

## Speech held at the 37<sup>th</sup> Ordinary General Meeting of Shareholders

Zurich, March 30, 2020

Chairman's address by

Herbert J. Scheidt, Chairman of the Board of Directors



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**Ladies and Gentlemen**

**Dear Shareholders**

**Dear Employees and Friends of Vontobel**

**Regrettably, current circumstances related to the coronavirus pandemic prevent me from being able to welcome you in person to this year's General Meeting of Shareholders.**

The exceptional situation we are facing at present means that all public and private gatherings are banned throughout Switzerland. Our 2020 General Meeting of Shareholders is also affected by this measure. Fortunately, however, there are special rules that still allow us to hold the General Meeting in these circumstances – albeit without our esteemed shareholders being able to physically attend the event. Instead, they were able to exercise their voting rights for today's General Meeting of Shareholders exclusively in advance through the independent proxy (Article 6a of Ordinance 2 on Measures to Prevent the Coronavirus).

This is a highly unusual situation for all of us. The entire Board of Directors deeply regrets the fact that the General Meeting of Shareholders has to be conducted in this form as we all greatly value having the opportunity to engage in a dialogue with our shareholders.

Current events also show us how rapidly our world is changing and how we must adapt to using new forms of communication – especially digital channels.

Even in the current environment, it is very important to me to still be able to speak to you and give you an insight into developments at Vontobel and the way we want to capture future opportunities for the benefit of our clients and shareholders. These are challenging times for wealth and asset managers. None of us have experienced anything like this before. The uncertainty in the markets

far surpasses what we saw during the Lehman crisis over a decade ago. Supply and demand in the markets are fluctuating desperately between hope and fears of a recession.

Experts nevertheless agree that no matter how dramatic these developments may be at present, we are experiencing a crisis triggered by one specific event; it is not a structural crisis. The fundamentals on which our beliefs and strategy have so far been based have not changed. The need for investment opportunities has not diminished in any way. The environment in which our clients operate – and therefore also our own operating environment – will continue to be influenced by low interest rates and the pension funding gap.

At Vontobel, we have the strength, the capabilities and the strategic determination to act prudently at this time and to maintain a long-term perspective. We remain at our clients' side – offering them our expertise – and we are working as a team to transform this unprecedented situation into an opportunity to demonstrate our client-centric approach and know-how.

We have the right strategy and we have the backing of our shareholders, who support Vontobel in good times and bad. Vontobel remains on course.

We were well prepared for a crisis and can rely on our powerful technology platform that allows us to work from virtually any location around the globe as well as from our home offices.

I would, at this point, like to express my thanks to all our employees. They deserve our appreciation and respect for their combined efforts to overcome this huge challenge. The feedback we are receiving from our clients confirms that they are doing an outstanding job in these exceptional circumstances. I would also like to express my particular gratitude to our shareholders for their trust in Vontobel in these exceptional times – we want to do everything in our power to show that their trust is merited.

In 2019, we demonstrated once again that we are working hard to earn your trust: We can look back at another successful financial year as part of a success story spanning almost a century. We are growing organically and have also made and successfully integrated several acquisitions and further developed those businesses. We have been reporting stable growth for years and are recognized as a solid financial institution – clearly setting us apart from our competitors. And we have a stable family shareholder base with a long-term commitment to Vontobel.

However, we wouldn't be Vontobel if we didn't constantly look to the future. We are committed to securing Vontobel's long-term success based on our entrepreneurial mindset and approach.

This tendency of ours to look to the future is even more important as the world, our society and our clients are evolving ever more rapidly due to the emergence of new opportunities in a digital world. And the lessons learned from the coronavirus crisis will further accelerate the process of digitization.

While consistently looking to the future and thinking about change, we want to build on what we have already achieved. And we have accomplished a great deal: in recent years, we have invested intensively and very successfully in new talents and digitization.

But we don't want our philosophy and approach to be shaped exclusively by our past successes. Instead, we want to build on them based on a far-reaching vision of Vontobel's future with the aim of capturing new growth potential and enabling Vontobel to become even more successful in the future.

In every company, the core function of the Board of Directors is to constantly think about the organization's long-term future. We always do so at Vontobel – and we did so very intensively in 2019. We asked ourselves what we must do to meet the needs of our clients in a digitized world even more flexibly and effectively. In a world shaped by disruptive technologies, negative interest rates, geopolitical uncertainties and now also by this pandemic, the behavior and expectations of our clients are clearly changing. We want to respond to these developments in the best way possible.

