

Speech

held at the 34th ordinary General Meeting
of Shareholders of Vontobel Holding AG

Zurich, 4 April 2017

Presentation of 2016 business performance by

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Chief Executive Officer
of Vontobel Holding AG

Check against delivery

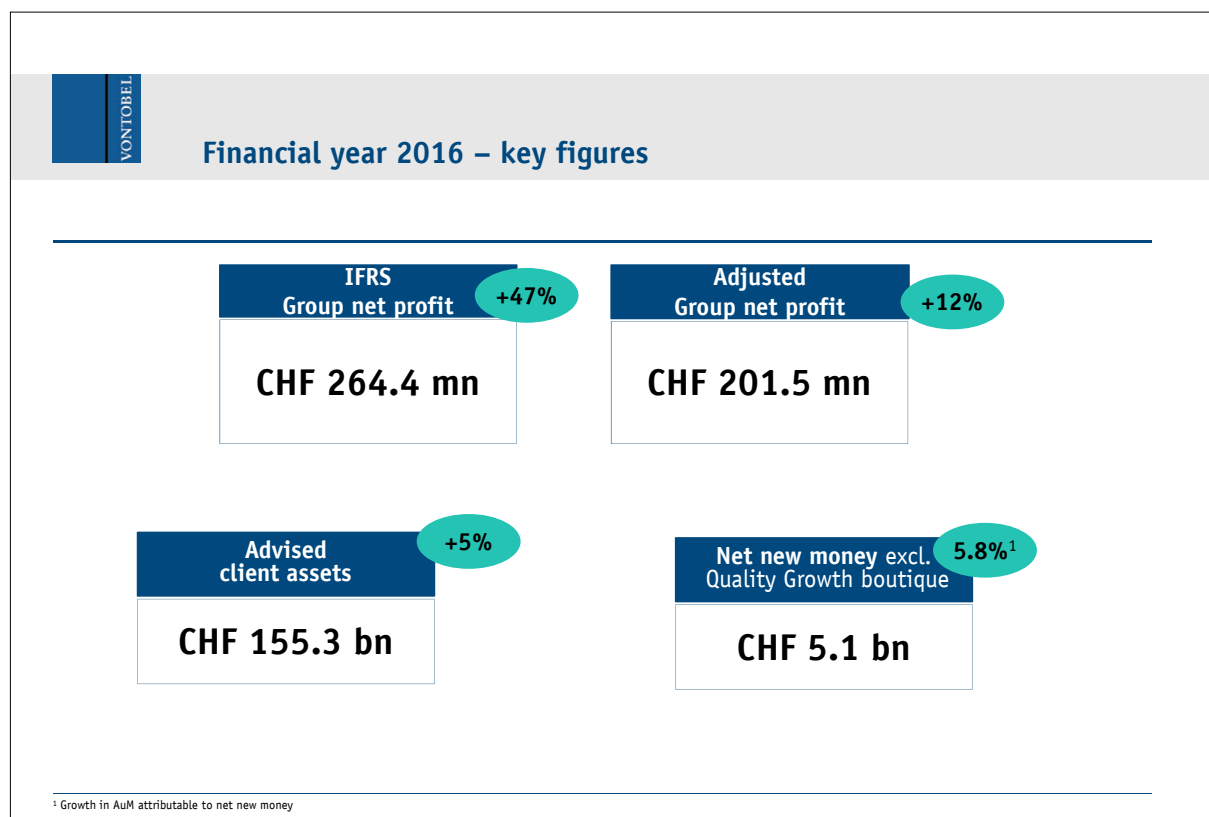
Dear Shareholders

Dear Members of the Board of Directors

I would also like to welcome you to the General Meeting of Shareholders of Vontobel Holding AG. It gives me great pleasure to update you once again about how your company performed last year.

