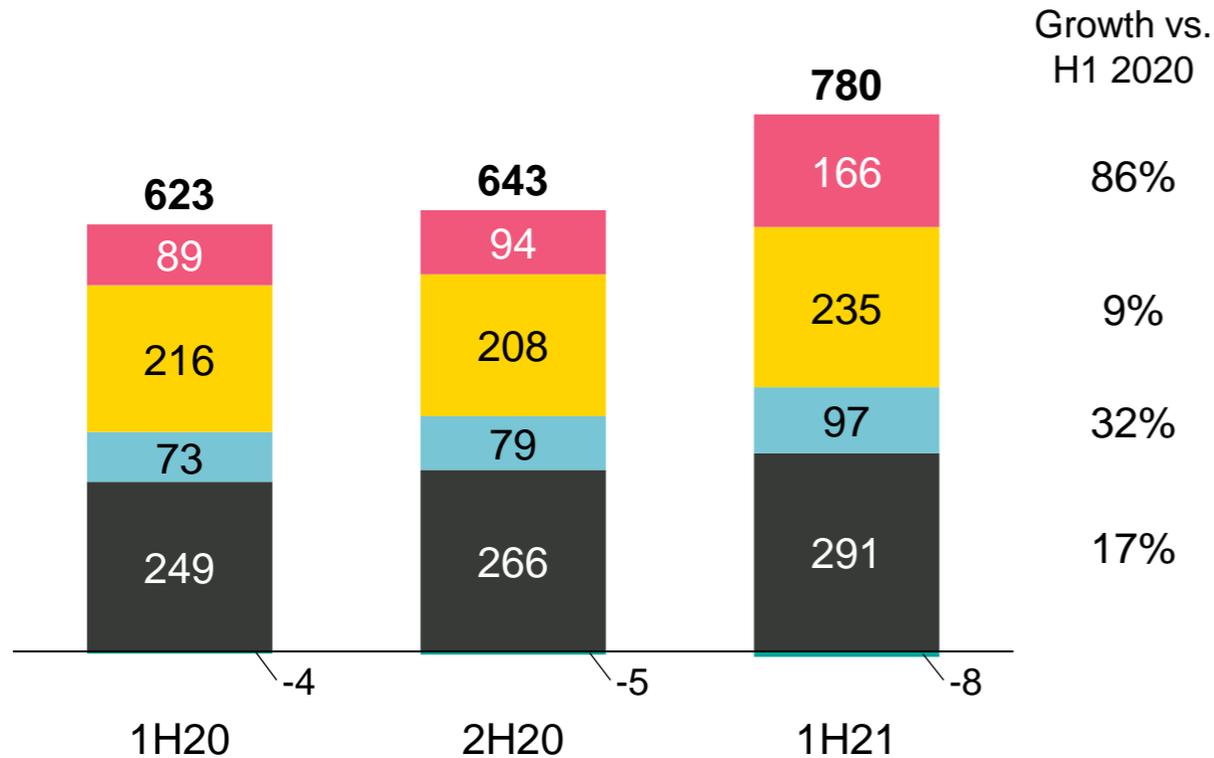
(CHF m)

| | H1 2021 | H2 2020 | H1 2020 | Δ YOY | Δ YOY CC |
|--|---------|---------|---------|--------|----------|
| Operating income | 779.6 | 642.5 | 623.0 | +25% | +27% |
| Operating expense | 546.2 | 477.6 | 466.9 | +17% | +17% |
| <i>excl. one-offs items</i> | 537.1 | 476.2 | 462.8 | +16% | +16% |
| Pre-tax profit | 233.4 | 164.9 | 156.1 | +50% | +56% |
| <i>excl. one-offs items</i> | 242.5 | 166.3 | 160.2 | +51% | +58% |
| Taxes | 41.5 | 34.6 | 26.9 | +54% | |
| Group net profit | 191.8 | 130.3 | 129.2 | +48% | |
| Group net profit excluding minority interest | 181.8 | 121.0 | 121.6 | +50% | |
| Basic earnings per share (CHF) | 3.24 | 2.16 | 2.18 | +49% | |
| <i>excl. one-offs items</i> | 3.37 | 2.18 | 2.24 | +50% | |
| Return on equity (%) | 18.7 | 13.3 | 13.4 | +5.3pp | |
| Cost/Income ratio (%) | 69.6 | 73.6 | 74.7 | -5.1pp | |

- Strong P&L, driven by higher income and sensible cost growth
- Cost development includes one-off charges of CHF 9.1 million
 - IFRS personnel costs of TwentyFour AM acquisition (CHF 24.6 million)
 - Adjustment in Swiss pension plan (CHF 15.5 million)
- Cost/income ratio improved to 69.6%, (adjusted for one-offs 68.4%)
- Tax rate of 17.8% in H1 2021

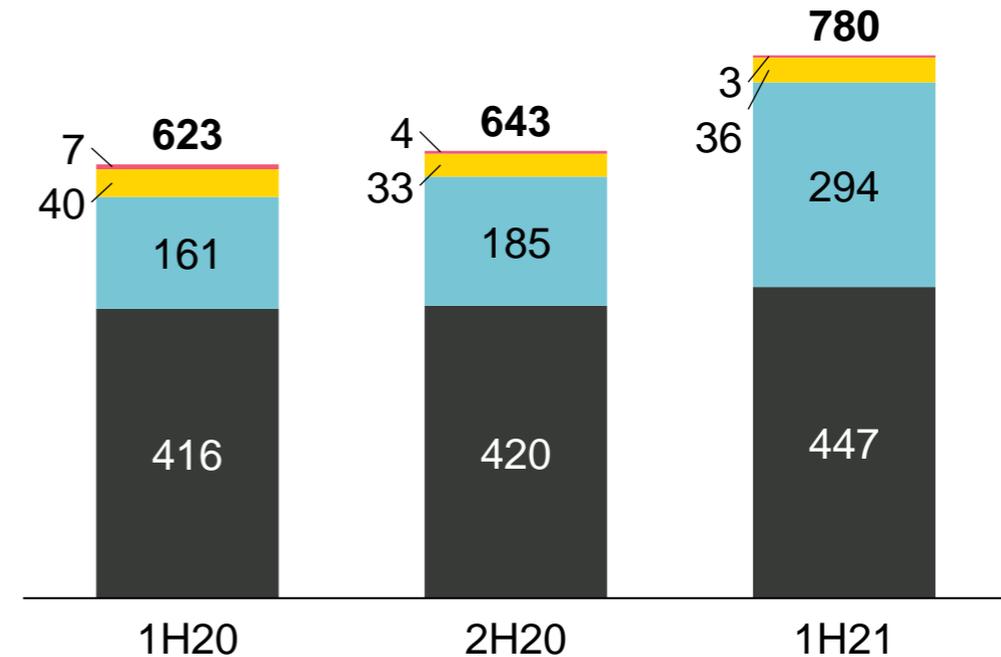
Strong operating income growth across all Client Units

Operating income by Client Unit
(CHF m)



AM WM Other
P&S DI

Operating income by category
(CHF m)

