

## **Speech held at the 35<sup>th</sup> ordinary General Meeting of Shareholders**

**Zurich, 18 April 2018**

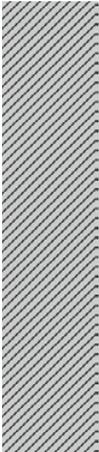
**Presentation of 2017 business performance by  
Dr Zeno Staub, Chief Executive Officer  
Check against delivery**

Dear Shareholders

Dear Members of the Board of Directors

I would also like to welcome you to today's General Meeting of Shareholders of Vontobel Holding AG. It is with great pleasure that I will once again update you on the performance of your company during the last financial year. I will then turn my attention to the future and discuss our ambitions for 2018 and the period to 2020.

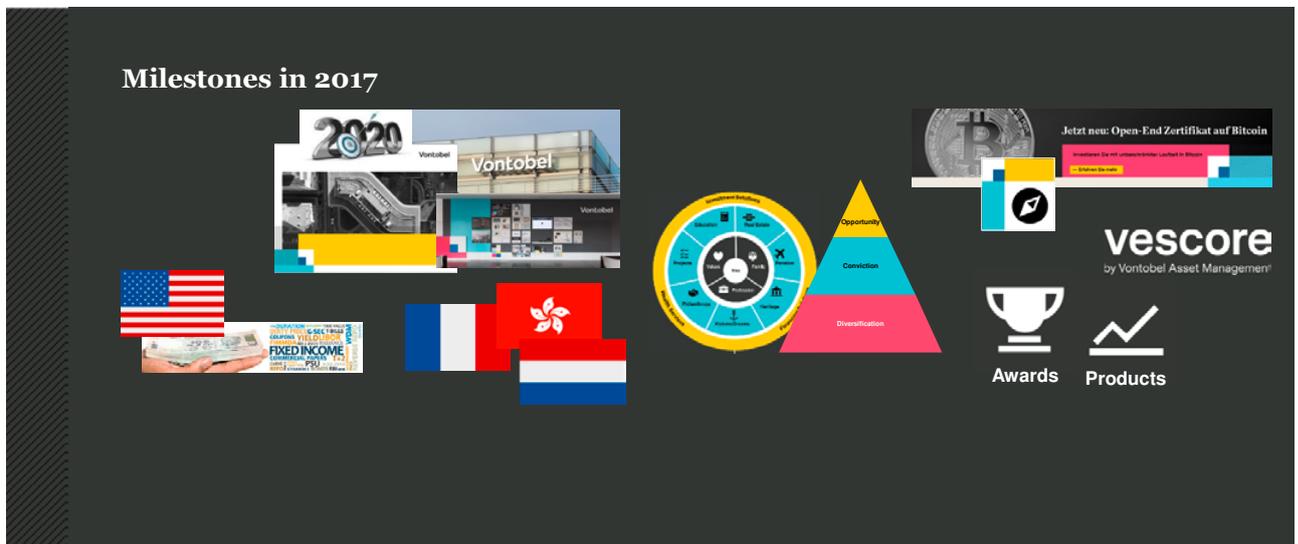
Summing up our performance in a few words, I can tell you that Vontobel remained on course in 2017 and achieved further growth across all business areas in Switzerland and our target markets.



## **Vontobel 2017: On track**

One milestone was the strengthening of our presence in Asia. Last September, Vontobel Financial Products successfully made its debut on the Hong Kong Exchange – one of the world’s largest markets for leverage products. In the US, we are now active in the area of fixed income through TwentyFour Asset Management, whose products will now also be distributed in this major market. At the same time, we have reinforced our position in Europe and in our Swiss home market. The acquisition of the Eastern European client portfolio of Notenstein La Roche by Vontobel Wealth Management and Financial Products’ market debut in the Netherlands and France are two examples. And in Asset Management, we successfully completed the integration of the quantitative investments specialist Vescore, with its operations in Switzerland and Germany, following its acquisition in 2016.

In 2017, we once again demonstrated our innovative strength. In Investment Banking, for example, we launched our new Investment Scout app for private investors in Switzerland and we issued the open-end certificate on bitcoin. Wealth Management further developed its own platform – “Vontobel Wealth” – allowing us to provide digital solutions that ideally complement our personal advisory services. In addition, we are harnessing regulatory developments and the digital transformation in order to create an enhanced, more future-oriented offering for our clients. And finally, we have defined ambitious new growth and profitability targets for 2020 and we have sharpened our identity with a fresh new brand presence.



All these achievements are positively reflected in Vontobel's key figures. Net profit for 2017 totaled CHF 209 million. Adjusted for acquisition costs and a one-off tax impact due to the US tax reform, the 2017 result of CHF 217.9 million was 12% higher than the adjusted pre-tax profit for the prior year. As already mentioned, this pleasing performance was driven by strong growth coupled with significant investments in new markets, talent, technology and our fresh new brand presence.

