

Speech

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of Shareholders of Vontobel Holding AG

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Chairman's address by

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Chairman of the Board of Directors
of Vontobel Holding AG

Check against delivery

Ladies and Gentlemen

Dear Shareholders

Dear Employees and Friends of our Company

In September last year, the CEO and the President of Microsoft Corporation, Satya Nadella and Brad Smith, came to Berlin to talk with Europe's leading companies about the next steps in the digitalization of our private and working lives. Largely unnoticed by the broader public, they took the opportunity to set out a policy roadmap entitled "A Cloud for Global Good: Trust – Responsibility – Inclusion".

When I read a report on this event and their presentation recently, I recognized a great many similarities and parallels between the future requirements IT firms and the financial industry will have to address:

- Both sectors are significant players in an increasingly globalized and networked world.
- Both sectors offer their clients products and services that – now more than ever – form the existential basis for prosperity, growth and progress.
- Both sectors operate in markets with complex systems and rules, where change can be rapid and far-reaching.
- And as important and powerful as both may be: their success is ultimately based on foundations as fragile as trust and responsibility.

Not least the crises of the past ten years have served to make it patently clear to us in the financial industry that without trust and responsibility there can be no possibility of stable and sustainable development.

And there are good reasons why Vontobel's current claim "Performance creates trust" and the equally true inversion "Trust creates performance" very accurately capture the interaction at the heart of successful relationships between financial institutions and their clients and shareholders.

However, if we look at the geopolitical situation and the international financial markets now at the beginning of 2017, we unfortunately see that trust and responsibility remain a scarce commodity.

- Donald Trump's election as US President and his unorthodox style of government in the initial weeks of his time in office have – to put it mildly – not made international politics and global economic relationships any more predictable, or more trustworthy.
- Brexit, that is to say the United Kingdom's decision and notice to leave the European Union, will have serious consequences not just for the economic area of the EU, but also for us here in Switzerland.
- The outlook and environment with regard to international monetary policy are also anything but clear. Whether and when the Fed and the ECB will be able to negotiate a growth-friendly exit from the zero interest rate policy is not yet something we can say with the degree of certainty we would like.

Amid a lack of predictability and trust, these and many other political and geopolitical factors are still contributing to many investors remaining unsure and wary – this despite rising share prices. And uncertainty curbs the willingness to invest – which has direct implications for our business.

Trust and responsibility are also key characteristics and a decisive competitive advantage for the Swiss financial centre. That is why it was so important that Switzerland's banks and financial institutions recognized the pressure to adapt and change in recent years and took action. They have made great efforts to live up to their responsibility and to bolster trust in the Swiss financial centre once again. Please allow me also as President of the Swiss Bankers Association to say with some satisfaction: The Swiss financial industry is now back on a very good footing, better and more secure than around ten years ago. Our industry has developed its business models and we have adapted in line with the market. In the past, many international clients came to Switzerland primarily because of the fabled Swiss bank-client confidentiality. We were a seller's market. Today we are operating as a modern export industry for financial services, delivering a high degree of digitalization and some highly individualized products.

We at Vontobel have made constructive contributions in helping shape all these developments in our industry, set the course for our own business at an early stage, and have consistently implemented the changes, both strategic and structural alike.

This is paying off – in the truest sense of the phrase

- ... not just in an excellent business performance in 2016, which saw us able to increase our profit by 12 % – even when adjusted for one-off effects.
- In a difficult environment, marked by fierce competition, our client assets reached a new record high of CHF 195 billion by the end of 2016.
- And what makes us special in this regard: we achieved this growth without taking on additional risks. While Vontobel's earnings per share increased by more than 100% between 2011 and 2016, our risk-weighted assets increased only marginally by 8 % over the same period.
- Our strong capital base has also long reflected our corporate philosophy focused on soundness and stability. By the end of the reporting period, our BIS capital ratio had improved by a further 1.1 of a percentage point to 19 %.

The pleasing development of Vontobel's business is also clearly visible in the long-term view. There are two examples we can look back on that illustrate this perfectly:

- In the past three years, we have more than doubled our IFRS Group net profit at Vontobel. Earnings per share increased from CHF 1.78 in 2011 to CHF 3.57 in 2016.
- Over the past 14 years, we have distributed close to CHF 1.3 billion to you, our shareholders. And to this we can add some CHF 270 million from the share repurchase programme in 2014.

Looking to the future, I want to highlight in particular the significant extension of our cooperation with Raiffeisen and the acquisition of Vescore. The continuation of our cooperation with Raiffeisen in the area of asset management well into the next decade will stabilize our income base. The Vescore acquisition is allowing us to additionally diversify our asset management offering while bolstering our presence in the key market of Germany.

This means we can now act from a position of strength. The report in the NZZ newspaper on our 2016 annual results featured the headline "Fit for the Future" – and that is precisely what it is all about!

Trust and responsibility grow above all on the basis of a clear profile, an unmistakable identity, and a strong, shared understanding of objectives and values.

That is why we, the Board of Directors and the Executive Board, together with many members of staff have been working intensively in recent months, devoting time and efforts to our own corporate identity and Vontobel's brand positioning. Our objective was and remains to sharpen our corporate profile, to refine and refresh our mission statement, and to thus strengthen the basis for the continued successful development of our company.

The timing for this is favourable and appropriate – for two reasons:

- With Dr. Maja Baumann and Björn Wettergren we have a new generation of the owner families as members of the Vontobel Board of Directors. And I am particularly pleased that both contributed actively to the process of determining our mission statement.
- We are now also increasingly seeing a newer generation of clients and employees in the market – “digital natives” and “Generation Y” to name but two examples. We would be well advised to ensure at an early stage that our promises in terms of values and performance address the expectations, requirements and needs of these target groups.