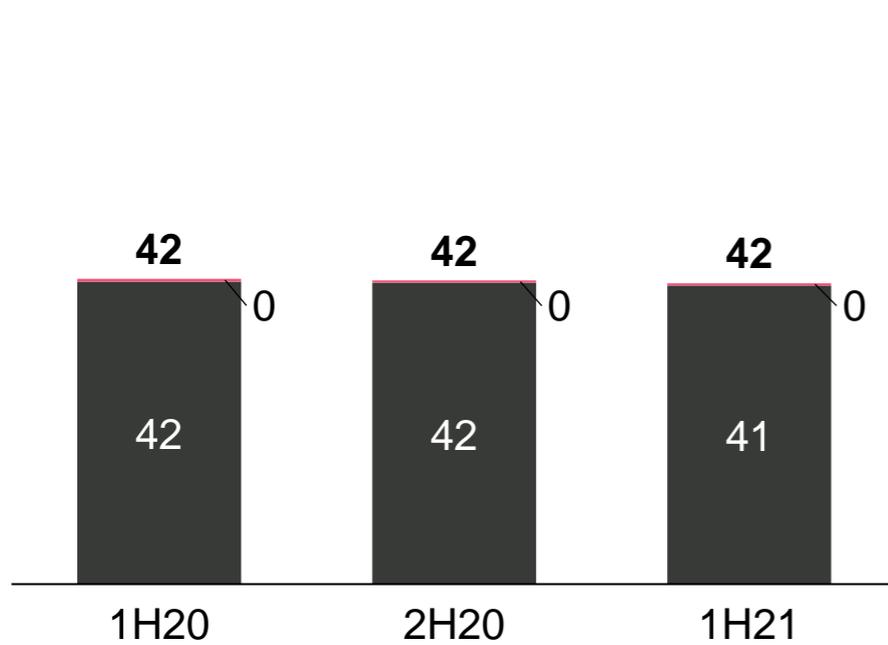


Net fee & commission income
Trading income
Interest income
Other income

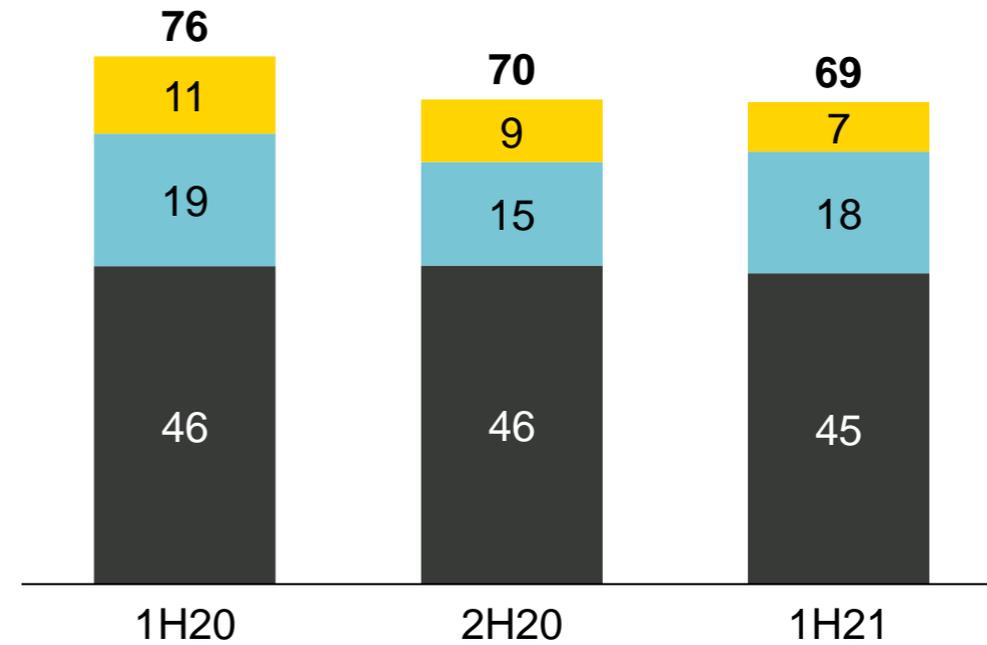
Return on assets in H1 2021

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Asset Management RoA (bps)

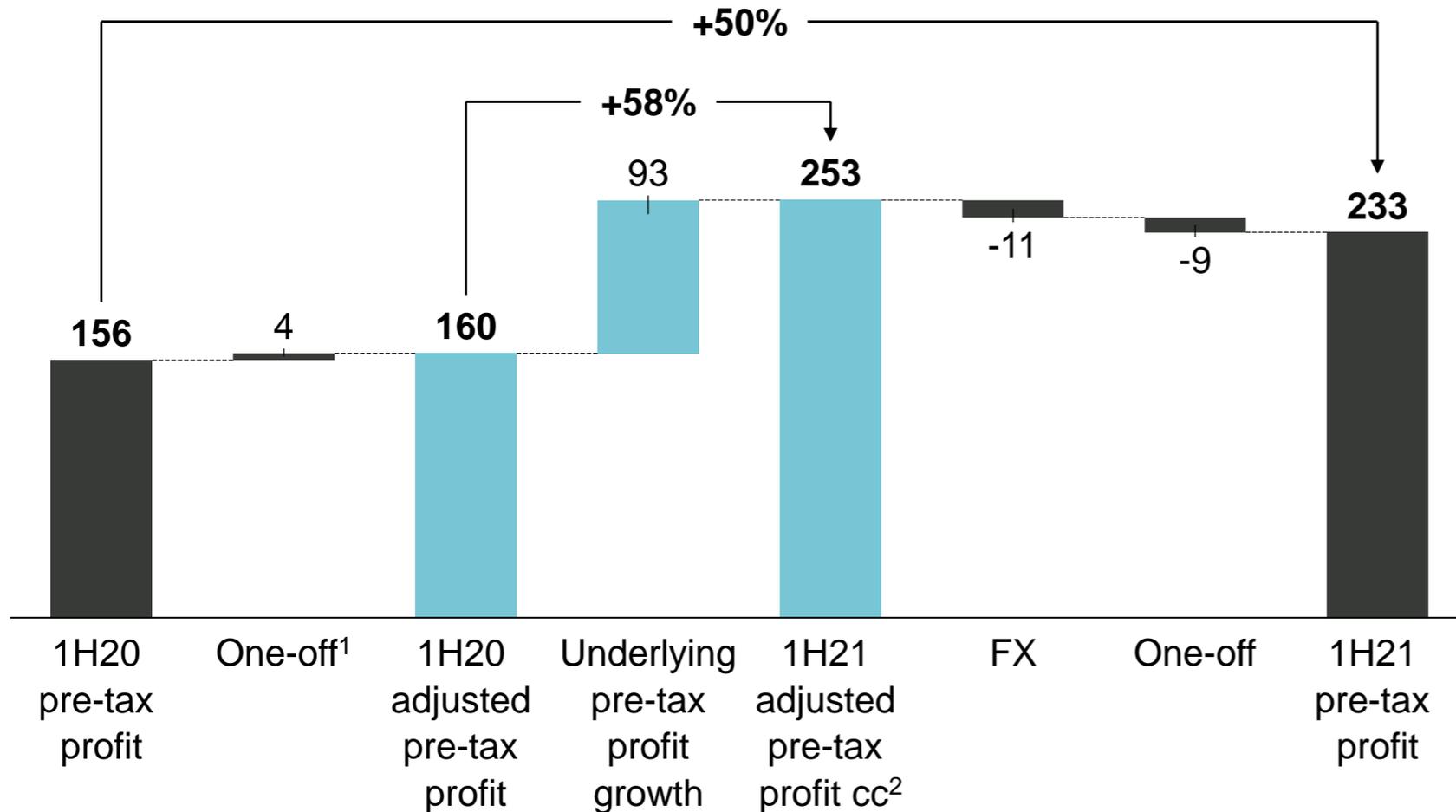


Wealth Management RoA (bps)