Client assets, including custody assets, reached a record CHF 246.5 billion, an increase of 26% compared to the end of 2016. The net inflow of new money at Group level totaled CHF 5.9 billion, reflecting contributions from all businesses. We view this as evidence of our clients' high level of trust in Vontobel.



The chart shows the strong growth in client assets in recent years: Since 2011, advised client assets have more than doubled from CHF 90 billion to CHF 187 billion. That corresponds to an average annual growth rate of almost 13%.

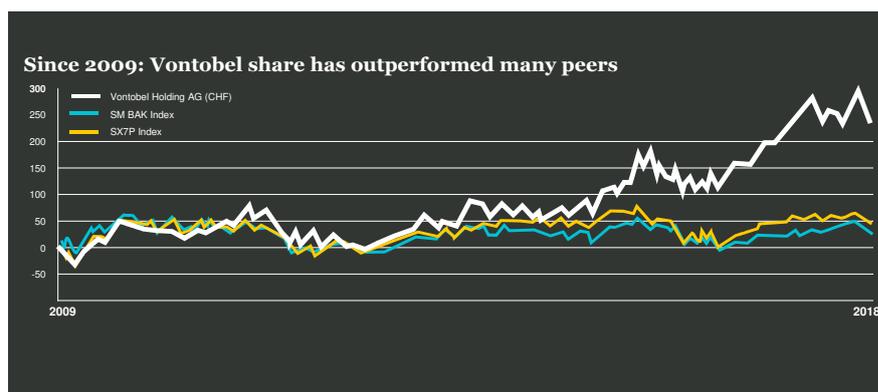
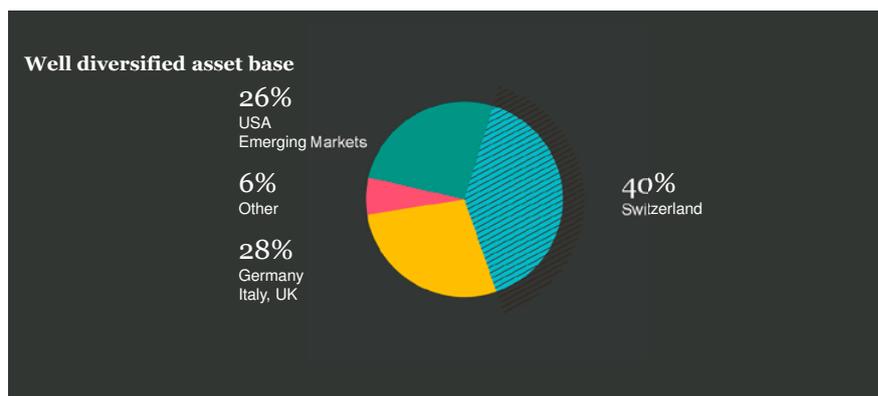
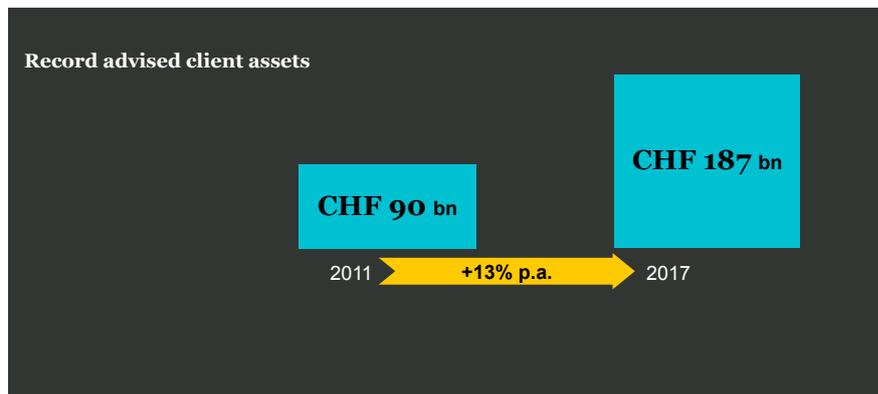
Looking at the chart, you can see that despite the targeted international expansion of our business, Switzerland remains our most important market – accounting for 40% of advised client assets. Switzerland is also our main production hub, from where we export our own expertise and products to our target markets. We are committed to delivering the highest standard of quality and to achieving a high level of efficiency – harnessing the power of digitization to support us.

In recent years, Vontobel has also successfully transformed itself from a financial institution that was predominantly focused on the Swiss market to an established and globally active wealth and asset manager.

- At the end of 2017, more than a quarter (26%) of assets came from clients domiciled in the US and Emerging Markets.
- We also have a stronger presence in our European focus markets of Germany, the UK and Italy. Together, those markets account for 28% of advised client assets.

