

Speeches

held at the 33rd ordinary General Meeting of Shareholders
of Vontobel Holding AG

Zurich, 19 April 2016

Chairman's address by

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

Presentation of 2015 business performance by

Dr. Zeno Staub
Chief Executive Officer
of Vontobel Holding AG

Check against delivery

Ladies and Gentlemen

Dear Shareholders

Dear Employees and Friends

This year's General Meeting of Shareholders of Vontobel Holding AG is very different compared to the past. In fact, I would describe it as historic. That is because for the first time in many years, our Honorary Chairman Dr. Hans Vontobel is no longer seated here in the front row. And yet he is still with us through many personal memories that connect us with him, and through his life's work – the bank that bears his name and that he shaped more than any other person for over 70 years.

Today is, I believe, the right time for us to pause briefly and – before turning to our operational results – to spend a few minutes thinking about how we can successfully continue Hans Vontobel's legacy and keep it alive.

The fact that Dr. Maja Baumann and Björn Wettergren – two members of the Vontobel and de la Cour families – are standing for election and will become the fourth generation to take a seat on the Board of Directors and share in the responsibility for our bank sends out a clear signal.

What does Hans Vontobel's special legacy entail?

I had the privilege of working with him closely for almost 15 years and I believe that Hans Vontobel – like only very few entrepreneurs – managed in a special way to make his own guiding principles and values the basis for an entrepreneurial philosophy and approach. These entrepreneurial principles are one of the main reasons why Vontobel is so well positioned today, with its excellent financial results and solid capital position, as well as its independence and its wealth of creative powers. I would like to highlight just a few of these guiding principles and values.

Long-term thinking and the ability to adopt a far-sighted approach when faced with current developments is one example.

Hans Vontobel became accustomed at a young age to preparing and carefully reaching long-term decisions. If he had an idea and wanted to present it to his father, he first put the proposal aside and then returned to it after a certain period of time. The principle of allowing oneself time to think, and taking matters that seem important today and reconsidering them after a few days was exercised by Hans Vontobel at an early stage.

It is not surprising that Vontobel's style of management has been shaped to a large extent by Hans Vontobel's advice and his calls for us to think long-term in our daily work and, even more importantly, in our strategic decisions.

I clearly saw just how apt this philosophy is at present when, in January, I attended the 2016 World Economic Forum in Davos, at which the so-called Long-Term Imperative made a refreshing comeback in various discussion forums. And it was extremely interesting to hear how a large majority of globally renowned business leaders expressed their firm belief in this principle. Especially in today's fast-moving and rapidly evolving world, it is advisable to take time to think and ensure that any change of course has been well considered. Short-term strategic decisions can resemble instant foods insofar as they are semi-prepared and often difficult to digest. When reaction takes precedence over reflection, we quickly lose sight of our long-term objective.

At Vontobel, we have been working with our proven business model for more than 20 years. Our Private Banking, Asset Management and Financial Products businesses form the three pillars of this trusted model. We have avoided passing trends such as the transformation of banks into "one-stop shops" or "pure-play" wealth and asset managers. We also refrained from carrying out constant reorganizations and from divesting parts of the company at a time when this was common practice in the industry. Our actions were always determined by the long-term view that our individual divisions benefit from one another and that each area can contribute to the success of the company.

Today, many of our competitors envy the stability with which our overall business has developed as well as the continuity in our strategic and operational management teams.

Our prudent management approach based on three-year plans has proved effective – as we saw again in the financial year 2015: Following the Swiss franc shock and the introduction of negative interest rates at the start of the year, the Board of Directors and the Executive Board jointly decided to manage the business “with a steady hand”. We remained committed to our objectives and to the principle of staying the course – even when faced with headwinds. The well-known “quand même” philosophy of our deceased Honorary Chairman, in other words, the determination to overcome adversity, is, after all, inextricably linked to the principle of long-term thinking.

And our success confirms that we are pursuing the right approach. Our clients place their trust in us and we are growing more rapidly than the market,

- with impressive net new money growth of CHF 40 billion in the last five years, including CHF 7.9 billion in Asset Management in 2015 alone,
- with net profit for 2015 that was more than one-third higher than in 2014 and resulted in 43% growth in earnings per share,
- with client assets of almost CHF 190 billion,
- and with a highly profitable Asset Management business that is the bank’s main earnings driver.