Despite the challenging operating environment and high levels of political uncertainty, Vontobel delivered another very solid result in the financial year 2016, thereby confirming the trend of the past few years: Even excluding one-off impacts, which overall had a strong positive effect in 2016, we increased our profitability by a total of 65% in the last three years as a result of our prudent and decisive actions and our future-oriented business model. Last year, we already exceeded the Group targets that were defined for 2017.

In 2016, we again worked hard to drive forward the development of our company. Vontobel has mainly grown organically – by concentrating on quality and innovation. We also acquired the asset management boutique Vescore as part of our extended partnership with Raiffeisen in mid-2016. Our strategy of focusing on delivering top performance in our chosen areas of business while simultaneously achieving high levels of efficiency has helped us to skilfully navigate the difficult environment. In addition, we recorded one-off impacts, such as the effect of the sale of our 4% equity participation in Helvetia Holding AG in November 2016, which had a positive impact of CHF 91 million on after-tax profit.

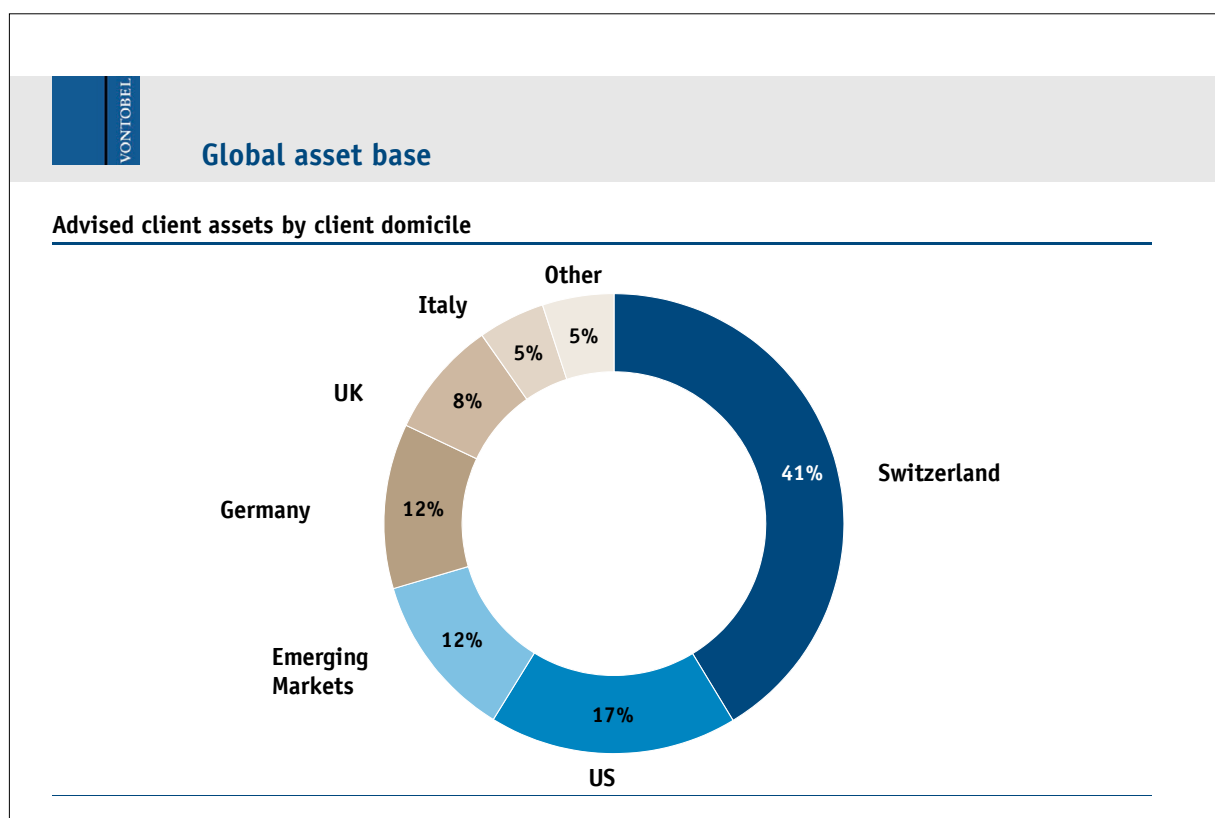


Group net profit – adjusted for one-off impacts – rose by 12% to CHF 201.5 million compared to 2015. Including all exceptional impacts, Group net profit was CHF 264.4 million, an increase of 47% compared to the previous year.