In summary: Our solid financial result for 2017 confirms the effectiveness of the growth strategy we have pursued in recent years. It justifies our high level of confidence that we will be able to follow our own path during this period of structural change in the finance industry and emerge as a winner. This view is shared by market participants, as you can see from the impressive development of our share price during the last few years in a peer group comparison.

This chart shows how the Vontobel registered share has performed compared to the SPI Banking Index and the STOXX Index for European financials.



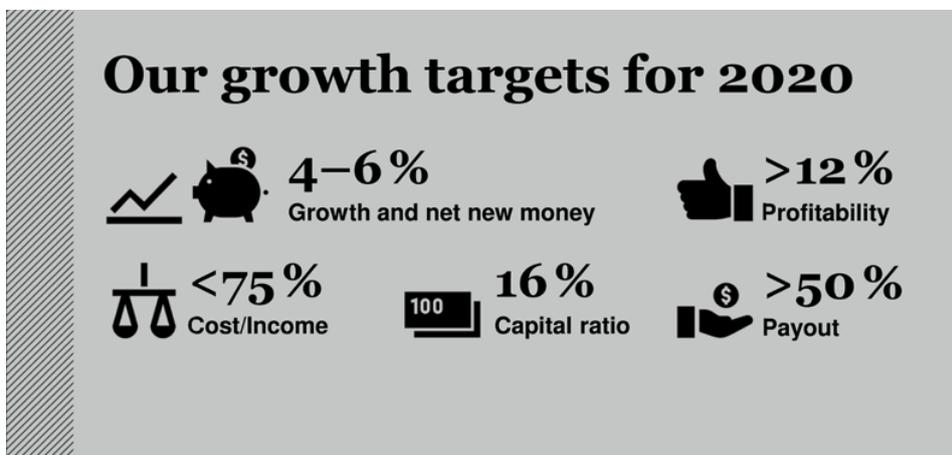
**So where do we now stand in relation to our medium-term ambitions?**

“By 2024, we will deliver the edge by taking ownership of each and every client experience.”

Last summer, based on our strong client orientation and long-term focus, the Board of Directors and the Executive Board defined Vontobel’s strategic priorities for the next three years. Building on those priorities – and this will be of particular interest to you, our shareholders – we defined our new and ambitious 2020 targets for growth, profitability, capital and dividend payouts.

In specific terms, this means we want to:

- Outgrow the market in all core activities, with annual top-line growth and net new money growth of 4–6%;
- Generate a return on equity of more than 12%, clearly exceeding our cost of capital;
- Achieve a cost/income ratio of less than 75%, reflecting the high level of importance we assign to operating efficiency;
- Maintain a strong capital position with a CET1 capital ratio of more than 12% and a total capital ratio of more than 16%, significantly exceeding the capital requirements defined by our regulator, FINMA;
- Continue to distribute profits not used for organic growth and M&A to you, our shareholders, with a target payout ratio of more than 50%.



**As is the case every year, we have returned to the starting line in 2018 and the race has begun.**

Ladies and Gentlemen, I can assure you that Vontobel has had a good start to 2018. We have generated an impressive inflow of new money across all our businesses, and revenues are up year on year. We will continue on our growth path in 2018 and further expand our market share in key markets. Advised client assets reached a record CHF 189.4 billion at the end of March, an increase of 18% year on year. Short-term setbacks on the stock markets have not pushed us off course. We take a long-term view, both in the way we run our company and in the advice we give our clients. The return of volatility represents a return to normality. Our Financial Products business has further strengthened its position across all relevant markets. Consequently, Vontobel's result for the first quarter of 2018 was above the strong result for the first quarter of 2017. Our performance in the first few days of the second quarter has also inspired us with confidence about the future.

Our agenda for 2018 shows that we intend to consistently focus on growth and on client-oriented priorities again this year – but without compromising on operating efficiency. We expect the market environment to remain challenging in 2018, with continued pressure on margins. We nevertheless remain committed to delivering a further increase in our already robust profitability in the current financial year.

In Combined Wealth Management, we want to achieve further growth by leveraging our first-class technology-supported offering as well as through the targeted expansion of our team of relationship managers.

In Asset Management, our priority is to deliver organic growth by concentrating on our high-conviction approach. After all, a performance that is consistently above benchmark across all boutiques is the most successful basis for the further growth of new money. Financial Products has a best-in-class ecosystem. We want to use this advantage in order to gain additional market share in Europe and Asia.

As you can see, we are investing in our future, focusing on sustainable growth and striving for profitability. Our 2020 targets underscore these goals. Vontobel remains on course.

That brings me to the end of my speech. Thank you for your attention, Ladies and Gentlemen. On behalf of the entire Executive Board and all Vontobel employees, I want to thank you for your trust in Vontobel. I would now like to hand you back to our Chairman, Herbert J. Scheidt.



## **Vontobel 2018: The race has begun**