Our farsighted-approach also gives us a unique opportunity to identify trends before others have even become aware of them. One example is our electronic trading platform for structured products, deritrade®, which Vontobel created long before digitalization was widely discussed as a business principle – back in 2008, to be precise. And we generated significant income with this platform at an early stage. Today, we are still one step ahead of the competition.

In our Private Banking division, we also recognized changes in the market at an early stage and rapidly adapted our business accordingly. We were swift to transition to a modern cross-border model and, in doing so, were able to preserve the stability of the business. Today, we are in the process of further developing and enhancing the profitability of our Private Banking 2.0 offering in a digital world. This is another area in which we remain true to Hans Vontobel’s philosophy. And all those who are impatient to see results should remember: you have to allow time for things because good things take time.

For Vontobel, this means that we must:

1. Exercise care when reaching decisions.
2. Implement measures decisively.

But it also means that:

3. Measures have to be given time to develop and produce an impact and their impacts need to be carefully monitored.

Dear Shareholders, we believe that by adopting a long-term perspective and a far-sighted approach, we are taking actions and reaching decisions that are also entirely in your best interests.

It is, nevertheless, important to always bear in mind that we are operating in an environment that entails significant risks. At present, these risks mainly take the form of terrorist threats and conflicts, the financial and economic uncertainty facing the global economy, and the unpredictable strategies of central banks.

No matter how prudent we are, we can never entirely rule out the possibility that our business may be affected by external shocks and unparalleled events.

Despite this, we want to continue growing – and we are determined to do so. To compete successfully and to protect ourselves even more effectively against unforeseeable developments, we will continue to invest in our business and make use of our capital. This is not about the sheer size of the business; instead, our focus is on intelligent growth. We seize opportunities if they can really help to secure the long-term success of our company as a whole. And this sometimes requires patience and perseverance.

I would now like to turn to another principle that Hans Vontobel lived by: generosity. Hans Vontobel was a very generous man – in numerous respects: In financial terms, he not only believed that he had a natural duty to give something back to society: doing something good for people and organizations in the form of donations or through charitable foundations was something that gave him pleasure and that he enjoyed.

For Hans Vontobel, generosity ideally also meant: not being small-minded or becoming irritated by trivial matters. He, instead of it, thought it was important to see the big picture and to act accordingly – while remaining disciplined and paying attention to detail. Since people were important to Hans Vontobel, he was also generous when it came to pardoning mistakes.

It is therefore part of Hans Vontobel's special legacy that our company avoids cultivating differences and discord and, places instead of it a focus on agreement and unity – and on what Hans Vontobel liked to call “good understanding”.

While we are very willing to engage in a critical dialogue, Vontobel places a particular emphasis on the things that we share and that connect us. This sense of unity among us – while also recognizing the legitimate individual interests of each of our divisions – is what distinguishes us from many other banks. We work as one company to achieve a common goal. It is in all our interests to focus on the overall picture and on the matter in hand, which is Vontobel's solidity and success as a company.

Incidentally, it should be noted that this type of collaborative approach is not in any way incompatible with modern governance and control principles. On the contrary: it is an essential ingredient for an open, constructive and – if necessary – critical dialogue.

Hans Vontobel's focus on the big picture was also reflected by the fact that he did not allow himself to be inhibited by conventions or established beliefs. Instead of it – and despite having an agreeable affinity with his Swiss homeland – he viewed himself as a global citizen. In this respect, we – as a bank – are also well advised to remember our Swiss roots and to draw strength from them when conducting our business internationally.

This global citizenship in the Vontobel sense of the term also always includes a willingness to continue learning, and openness to new ideas, innovation and change. It is shaped by our desire to not only master the present but to also shape the future.

At Vontobel, good entrepreneurship has long been considered to be a course of action based on a healthy balance of continuity and development, of courage and prudence and of tradition and open-mindedness.