Pre-tax profit growth of 50%

Pre-tax profit (CHF m)



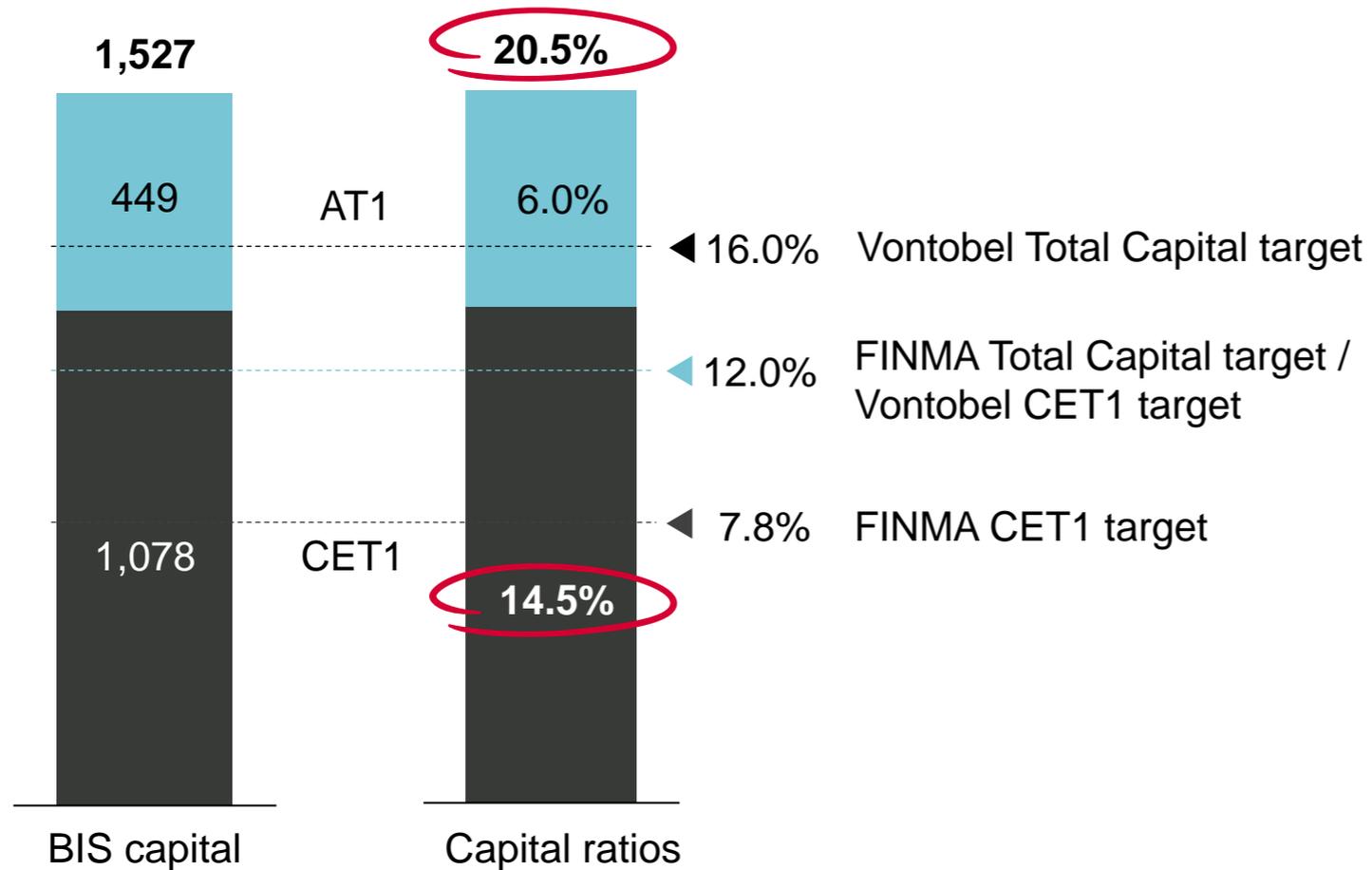
- Operating pre-tax profit increased by CHF 93 million, or 58% (adjusted for one-off items and FX movement)
- Average FX rates compared to H2 2020 remained stable
- One-off costs of CHF 9.1 million in H1 2021

¹ H1 2020 excluding CHF 4.1 million One Vontobel implementation costs

² Adjusted pretax profit in constant currency: H1 2021 pre-tax profit based on revenues and adjusted expenses translated into the reporting currency @ H1 2020 FX rates (weighted monthly average) compared to adjusted H1 2020 pre-tax profit

Very solid and resilient balance sheet and capital ratios

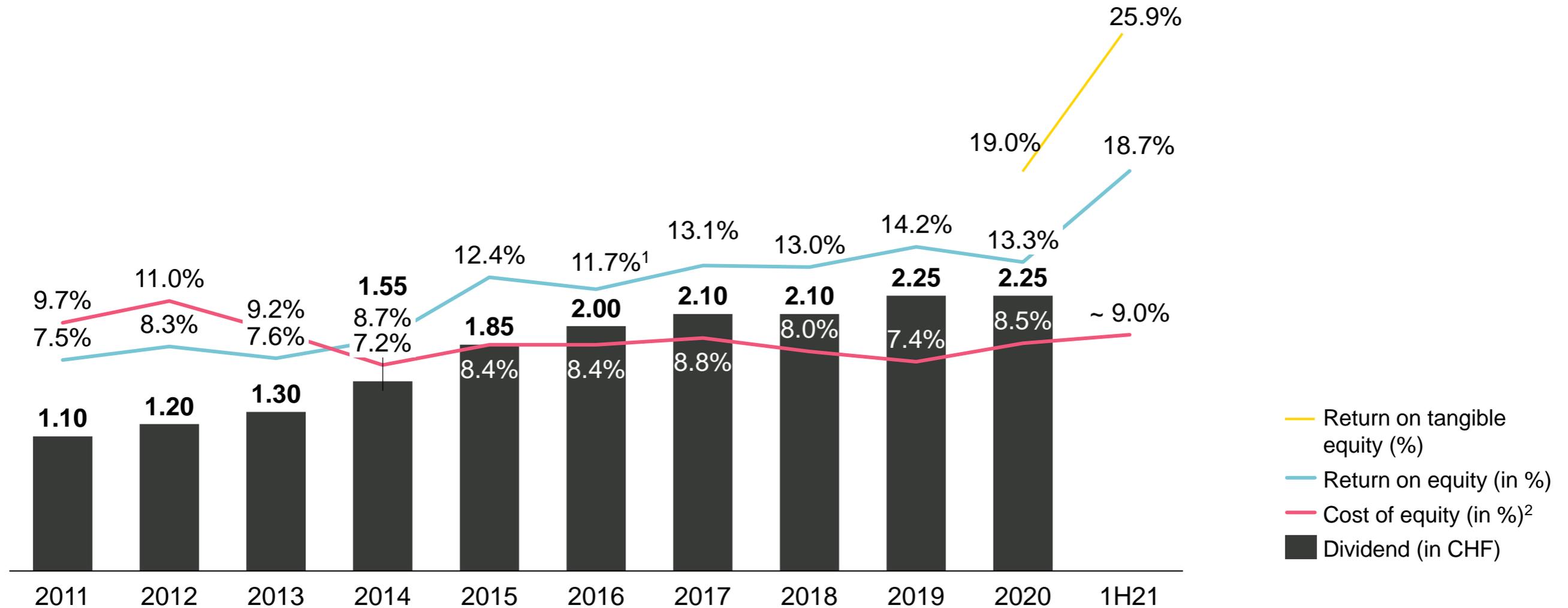
Capital ratios (CHF m; percent)