The longer we thought about the right business model for Vontobel's future, the clearer it became that we needed to evolve significantly in order to continue to actively and innovatively shape developments in our area of business.

Based on our in-depth analysis, we have identified four key elements that our organization and approach will focus on even more in the future. We are thus evolving into a global investment manager. As a pure-play buy-side investment firm, we are positioning ourselves exclusively on the side of our investment clients. Our entire organization is strongly aligned with client needs and we are therefore constantly strengthening our investment expertise and technology know-how.

### 1. Client driven

Our clients always take center stage. To make our client-driven approach the guiding principle for all employees across all Vontobel's businesses and units, we have transformed our organizational set-up and adopted a new way of working together since the start of the year.

All our organizational units are focused on our clients, who act almost like a magnet. In concrete terms, this means that everything we do in each part of our organization is geared towards our clients and their wishes.

We are positioning ourselves in a circle around our clients, like planets around a fixed star – and I don't just mean that figuratively. In terms of the transformation process, we are now connecting our divisions and organizational units that previously operated alongside and largely independently of one another so that they now think and act together, exclusively in our clients' interests.

We have created **one** organization with 'permeable' structures to allow us to respond rapidly and flexibly to the evolving and increasingly individual needs of our clients.

In specific terms, we are bundling our advisory expertise within specialized client units. We are taking this step for our two largest client groups – institutional asset management clients and wealth management clients. We also want to attract more digital investors to Vontobel.

These new Client Units are dedicated to meeting our clients' needs and wishes. Consequently, they are now free from other duties not directly related to their interaction with clients. At the same time, these Client Units have access to Vontobel's entire expertise in the form of products and services, as well as our digital tools that allow us to support clients 24/7.

In this way, we are ensuring that we always take the client's view – across all products, processes and services within Vontobel. Each client is offered professional advice that takes account of their specific needs at all times.

All other activities that are not directly related to our interaction with clients have been bundled within Centers of Excellence.

By establishing these Centers of Excellence, we are creating highly specialized engines. We have brought together similar competencies in a single location within these engines, allowing for the cross-fertilization of ideas, so they can make an ideal contribution to developing the best possible client solutions together with the Client Units.

### 2. Investment-led

As investment capabilities are another key element that we have identified and want to strengthen further, we have bundled our global investment expertise within one such Center of Excellence. Performance quality is and will remain at the heart of every successful client solution. The demand for suitable investment solutions is greater than ever in the current environment of negative interest rates. And our new set-up takes account of this fact.

### 3. Technology enabled

The third key element for our future success is digitization and consequently our technological expertise. Our focus is on harnessing the power of digitization to better identify and serve the needs of our clients.

For this reason, we have combined all our technology-related and digital activities, including big data, artificial intelligence, machine learning and the systematic use of the latest development methods, within our "Technology & Services" Center of Excellence.

In addition to reinforcing the quality and efficiency of our existing, modern infrastructure, this unit concentrates on developing new, contextual client experiences. One example is ensuring that our clients can easily access the precise information they want from us in an instant on their smartphones.

### 4. "One Vontobel" is powered by people

If you want to build a successful future, you must have the courage to bring about change. We have done precisely this with our new organizational structure that is aligned to the needs of clients in the digital world.

The fourth element of our successful transformation is our one-firm culture.

We are **one** company with one goal. And our common goal is to offer the best solutions imaginable to our clients. This is vital for the future success of Vontobel and therefore also of our shareholders.

No matter where you work within the organization, the principle "We are one Vontobel" applies.

Ladies and gentlemen, that brings me to the end of my remarks.

The Board of Directors and the Executive Board don't just want Vontobel to be successful today. We aim to ensure that our business is sustainable and to secure our long-term success, stability and financial solidity – thus also serving your interests as shareholders.

In a digital world that is developing ever more rapidly, we are strengthening our power and ability to adapt. We are becoming more flexible and innovative in the way we act. And this allows us to meet the changing expectations of our clients even more swiftly and effectively.

The changes that are occurring create a host of new opportunities. Our focus is now on seizing these possibilities. At Vontobel, we not only want to be a first mover in terms of our client solutions but also in the way that we as an organization respond to changes in the world around us.

I would like to thank you, our shareholders, for adopting a long-term perspective that allows us to view the current changes as a source of opportunity in order to achieve shared success.

Together with all the members of the Board of Directors, I look forward to being able to welcome you in person to next year's General Meeting of Shareholders and to the drinks reception following the event.

In the meantime, I wish you plenty of strength, patience and **good health** for the months ahead.

**Herbert J. Scheidt**

Chairman of the Board of Directors  
of Vontobel Holding AG

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