At the end of 2016, advised client assets reached a new record level of CHF 155.3 billion. One of the main pillars of this very solid result was the good net inflow of new money in a market that tended to be characterized by a wait-and-see attitude amid a general climate of uncertainty. In 2016, excluding the Quality Growth boutique, private and institutional clients entrusted us with CHF 5.1 billion of new money. That represents a strong growth rate of 5.8%.

In recent years, Vontobel has successfully developed from a financial institution that was predominantly focused on the Swiss market to a well-established and globally active wealth and asset manager. This is also reflected by our international client base:

- At the end of last year, almost 30% of assets stemmed from clients domiciled in the US and Emerging Markets. Through the acquisition of the asset management boutique Vescore, the importance of our focus market Germany has increased significantly, and it now accounts for 12% of client assets.
- We also have a well-established presence in our focus markets UK and Italy. Contributing to this were the acquisitions of the successful London-based fixed income boutique TwentyFour Asset Management and of Finter Bank, which specializes in serving Italian-speaking private clients.
- Despite all these steps to expand our business internationally, we have not forgotten our roots. Switzerland accounts for 41% of our advised client assets – underscoring the high level of trust that our clients in our home market have in Vontobel’s expertise and financial solidity.



Ladies and Gentlemen

In summary, let me highlight the following 2016 developments in particular:

- In Wealth Management, our business performed especially well in the traditionally strong Swiss market, but also in Germany. The numerous prestigious awards that we received in recognition of our private banking services demonstrate that we are on the right track. In 2016, we also once again strengthened our Wealth Management team with the recruitment of further qualified relationship managers in our home market as well as in our focus markets. Today, 199 relationship managers around the globe support our private banking clients. In addition, with the help of new technologies – such as our Private Banking App – we are exporting Swiss private banking to our focus markets. Here, as a Swiss wealth manager, we can mainly offer solutions for global diversification, which are growing in demand.
- Asset Management was once again our main earnings driver. Growth was driven by an excellent performance and increased diversification. Today, more than 50% of advised assets originate from the Fixed Income, Multi Asset Class and Thematic Investing boutiques, as well as from the new Vescore Quantitative Investment boutique. In 2016, the Vescore acquisition in particular, as well as the good overall performance of the boutiques, more than offset the dent of CHF 15.7 billion in the development of assets under management in the Quality Growth boutique. Following the US elections, a sector rotation occurred in global equity markets and there was a shift from “Quality Growth” to “Value” and from “Emerging Markets” to “Developed Markets”. Consequently, the Quality Growth investment style remained below benchmark in the second half of the year, as expected.
- In a tough environment, Financial Products delivered an impressive increase in income and profit. Growth in new markets such as Italy – driven in particular by new digital offerings – helped us to mitigate the effects of difficult market conditions in the area of structured products in Switzerland. Thanks to our innovative, open platforms, we generated new turnover that allowed us to offset the general decline in trading volumes taking place mainly on the stock exchanges of Continental Europe.



Financial year 2016 – successful performance in difficult environment

Assessment

■ Wealth Management

- Strong growth in Swiss home market and in Germany
- Successful expansion of relationship manager base
- New technologies (Private Banking App) facilitate export of Swiss private banking to focus markets

■ Asset Management

- Main earnings driver once again
- Diversification and international expansion are success factors