Meanwhile, the increasingly globalized and digitalized markets call on us to deliver new solutions and offerings. We must remember here that quality, operational excellence and capacity for innovation in everything that we do are absolutely essential for our success – now and going forward. But these alone are no longer enough to convince existing and potential clients that Vontobel is the right partner for them. After all, people no longer choose us simply because of what we do, but instead and above all why and how we do something.

The question of our own identity – and this goes for people and companies alike – is essentially the question of our “raison d'être” and the purpose behind our actions.

- That is why we have devoted our efforts over the past months to taking a painstaking look at who we are, what drives us and which values provide us with guidance.
- We addressed in great detail what our clients can expect from Vontobel when they put their trust in us, and when they turn to our employees.
- And we have given keen consideration to how we can position ourselves even better in the competitive environment in the future, and set ourselves apart.

Our objective was and remains to provide an up-to-date expression of our unique identity and to lend additional appeal to the Vontobel brand.

We have not reinvented Vontobel. But we have refined Vontobel's identity with a view to maintaining sustainability as we look to the future.

- In so doing, we will write the next chapters in Vontobel's corporate success story, while remaining true in particular to the values and beliefs of our late Honorary Chairman Dr. Hans Vontobel.
- But we are adding fresh ideas to this, incorporating the diverse range of experiences brought by our employees worldwide.

Ultimately, we want to continue to grow. We want to be even more successful. And we want this because size and success in the right measure provide security and create trust. This is our responsibility towards our clients, business partners and employees. And we also owe this to you, our shareholders.

I am pleased to be able to give you a brief insight today into our mission statement workshop, and to present the results of our efforts.

We have determined three concepts that encapsulate the beliefs that will guide us going forward, and that will help make the core essence of Vontobel's culture tangible.

Our Vontobel Beliefs and Behaviours form the cornerstone of our new mission statement, and are as follows:

- Ownership
- Foresight
- Tenacity

We have deliberately chosen terms in English since Vontobel is a globally active company and we want these to speak to all our clients and staff.

Ownership or Ownership mindset stands for an entrepreneurial approach, independence and personal responsibility.

- We believe in the talents and the potential of our employees. That is why we give them room to manoeuvre. And we empower – and encourage – them, no matter what their position, to take personal responsibility.
- In our dealings with clients and partners, this responsibility means that we at Vontobel keep to our word and deliver results.
- We embody trust and responsibility by believing in what we do, by taking controlled risks, and by standing by our words and actions.

Foresight means that we look forward, and actively shape our future with an eye to the long term.

- After all, it is up to us to recognize opportunities, identify possibilities and harness these successfully for our clients.
- It is up to us not to rest on our laurels, as the saying goes, but instead to regularly question our past achievements and strive for better.
- To promote this, we give independent thought and creativity space to develop.

Tenacity combines persistence with perseverance, and expresses our resolute commitment to seeking out new solutions that will not just meet the needs and expectations of our clients, but exceed them.

- You will find this reminiscent of “quand-même”, the well-known credo of Hans Vontobel, who was always prepared to clear obstacles from his path to achieve a set objective.
- Since our goal is to make a difference over the long term, we purposefully follow our own clear path, and go against the flow if need be.
- Tenacity also means that we embrace change, that we are always keen to learn and – amid all the changes – that we remain true to our beliefs.

- Living up to our ownership mindset
- Actively shaping our future
- Having the tenacity to make an impact and achieve our goals

Finding the harmonious interplay between these three Beliefs and Behaviours will serve as our “inner compass” in the future, providing guidance in our thoughts, decisions and actions at Vontobel, and so making sure that the next step forward in our company’s history is a success.

- This identity and brand positioning will allow us to stand out even more in the market, and will enable us to harness further competitive advantages.
- We will enhance the standing and appeal of the Vontobel brand in the financial community and among the general public.
- And we will continue to make trust and responsibility a tangible element of our dealings as a company and as individuals – with clients, business partners and employees.

Our new mission statement together with the “Beliefs and Behaviours” is therefore an important and valuable investment that will also deliver considerable added value for you as shareholders, both conceptually and materially.

At present, the Vontobel name stands for quality, financial stability and a sense of responsibility. This is entirely proper, and should remain so.

In the future, people should also associate the Vontobel name with entrepreneurial initiative, a belief in the possibilities the future holds and the unrelenting search for new and better solutions.

To ensure the visibility of what we are, what we stand for and what guides us in our actions we have developed a new Corporate Design for Vontobel, complete with a new logo, fresh colours and unmistakable design elements.

In closing, I can now present a short film showcasing this new corporate appearance, which we will be using – from September onwards – to deliver a new and unmistakable Vontobel Experience to all our stakeholders.

Ladies and Gentlemen

Vontobel's success would not be conceivable without all of you, our shareholders, and your entrepreneurial commitment to our bank. I thank you all for your loyalty and for your trust. I would also like to take this opportunity to make particular mention again of the Vontobel and de la Cour families, who have quickly found a forward-looking and prudent solution to a major task with the new shareholder agreement. We can all build on these foundations and look to the future with optimism.

When we presented our new "Vontobel Beliefs and Behaviours" and the new Corporate Design to our employees last Thursday, we noticed a lot of agreement and support. But that was not all: my colleagues and I sensed an optimism coupled with an almost impatient desire to start bringing this new identity and positioning to life. These are the people who make our company what it is, and what better feeling can there be than to have them believe firmly in our new mission statement and want to make it part of the experience we give our clients?

With this in mind, the Board of Directors and the Executive Board invite all of you, our shareholders, to put your trust in us and join us as Vontobel takes its next steps forward to a strong future.

Thank you.

Herbert J. Scheidt
Chairman of the Board of Directors of Vontobel Holding AG