- CET1 capital increased by 5.3% to CHF 1,078 million, total capital by 3.7% to CHF 1,527 million in H1 2021
- Risk-weighted assets (RWA) stable at CHF 7,453 million since FY 2020 (CHF 7,448 million)
- Leverage ratio at 4.5% (4.6% FY 2020)
- Further capacity for organic and inorganic growth

Record value creation in H1 2021

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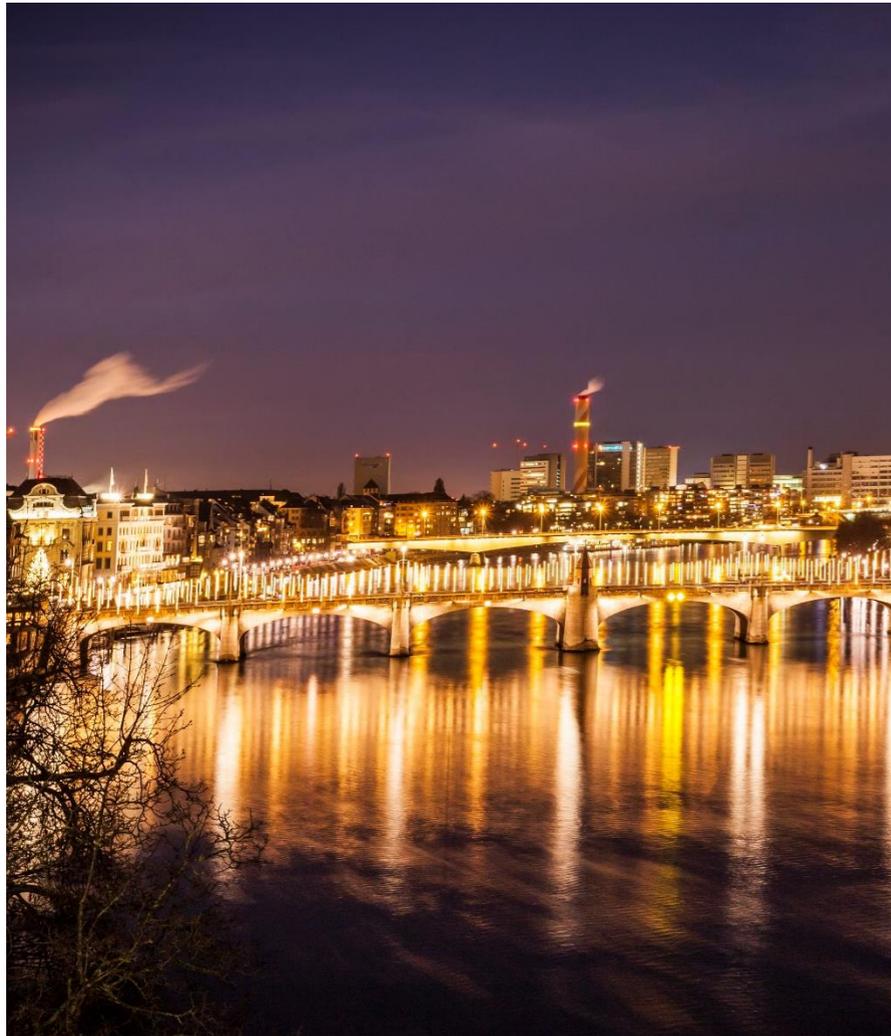


¹ Excluding sales proceeds from stake of Helvetia of CHF 91 million after tax

² Cost of equity is a weighted average of the cost of equity according to Bloomberg and the cost of AT1

Summary of business KPIs

July 27, 2021



| | H1 2021 | H1 2020 | Targets |
|----------------------------------|---------|---------|---------|
| Net new money growth | 6.0% | 7.5% | 4% – 6% |
| Operating income growth | 25.1% | 0.0% | 4% – 6% |
| Pre-tax profit growth | 49.5% | 4.3% | – |
| Net profit growth | 48.5% | -1.4% | – |
| Cost/income ratio | 69.6% | 74.7% | < 72% |
| CET1 ratio | 14.5% | 13.8% | > 12% |
| Total capital ratio | 20.5% | 20.2% | > 16% |
| Return on equity | 18.7% | 13.4% | > 14% |
| Return on tangible equity | 25.9% | 19.2% | – |