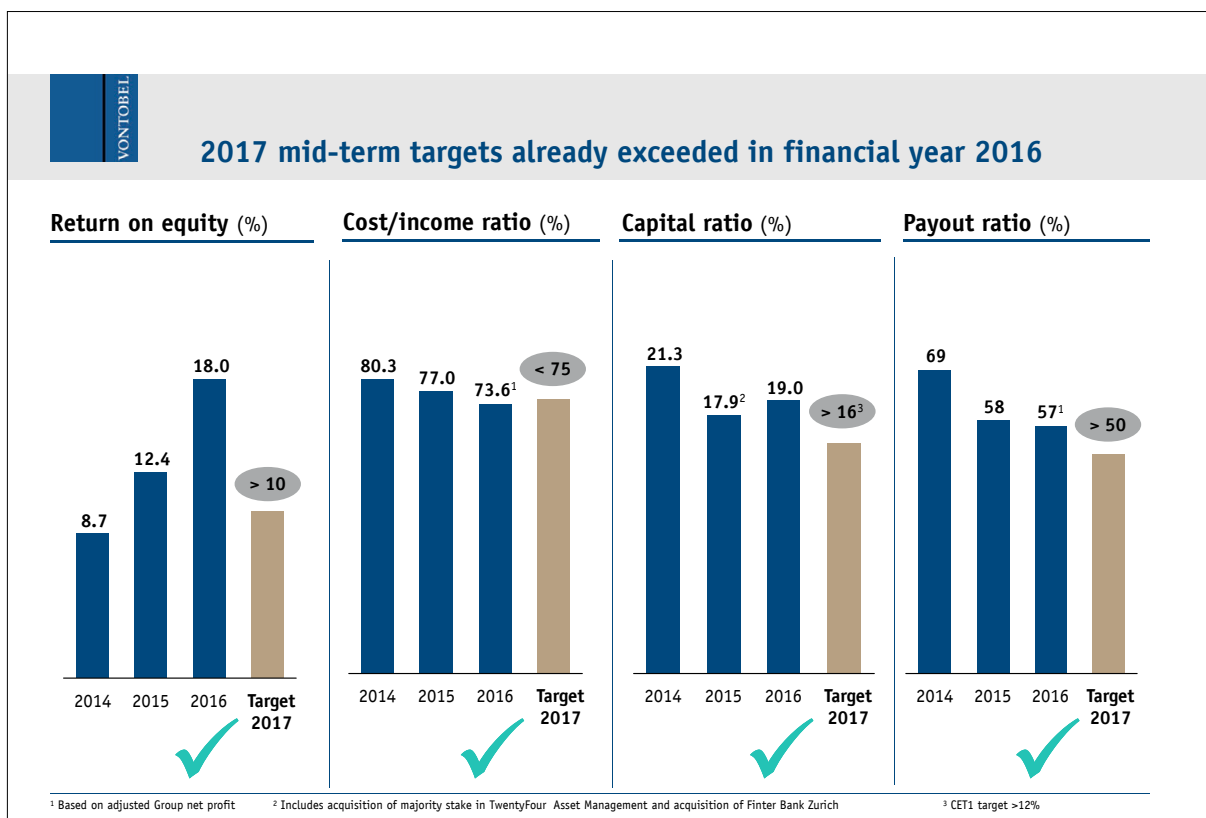
■ Financial Products

- Growth in income and profits in difficult market environment
 - Further gain in market share in traditional markets
 - Expansion in new markets and innovation
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So where do we stand in terms of our mid-term ambitions?