It is why we remain committed to our proven business model and are, at the same time, making great efforts to ensure that in future, our product and service offering can continue to meet the needs of our clients in increasingly digitalized and global markets.

Ladies and Gentlemen

A long-term perspective and actions, generosity towards others, a sense of unity with a focus on the overall picture and a willingness to embrace new developments, these are, to me, four important guiding concepts and life principles that made Hans Vontobel such a remarkable man and such a remarkable banker. He wrote down much of this himself in his aptly named book “Der Mensch als das Mass” or “Man as the measure”. I also regard them as important concepts and business principles that can guide us and Bank Vontobel towards a successful future.

That is because these concepts and principles have become part of Vontobel’s entrepreneurial DNA thanks to the work of Hans Vontobel. They are the qualities that characterize Vontobel and have made us strong as a Swiss bank in our home and international markets.

That is Hans Vontobel’s great legacy – a legacy we want to keep alive and carry forward.

I warmly invite all of you – our shareholders, employees and friends of Bank Vontobel – to join us as we continue on this path.

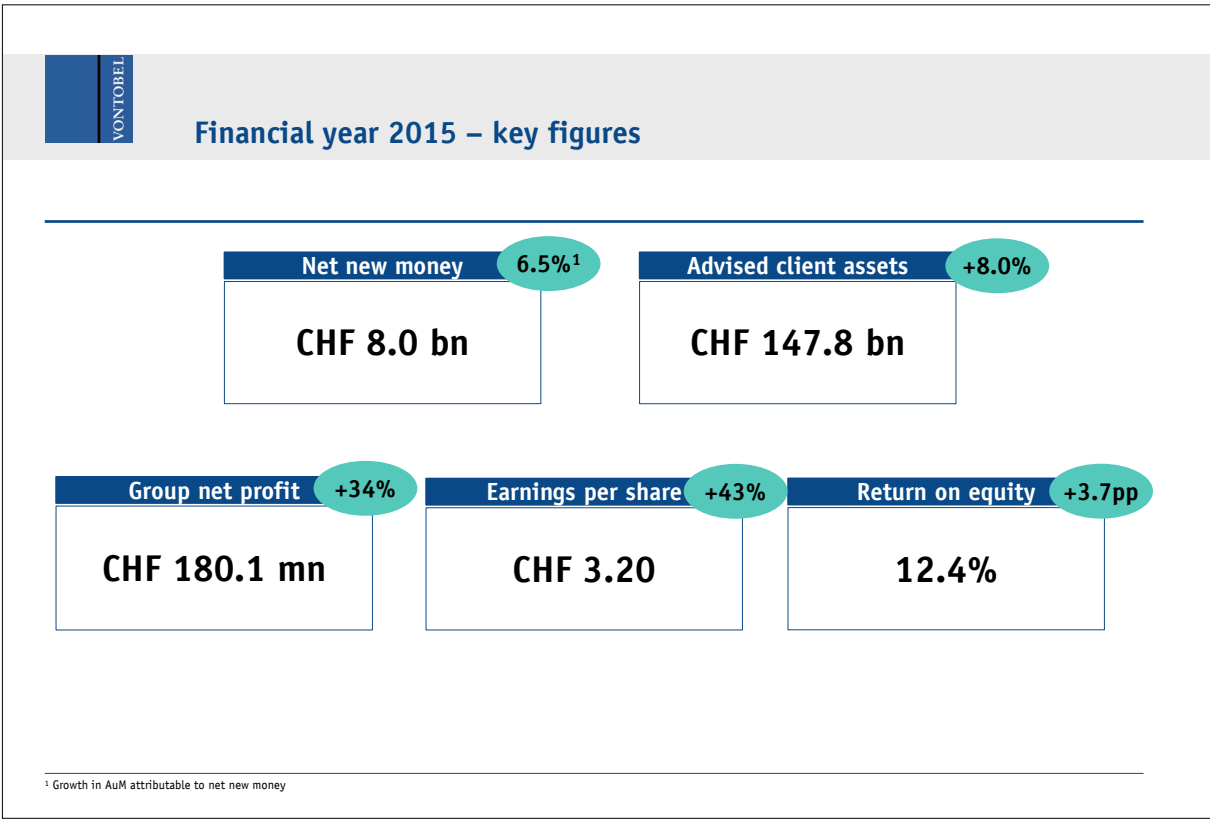
Thank you

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

Dear Shareholders
Dear Members of the Board of Directors

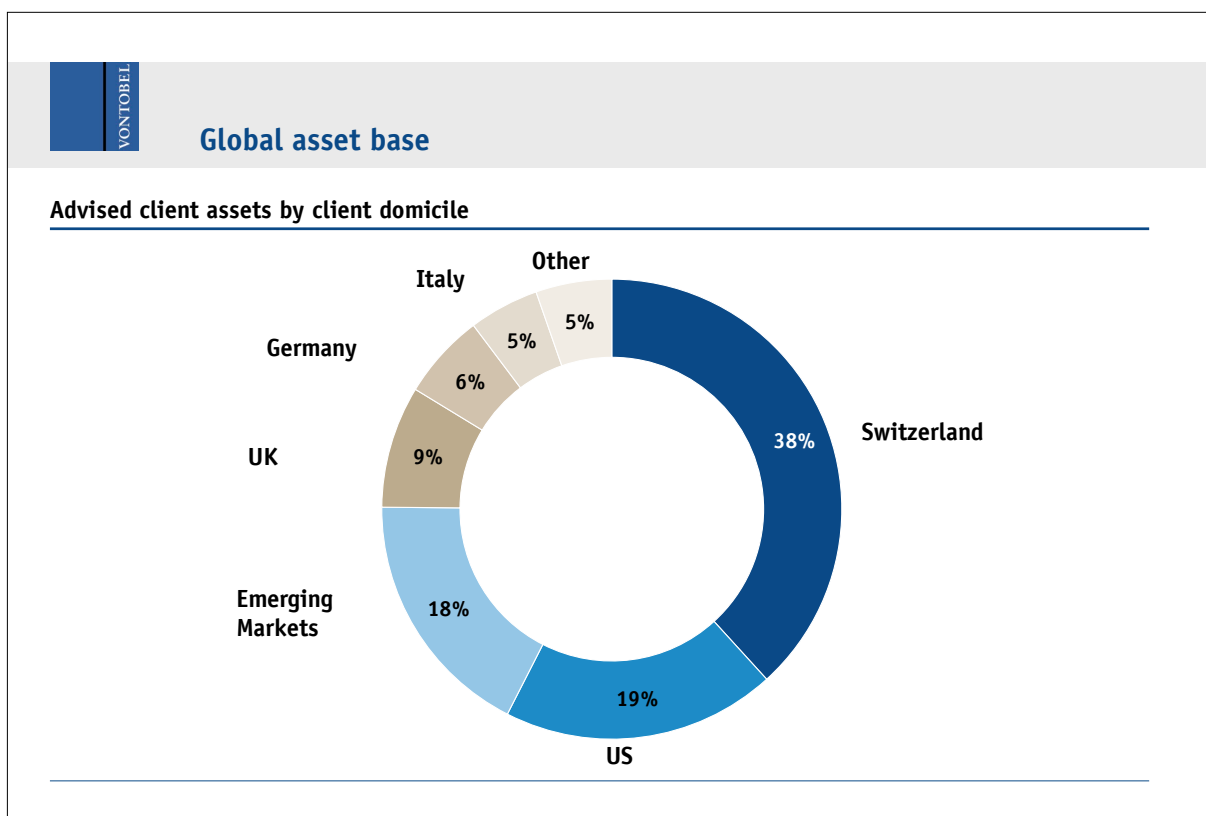
I would also like to welcome you to the General Meeting of Shareholders of Vontobel Holding AG. It gives me great pleasure to inform you about how your company performed in the last financial year: 2015 was an unusual year that called for a comprehensive, prudent and systematic approach to business. Vontobel delivered a very good result in a challenging environment. In 2015, our company demonstrated once again that it is pursuing a strategy that is focused on the achievement of strong and sustained profitability and is continuing to invest in the future. Our good organic growth and the accompanying acquisitions we made during the year are evidence of this. Despite the strong Swiss franc, negative interest rates, high levels of volatility in the equity markets and uncertainty in emerging economies, we grew our net profit by 34% to CHF 180.1 million compared to the already good result for the previous year. Earnings per share rose much more sharply, by 43%, due to the concentration of our share capital.