Overview

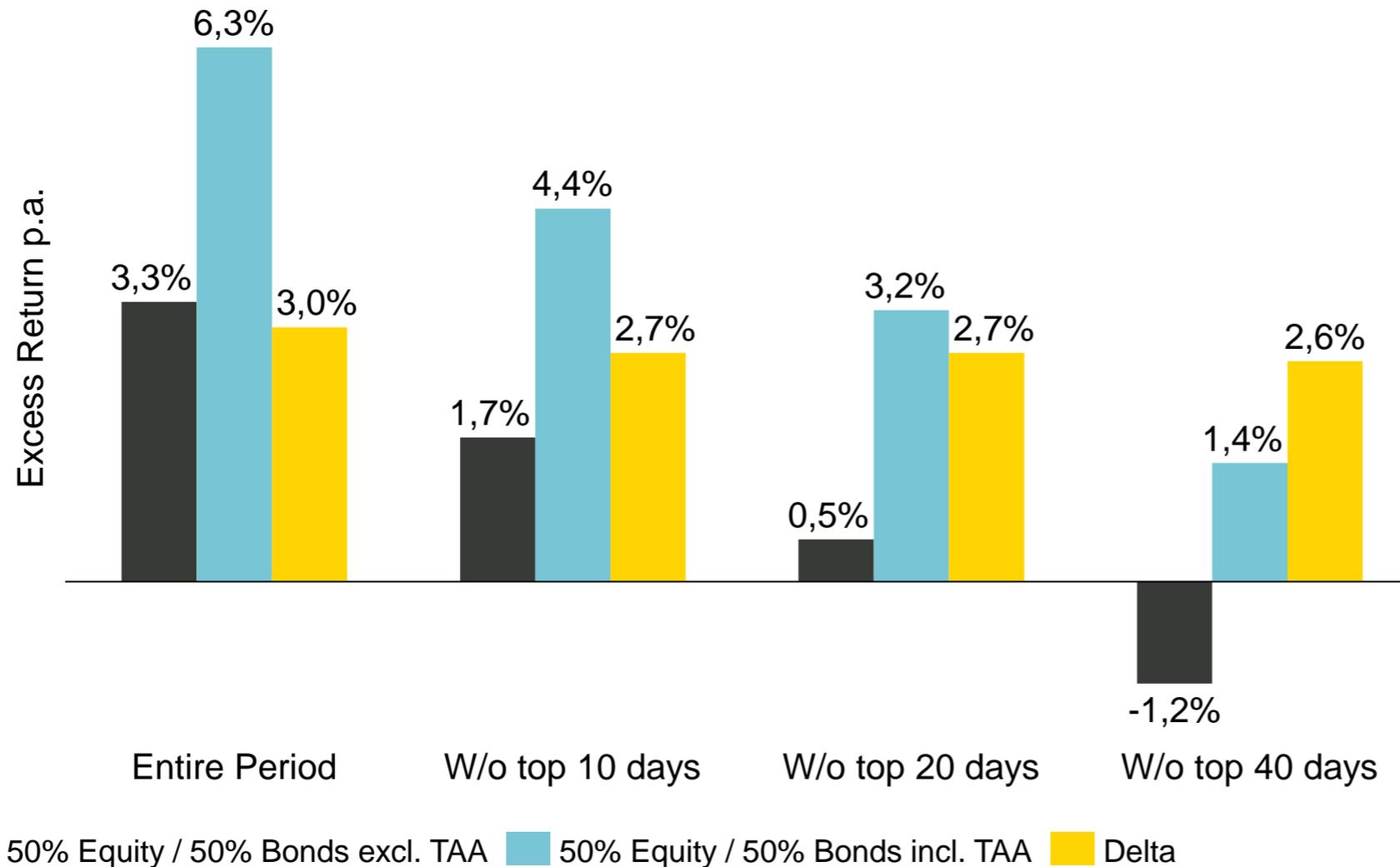
Highlights and strategic progress

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Q&A

Investing is the new form of saving

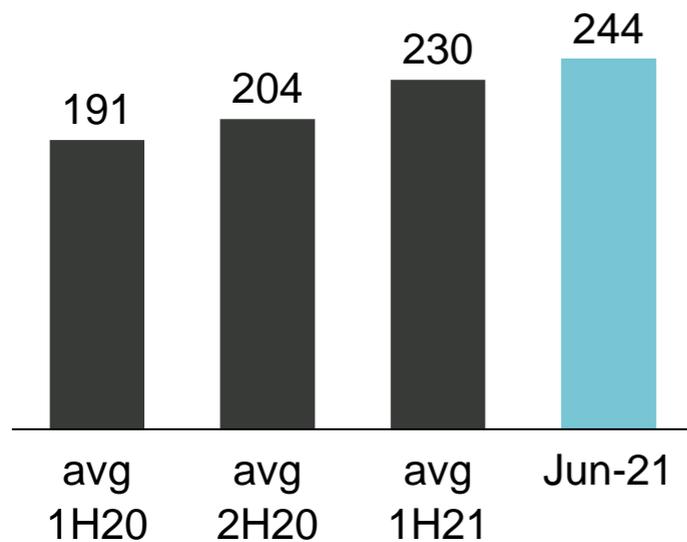


- Staying invested was key over last 20 years; and will be over the next 20 years
- Clients need and value a professional partner
- Firms have to earn trust to be a long-term partner to their clients by:
 - Gaining and maintaining client trust by listening, understanding their true needs, and be transparent about investment outcomes
 - Demonstrating their investment expertise and track record

Vontobel reaffirms commitment to existing strategy

Strong asset base

AuM (CHF bn)



Investment-led and technology-enabled offering in markets that are flooded with money

- Growing demand for professional investment solutions and individually tailored expert investment advice
- It is now more important than ever to have a distinctive offering that resonates with clients and delivers against long-term investment goals
- Targeted use of technology solutions to profit from significant changes in the way clients select and interact with financial services providers
- Strong positive year-on-year trend in H1 2021 may not be replicated in H2 2021

Committed to building on strong foundations to transform change into opportunities

- Continued to strengthen investment expertise and performance
- Range of investment solutions geared towards market opportunities over the next decade
- Well-defined growth opportunities in key markets
- Prudent approach to risk in trading business, credit business and treasury
- Further investments in technology
- Potential inorganic growth in a fast changing environment

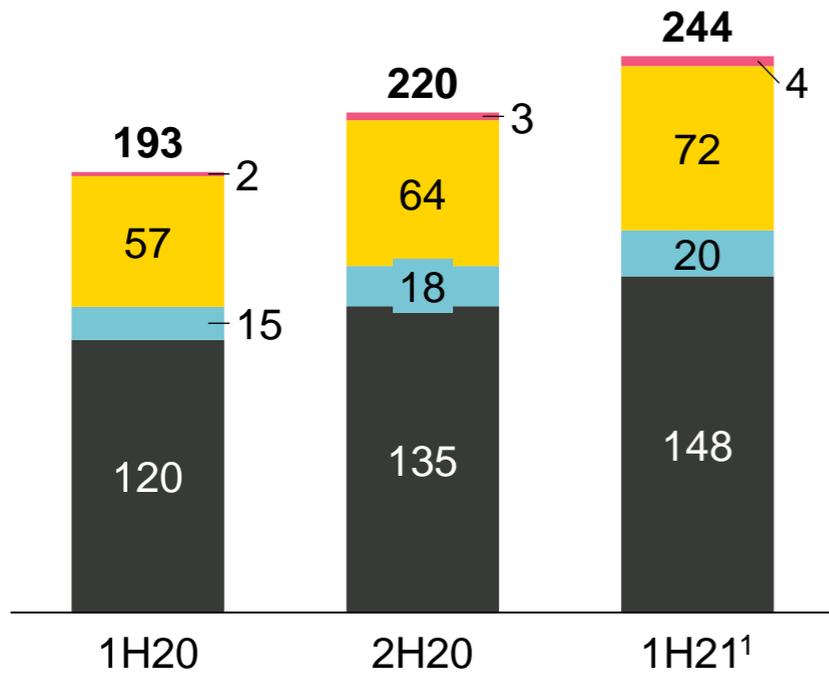
A silver laptop is open and centered in the frame. The screen is white and displays the text "Q&A" in a large, black, serif font. The laptop is set against a textured, grey concrete wall and sits on a matching grey surface. The lighting is soft and even, highlighting the laptop's design.

Q&A

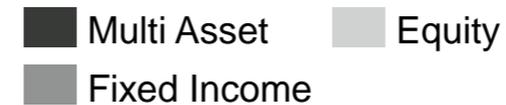
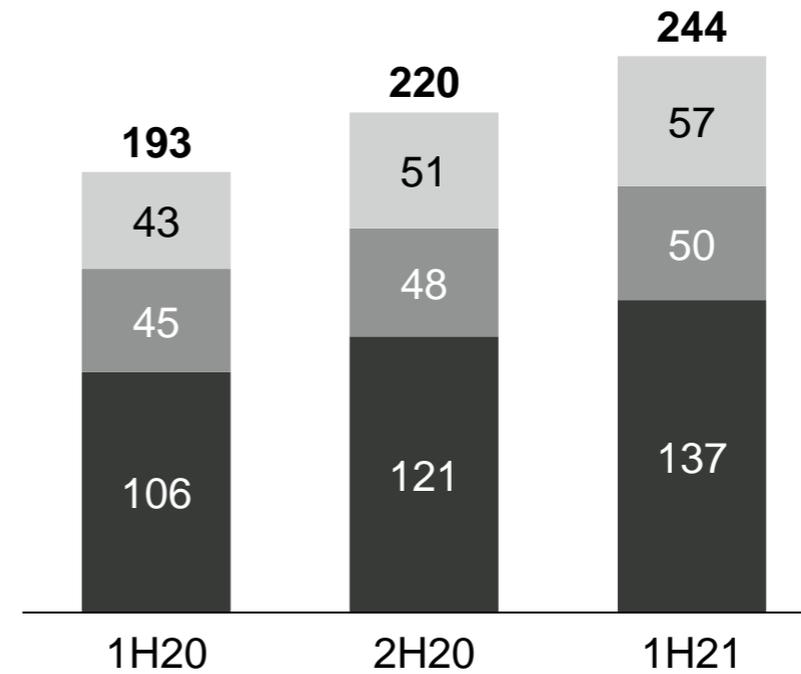
Appendix