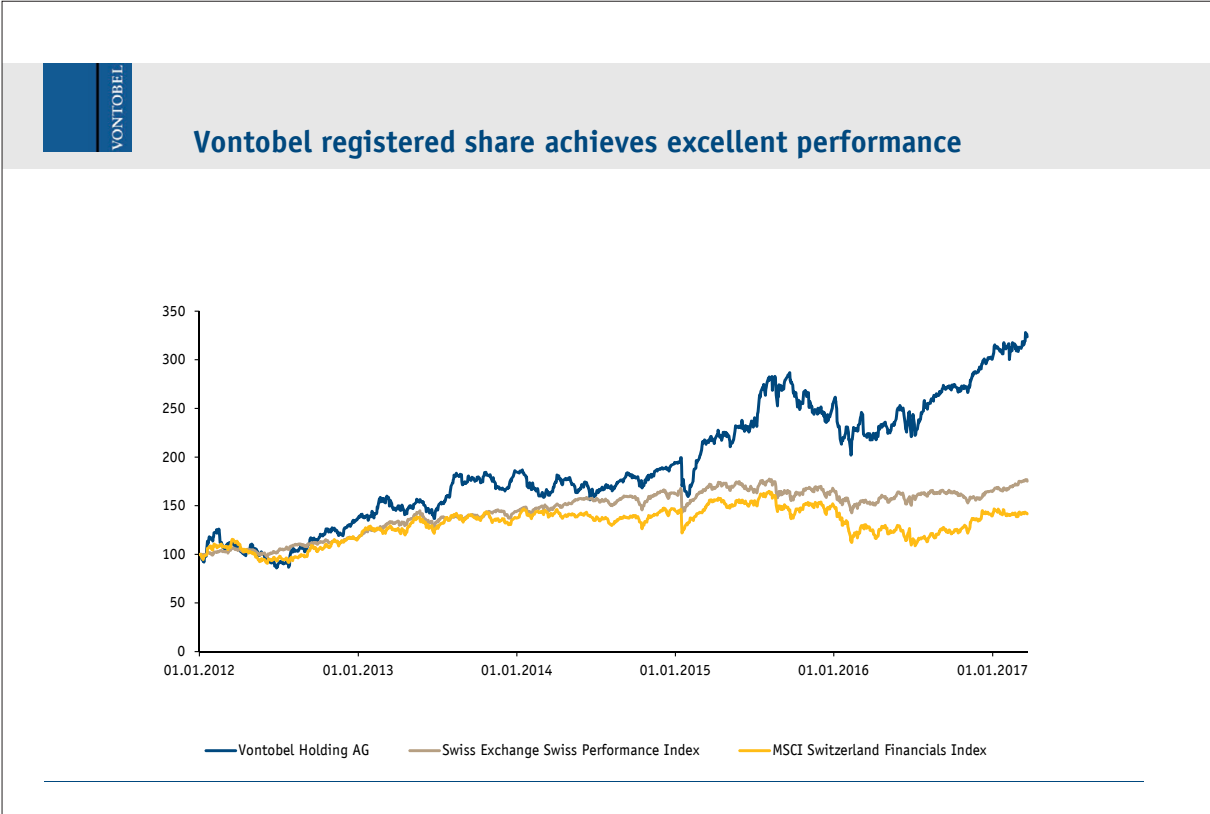
Our efforts are focused on generating a sustained increase in shareholder value. We assign a high level of importance to a sustainable return on equity, a solid capital position, a competitive cost/income ratio and a generous payout ratio. We want to generate a return on equity that exceeds 10% on a sustained basis. In terms of the cost/income ratio, which reflects our company's operating efficiency, we are targeting a ratio of less than 75%. We intend to regularly pay out more than 50% of profits in the future provided the business performs as planned, underscoring the shareholder-friendly nature of our targets.

As you can see from this chart, Ladies and Gentlemen, we already exceeded these targets in the last financial year. The return on equity reached 18.0%. It was therefore 8 percentage points above the target 10% mark and also significantly exceeded our cost of capital. Our strong focus on costs is reflected by the improvement in our cost/income ratio to 73%. We also further strengthened our capital base; our capital ratio of 19% significantly exceeds the minimum target level of 16% and gives us the flexibility to achieve further growth, organically and/or through acquisitions.



In summary: Our 2016 results justify our high level of confidence that we will be able to follow our own path and emerge as a winner from this period of structural change in the finance industry. This view is shared by market participants, given that the Vontobel registered share has achieved a very impressive performance in recent years in a peer group comparison. The chart shows how the performance of the Vontobel registered share compares to the SPI Index and the MSCI Index for Swiss financials.