Our focus on our own strengths – providing responsible advice, managing assets actively and delivering tailor-made investment solutions for our clients – proved effective once again. As a result, our clients entrusted us with CHF 8.0 billion of net new money in the year under review. The acquisition of a majority stake in the UK boutique TwentyFour Asset Management and the acquisition of Finter Bank in Zurich and Lugano led to an additional CHF 8.1 billion of assets. Advised client assets subsequently reached a record CHF 147.8 billion, an increase of 8% compared to the end of 2014. The return on equity rose by 3.7 percentage points to 12.4%. This is all the more impressive given the extremely low interest rate environment and the marked appreciation of the Swiss franc – both of which pose particular challenges for Vontobel as a globally oriented company with a large cost base in its home market of Switzerland.



Ladies and Gentlemen

- The international nature of Vontobel's business is also reflected by our increasingly global client base. At the end of last year, 37% of assets were held by clients who are domiciled in the US and Emerging Markets. Thanks to the acquisition of the fixed income boutique TwentyFour Asset Management, the importance of our UK focus market has grown significantly and it now represents 9% of our client assets.
- Our focus market of Germany also made a positive contribution to new money. For example, we generated double-digit growth in new money in percentage terms in our Private Banking business in Germany, mainly reflecting inflows from new clients. Bank Vontobel Europe AG, which is domiciled in Germany, delivered a positive result for the financial year 2015. In addition, the acquisition of Finter Bank has enabled us to strengthen our presence in Italy.
- Despite these expansion measures in international markets, we have not forgotten our roots: Our Swiss home market accounts for 38% of our advised client assets.



To sum up, I would like to highlight the following developments in 2015 in particular:

- In Wealth Management, the very pleasing performance in our Swiss home market was one of the main contributors to our organic growth.
- Our ever stronger fixed income activities within Asset Management also had a positive impact. At CHF 3.8 billion, fixed income products made the largest contribution to net new money. In total, we now manage well over CHF 20 billion of client assets in this Asset Management boutique.
- With its successful entry into the Swedish and Finnish markets in 2015, Financial Products continued its pan-European expansion in the area of structured products. Vontobel Financial Products has thus confirmed its position as one of the leading issuers of structured products in Europe.

Our service and our products have once again earned us numerous awards in Switzerland and abroad. Only a matter of days ago, for example, the Swiss business magazine Bilanz named Vontobel “Best Private Bank” in Switzerland for the third time in succession. We demonstrated our innovative strength once more with the further development of our deritrade® MIP open platform for structured products, which is setting a new industry standard, and with the development of deritrade® SmartGuide, the world's first decision-making tool for investments in structured products based on smart and crowd data. In addition, an independent Swiss study found that with the wealth management app we launched in 2015, Vontobel offers one of the best mobile banking solutions in Switzerland.

The graphic features a blue header with the Vontobel logo and the text "Award-winning business". Below this, there are several award logos: three "1. BILANZ Privatbanken Private-Banking-Rating" awards for the years 2016, 2015, and 2014; two "Swiss Derivative Awards '16" logos for "Bester Market Maker Hebelprodukte Bank Vontobel" and "TOP Service Bank Vontobel"; and two "Morningstar Awards" logos for "Specialist Investment Awards 2015 Winner" in the "Natural Resources" category for the years 2016 and 2015.