AuM split

AuM by Client Unit
(CHF bn)



AuM by Asset Class
(CHF bn)

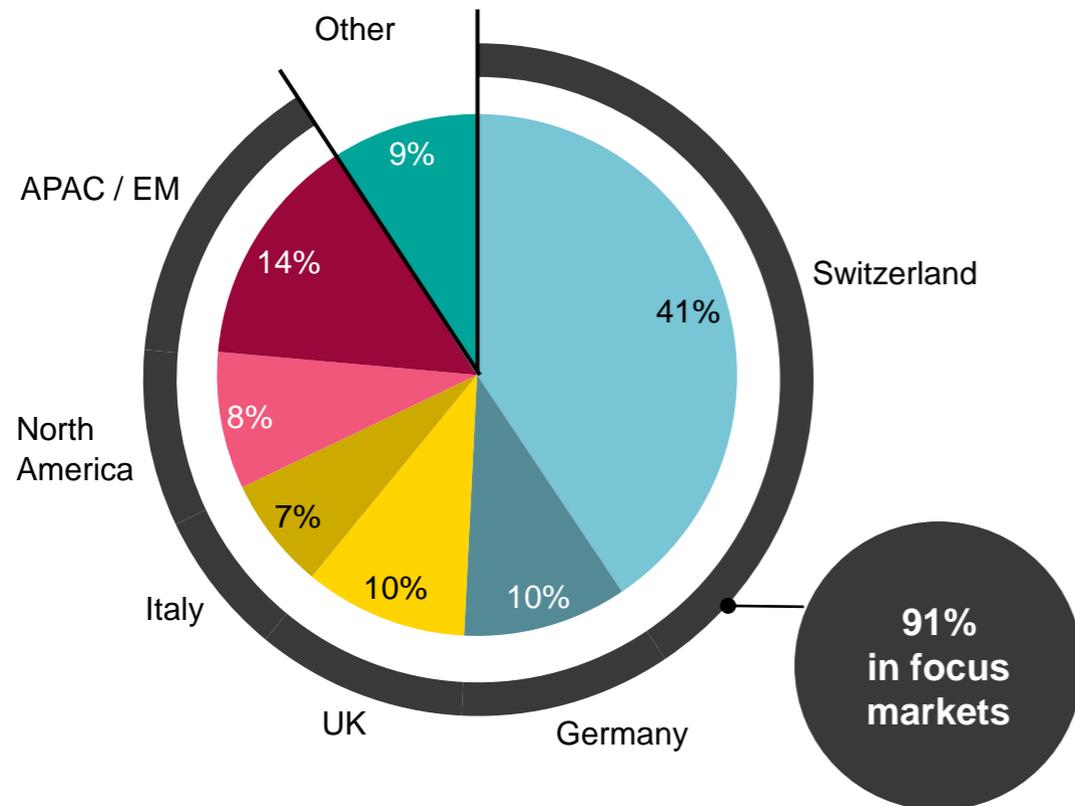


¹ Average AuM per client unit in H1 2021: AM CHF 140 billion, P&S CHF 19 billion; WM CHF 68 billion; DI & other CHF 4 billion. Average AuM is calculated based on end of month AuM

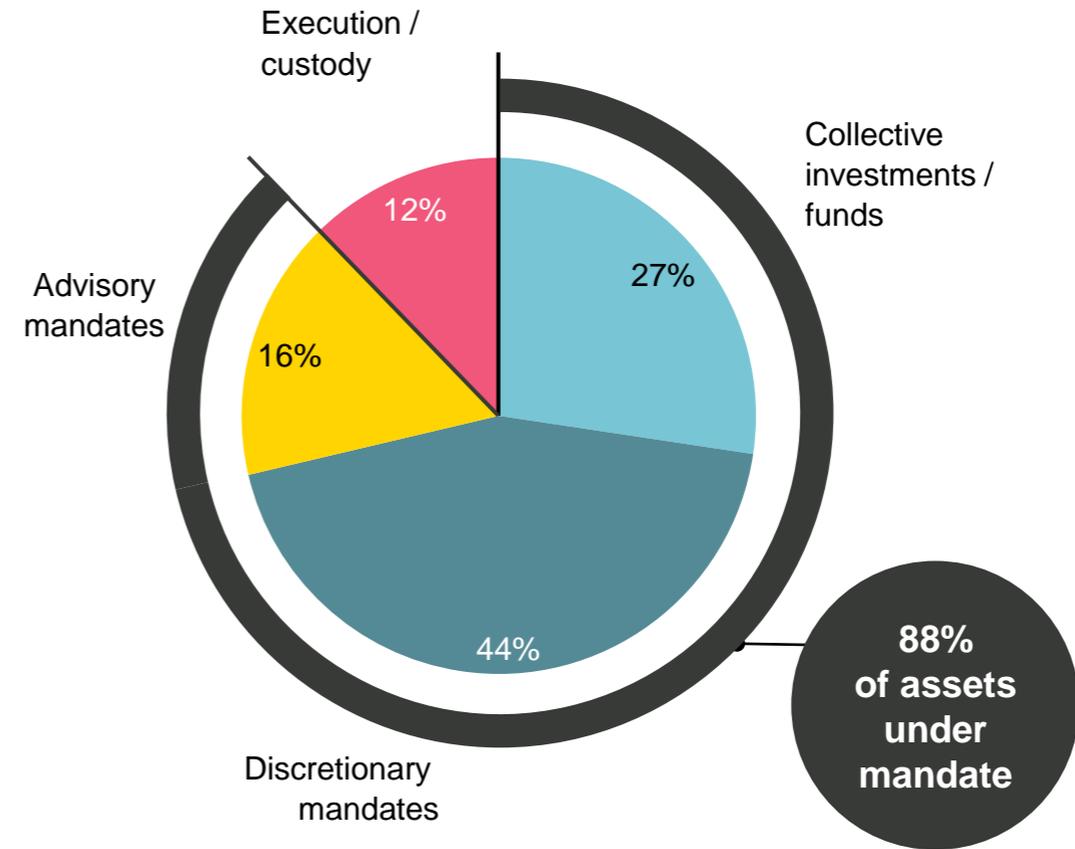
Current business mix is resilient and geographically well diversified

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Assets under management by client domicile (mid-2021)