In summer 2017, we will define our new mid-term targets during the annual strategy discussion held by the Board of Directors and the Executive Board and we will provide detailed information about them.



Ladies and Gentlemen

In the financial year 2017, we want to gain momentum for the next growth phase.

So what exactly do we intend to do?

In **Wealth Management**, we want to continue to grow faster than the market and to acquire new clients in Switzerland and in international markets thanks to our tailored offering. We will once again invest in technology and further expand our team of relationship managers.

The diversification strategy we have pursued in **Asset Management** in recent years has proved effective and we want to continue this approach. We also expect the deepening of our partnership with Raiffeisen Switzerland in the investment business to generate positive momentum. And finally, we want to complete the integration of Vescore in the current year, since our goal is that the former Vescore business should make a positive contribution to Vontobel's profit by 2018.

In the **Financial Products** business, we will continue to focus on achieving growth through innovation, economies of scale and international expansion in the future. We already entered the market in the Netherlands and France in January 2017. We will also make our debut in Hong Kong – one of the world's largest markets for leverage products – in 2017 with the establishment of a local team and by drawing on all our experience.

As you can see, we are fully committed to pursuing our growth strategy as a globally oriented wealth and asset manager, even if it means that profits may level off in the short term.



2017 – gaining momentum for the next growth phase

Vontobel is investing in growth initiatives

- **Wealth Management**
 - Continuation of growth trend thanks to our focused offering, investments in technology and the further expansion of our team of relationship managers
- **Asset Management**
 - Further diversification of offering through organic growth; support for Raiffeisen's growth plans in the investment business and completion of Vescore integration
- **Financial Products**
 - Harness technology leadership, innovative strength and cost leadership to gain further market share in Europe and enter the derivatives market in Hong Kong

Vontobel will pursue its mid-term growth plans with tenacity – even if it means that profits may level off in the short term

Allow me to take a look at the performance of the business in the first quarter of 2017:

The issues that we saw last year will continue to affect the markets in 2017. Low interest rates and the uncertain political landscape mean that generating returns for clients will prove challenging once again in 2017. Turning to the current year, we also know that there will be no recurrence of the exceptional impacts that had an influence on our financial results for 2016. However, overall, we generated a very sound investment performance for the first three months of the year – especially in our Quality Growth boutique – and that gives us grounds for optimism. It is nevertheless important to note that, as already mentioned, the preferences of global investors have changed somewhat. As a result, fixed income investments and equity strategies from Emerging Markets regions are not popular with many investors at present. In addition, a significant volume of assets were transferred to passively managed vehicles. Despite rising equity markets since the start of the year, investors remain cautious, and this is reflected by the declining turnover in the markets. In spite of this, the Financial Products business achieved a very pleasing performance. In European markets, we succeeded in gaining further market share. Viewed overall, we had a good start to the year, considering the strong headwinds that prevailed. At the end of February, advised client assets reached a record CHF 157.8 billion. Our profitability remains solid.

I am convinced that as a globally active specialist focusing on three areas of business – Wealth Management, Asset Management and Financial Products – and with a clear commitment to delivering quality for our clients, Vontobel is well positioned to master the major challenges that lie ahead in an environment characterized by ever fiercer and increasingly global competition.

That brings me to the end of my presentation, Ladies and Gentlemen. I wish to thank you for your attention. In particular, on behalf of the entire Executive Board and all Vontobel employees, I would like to thank you for your trust in Vontobel. I will now hand you back to our Chairman of the Board of Directors, Herbert J. Scheidt.



Performance in the first quarter of 2017

Challenging environment

- Low interest rates, uncertain political environment

Good start to 2017

- Sound investment performance in peer group comparison, especially in the Quality Growth boutique
 - Very pleasing performance in Financial Products
 - Non-recurrence of significant exceptional impacts that had a positive influence on 2016 result
 - Advised assets reach record CHF 157.8 billion at end-February 2017
 - Solid profitability
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