2015: Challenges mastered effectively

Assessment

- Diversification and globalization in Asset Management across all boutiques
 - Strong organic growth in Wealth Management – investments in technologies
 - Technology leadership in platform business and successful international expansion
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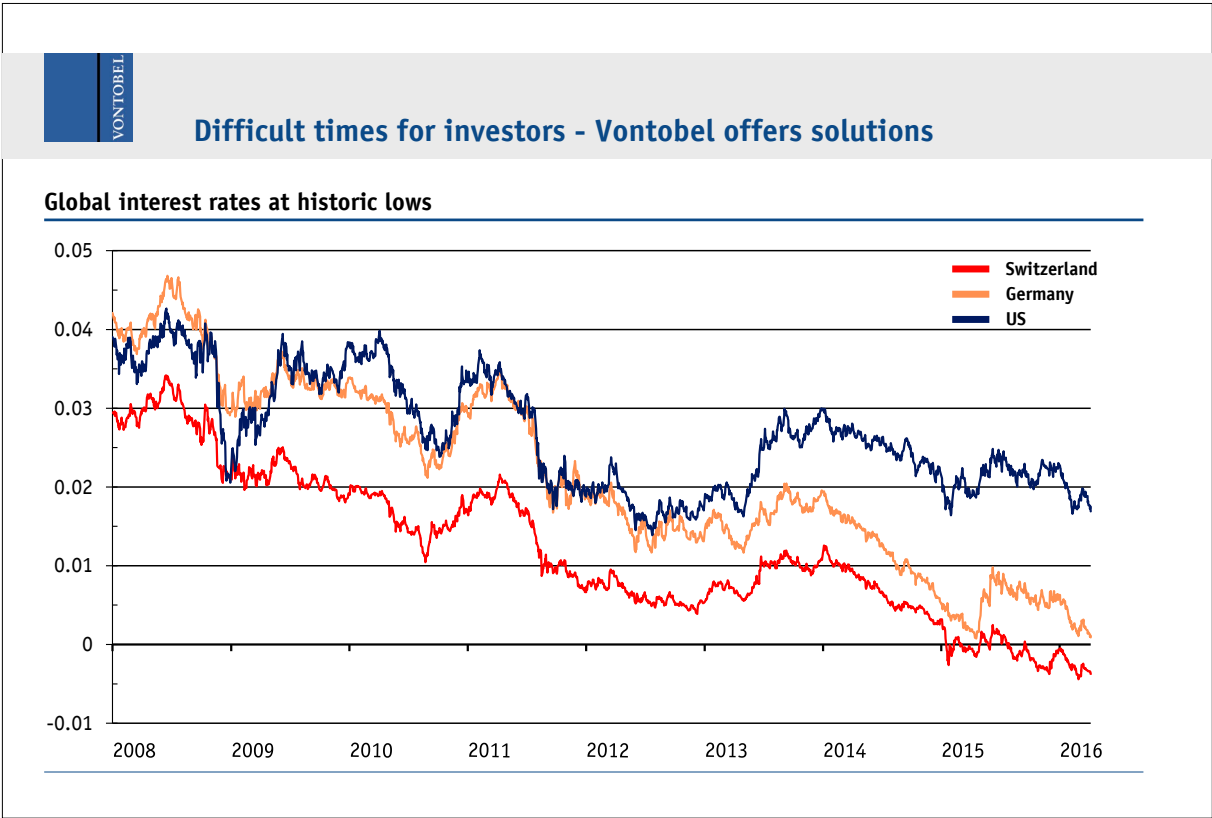
What are our priorities for the financial year 2016?

The global environment continues to be impacted by major economic uncertainty, the continuation of negative interest rates and deflationary trends. The operating conditions for the finance industry therefore remaining very challenging – including for our company, with our global focus as an asset manager and product specialist. We remain committed to our policy of prudence, which has already proved effective, and thus also to our strategic direction.

Major changes are also a source of attractive opportunities – which we want to capture. We are harnessing the potential of digitalization – whether it is in the area of structured products with our deritrade® MIP platform or in Private Banking with our app, which we are continuing to evolve.

Digitalization in Private Banking enables us to communicate with our clients whenever they wish, whatever location. New technologies enable us to export Private Banking à la Vontobel throughout the world without the need for our bank to be physically present in a specific place. We want to continue to seize this opportunity. Our special approach in Private Banking and also in Asset Management – active portfolio management – is of benefit in this context. Especially in periods of extremely low interest rates, it is not only a case of being better than the competitor but of also generating real income. Studies have shown that solution-oriented products that continue to deliver positive returns have significant growth potential because they offer something clients are seeking more and more – and are willing to pay a good price for.