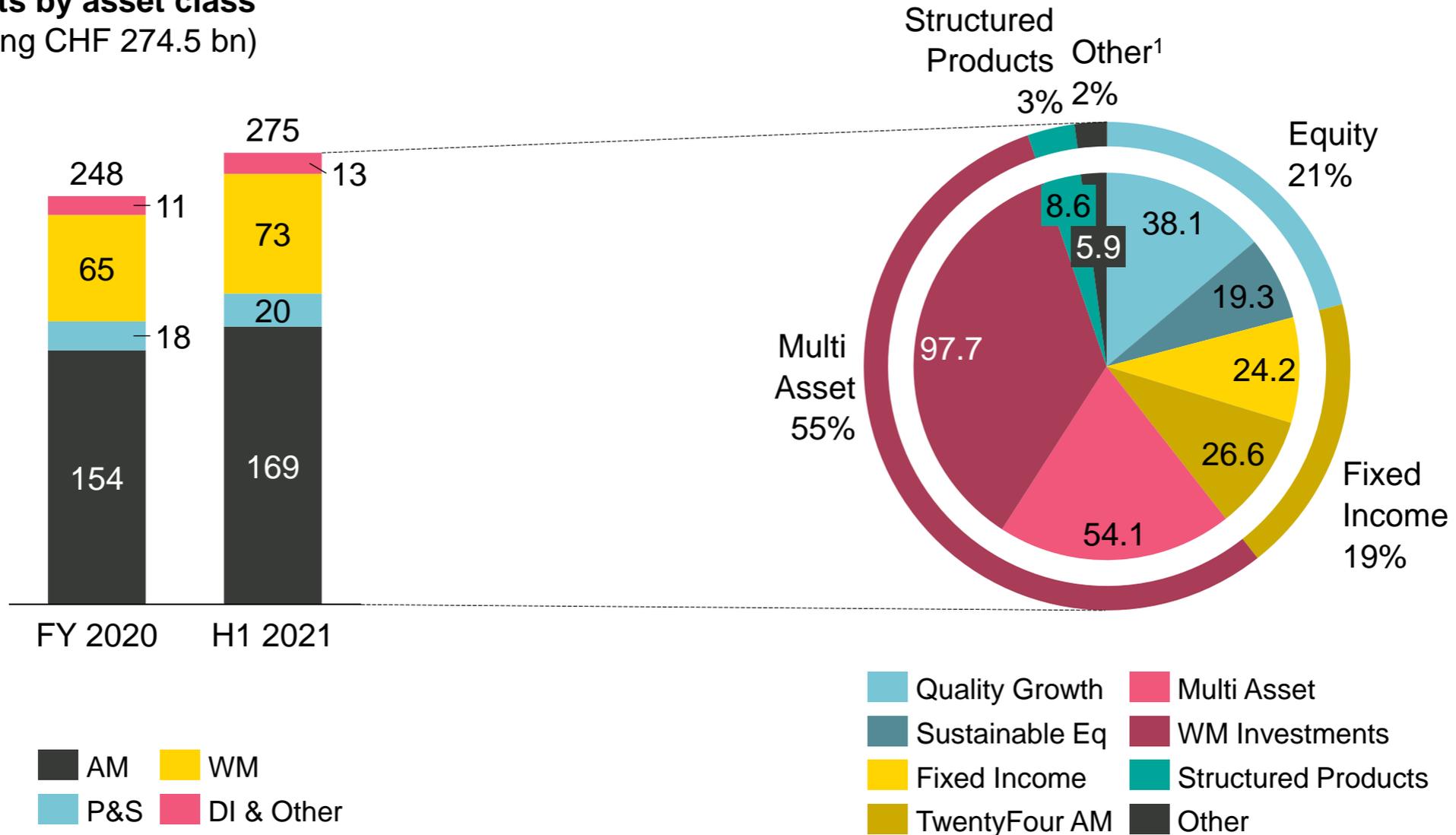
Assets under management by mandate type (mid-2021)



Proven and distinctive investment capabilities

Advised client assets by asset class

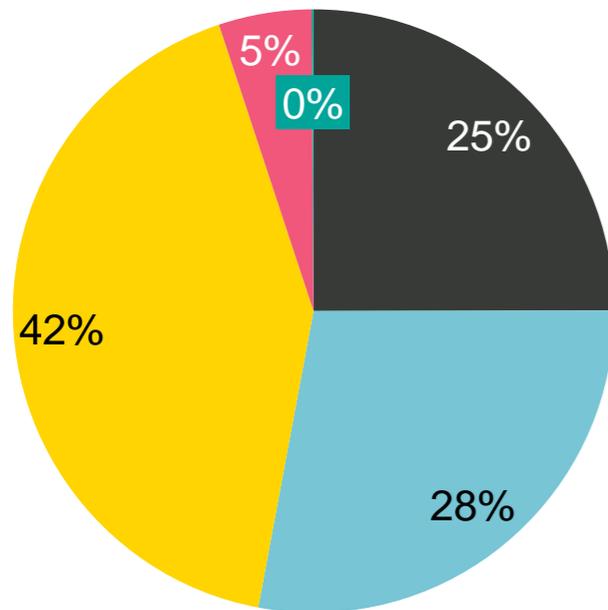
(June 30, 2021, totaling CHF 274.5 bn)



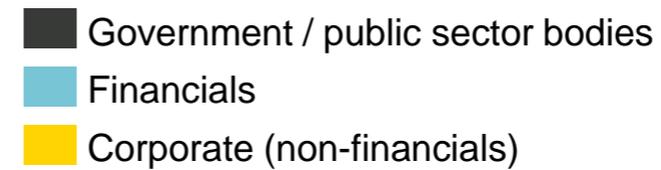
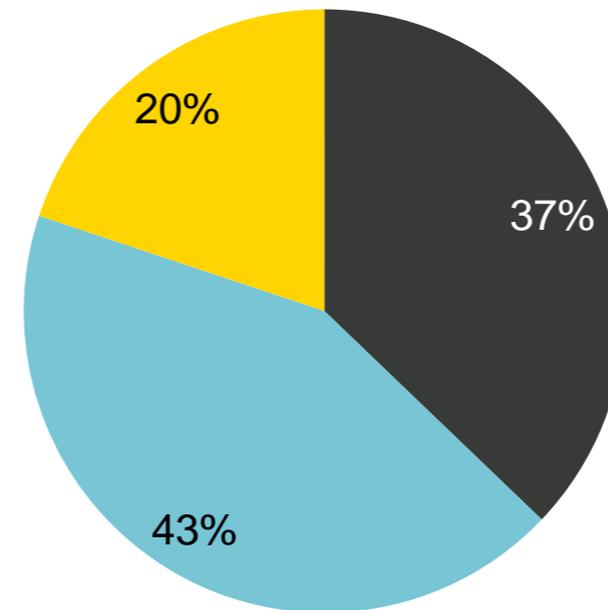
¹ Other includes private label funds and some assets not allocated to client units and corrects for double counts of CHF 2.9 billion in the boutiques

High quality of bond portfolio maintained

Counterparty exposure by rating
(end June 2021)