Our clients are looking for attractive investments with sustainable positive returns. We have solutions to meet these needs and are focusing our offering accordingly.



What exactly do we plan to do?

- In Private Banking, further growth will mainly be supported by an even stronger client focus and the expansion of our teams of relationship managers, as well as through targeted investments in the advisory and investment processes, including investments in technology and in digitalization in general.
- Vontobel Asset Management will further diversify its business through its boutiques, placing a particular emphasis on the further expansion of its Fixed Income boutique. The Equities boutique domiciled in New York will continue its highly successful “quality growth” style of investing under the leadership of Matthew Benkendorf. Rajiv Jain, who has very successfully managed the “quality growth” strategy in recent years thanks to the achievement of outstanding performance, has decided to leave Vontobel at the end of May in order to pursue his own business venture. His successor can count on the continued support of the experienced investment team and can implement one of the best defined and most robust investment processes in the entire industry, which has been in place for more than two decades.
- The Financial Products business will continue its international growth strategy, including through the expansion of deritrade® MIP in the Asia Pacific region. In addition, Vontobel’s technology leadership will be further extended with the development of new functionalities such as deritrade® SmartGuide. By providing third parties with access to one of the leading digital platforms in the area of structured investment solutions, we are now also enabling White Labelling partners from the insurance and finance industries to benefit from our expertise and cost leadership and we are thus creating a complete front-to-end offering.
- In the medium term, the continuation of the cooperation between Raiffeisen and Vontobel beyond June 2017 will also have a positive impact. On 9 February 2016, the two banks agreed that Vontobel will continue to act as a partner to Raiffeisen Switzerland and its subsidiaries in certain areas of asset management and the securities business after the current cooperation agreement expires – and until at least the end of 2020.

As a final point, let’s look at how the business performed in the first quarter of 2016:

Volatile markets, low trading volumes and a general decline in share prices, as well as high levels of political uncertainty, dominated the first quarter of 2016. Against this very challenging backdrop, Vontobel’s performance can be described as respectable:

- Advised client assets totalled CHF 142.3 billion at the end of March and thus increased compared to average client assets for 2015.
- Considering the challenging market conditions, Private Banking generated impressive net new money in the first quarter – reflecting its excellent service offering and the investments in organic growth.
- Performance in the Quality Growth boutique in Asset Management was in line with our expectations. It was consistent with this investment style and reflects the robust investment process, which remains unchanged. The performance of all strategies over 1, 3 and 5 years remains excellent. At the end of March, the boutique had advised client assets of USD 44.4 billion. Overall, the other boutiques in Asset Management generated very pleasing net inflows of new money that exceeded the 3–5% target range. This included contributions from the Fixed Income, Multi-Asset-Class and Thematic Investing boutiques in particular.

- In a difficult operating environment, Financial Products continued to grow its market share in Switzerland, Germany and the Nordics. Preparations to enter the Italian market – a further step in the international expansion of the business – are progressing as planned. The new White Labelling 2.0 and Pension Solutions offerings have attracted a high level of interest in the market. Vontobel is currently holding talks with potential partners in these two areas.
- Lower levels of client activity and lower trading volumes compared to the previous year led to a weaker net profit in the first quarter.

Vontobel is well equipped for the future. With our strong brand, very solid capitalization and stable shareholder base, our company is very well positioned to succeed in an environment characterized by ever fiercer and increasingly global competition.

Dear Shareholders,

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



Performance in the first quarter of 2016

Developments in 2016

- Advised client assets totalled CHF 142.3 bn at the end of March, an increase compared to the average for 2015
 - Excellent long-term performance in quality growth strategies
 - Impressive net new money in Wealth Management and in the Fixed Income, Thematic Investing and MAC boutiques in Asset Management
 - Against the backdrop of lower levels of client activity and lower trading volumes compared to the same period of 2015, net profit weakened in the first quarter of 2016
 - Vontobel is well equipped for the future. In an environment with ever fiercer and increasingly global competition, our company is very well positioned to succeed thanks to our excellent product and service offering, strong brand, very solid capitalization and stable shareholder base.
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