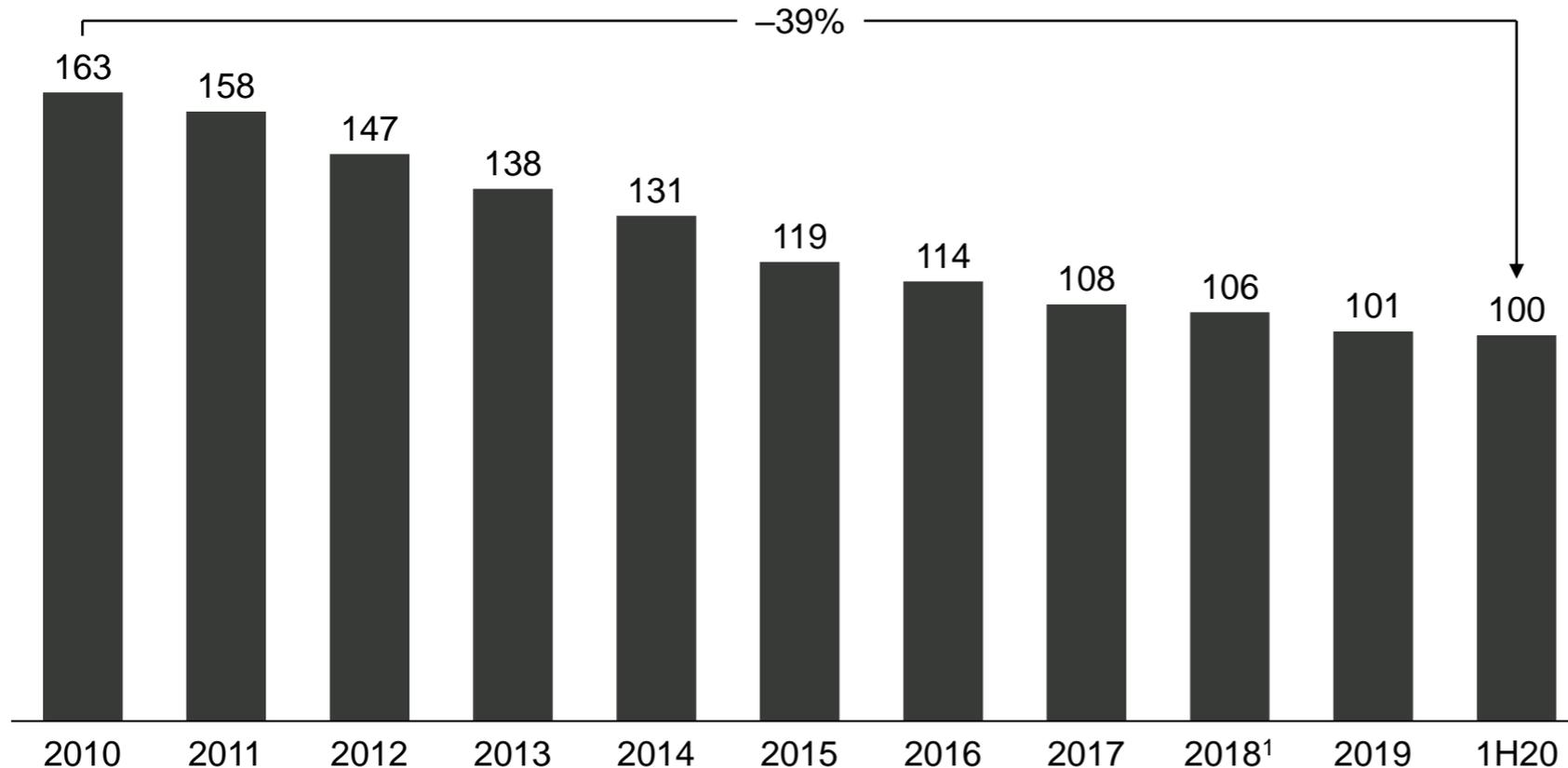
Counterparty exposure by sector
(end June 2021)



Note: Total issuer risk from debt instruments amounts to CHF 8.0 billion

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

Private banks in Switzerland



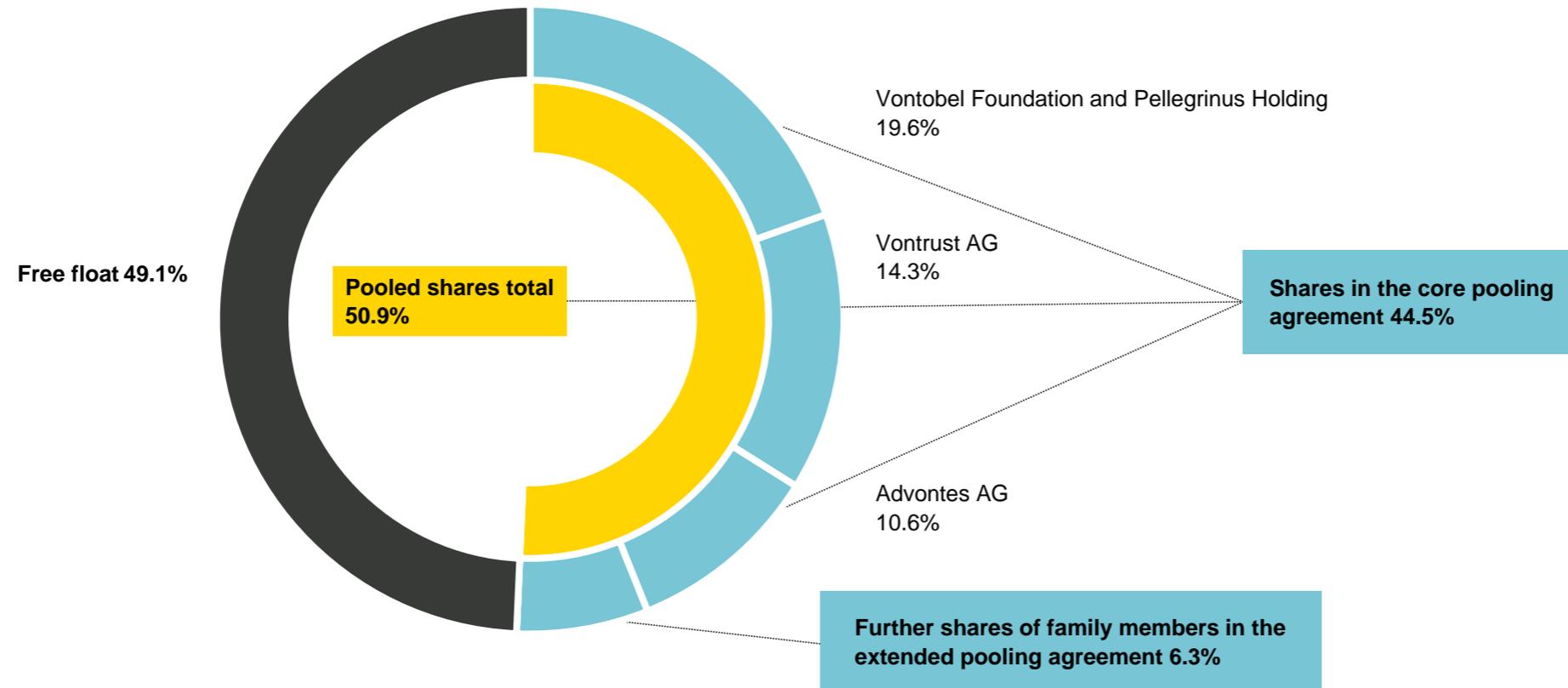
Comments

- Number of Swiss private banks has decreased by almost 40% since 2010
- 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 the acquisition of Notenstein La Roche by Vontobel
Source: Clarity on Performance of Swiss Private Banks (KPMG, August 2020)

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

Shareholder structure¹



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