

Vontobel delivers a robust result for the first half of 2023

- **Positive trend after difficult second half of 2022**
- **Wealth Management business achieves another very strong performance**
- **Net new money growth in Wealth Management reaches 8.4 percent, including outflows due to strict market focus in line with Vontobel's strategy; growth remains within the 4 to 6 percent target range**
- **Assets under management in Wealth Management increase by 6 percent to CHF 98.1 billion from CHF 92.6 billion at end-2022**
- **Gross margin in Wealth Management increased by 12 basis points year on year to 82 basis points**
- **Wealth Management operating income rose from CHF 320.2 million in the prior-year period to CHF 394.0 million (2H 2022: CHF 325.6 million)**
- **Wealth Management team of client advisors significantly strengthened to drive future growth; hiring more than 50 Relationship Managers planned for 2023**
- **Institutional investors continue to defer reinvestments**
- **Net new money from asset management clients is negative at CHF -3.0 billion, corresponding to growth of -5.6 percent**
- **Assets under management in Asset Management increased to CHF 108.7 billion, up by 1 percent compared to the end of 2022 (CHF 107.2 billion)**
- **Gross margin in Asset Management almost flat at 37 basis points**
- **Asset Management operating income: CHF 203.0 million (2H 2022: CHF 209.5 million; 1H 2022: CHF 247.1 million)**
- **Digital Investing operating income: CHF 86.8 million (2H 2022: CHF 64.7 million; 1H 2022: CHF 120.9 million)**
- **Total operating income: CHF 696.1 million (2H 2022: CHF 599.0 million; 1H 2022: CHF 686.1 million)**
- **Group net profit: CHF 127.6 million (2H 2022: CHF 78.5 million; 1H 2022: CHF 151.4 million)**
- **Overall net new money growth: -0.9 percent; +0.9 percent on adjusted basis**
- **Total assets under management grew by 4 percent to CHF 211.9 billion compared to end-2022**
- **On course to realize targeted reduction in cost base of CHF 65 million**
- **Increase in CET1 capital ratio to 17.3 percent and Tier 1 capital ratio to 24.0 percent (end-2022: 16.7 percent / 23.8 percent)**
- **Vontobel is confident it can reach its ambitious 2024 mid-term targets despite the current operating environment**

After two extraordinary years – with a record period for stock markets in 2021 followed by a difficult year in 2022 – Vontobel delivered a robust performance in the first half of 2023. After a generally weak second half of 2022, the business showed a positive trend in the first six months of 2023. Its financial result once again reflects risks caused by macroeconomic developments and political crises, which continue to fuel investor uncertainty. As a result, institutional investors remained on the sidelines, while private investors sought a professional partner to advise them on how to manage their wealth.

Against this backdrop, the Wealth Management business achieved a very positive performance in Vontobel's Swiss home market as well as its focus markets in the first six months of 2023. In addition to global investment expertise and best-in-class

service, private investors are primarily looking for security and the corresponding diversification opportunities at present. Wealth Management generated CHF 3.9 billion of net new money, corresponding to growth of 8.4 percent. Taking account of the effects of the strict market focus implemented in accordance with Vontobel's strategy, Wealth Management recorded CHF 2.1 billion of net new money (1H 2022: CHF 3.0 billion), corresponding to growth of 4.5 percent - within its 4-6 percent target range. In contrast, the business with asset management clients recorded negative net new money of CHF 3.0 billion, corresponding to growth of -5.6 percent.

In line with the previous year, the strong demand from wealth management clients was unable to compensate for the cautious behavior of asset management clients. Overall, growth in net new money was -0.9 percent, compared to -0.8 percent in the first half of 2022. Adjusted growth in net new money was +0.9 percent.

Following the exceptionally large market losses of 2022, valuations recovered in the first half of the current year although uncertainty continues to weigh on market sentiment. This is also reflected by assets under management of CHF 211.9 billion, up by 4 percent compared to the figure at the end of 2022 (CHF 204.4 billion). In the business with our wealth management clients, assets under management rose by 6 percent to CHF 98.1 billion due also to the very strong inflow of net new money; this compared to assets under management of CHF 92.6 billion at the end of 2022. Driven by improved performance, which more than offset asset outflows, Asset Management recorded a 1 percent increase in assets under management to CHF 108.7 billion in the period under review compared to the end of 2022 (CHF 107.2 billion).

The assets of Vontobel clients are actively managed by more than 300 investment experts in Switzerland, the US, the UK, Hong Kong, Italy and Germany. True to Vontobel's long-term focus as an active investment manager, also in challenging environments, they are not influenced by the latest trends – they follow their convictions. This is also demonstrated by the ratings assigned by international rating agencies: 59 percent of all Vontobel funds rated by Morningstar (weighted according to assets under management) achieved a 4- or 5-star rating. Multi asset solutions proved especially popular in the first six months of this year, and investments in fixed income products became more attractive again due to rising interest rates.

Strong profitable growth in Wealth Management

Despite the worldwide pressure on margins, Vontobel was able to increase its gross margin in the business with wealth management clients to 82 basis points in the first half of 2023, compared to 70 basis points in the first half of 2022. In the business with asset management clients, the gross margin was almost flat at 37 basis points, compared to 38 basis points in the first half of 2022.

Overall, Vontobel delivered a robust pre-tax profit of CHF 150.3 million in the first half of 2023. The result improved significantly compared to the pre-tax profit of CHF 87.0 million in the second half of 2022 and it was below the pre-tax profit of CHF 180.4 million in the first half of 2022, which reflected the very strong start to the year before the outbreak of the war in Ukraine. Group net profit reached CHF 127.6 million, compared to CHF 78.5 million in the second half of 2022 and CHF 151.4 in the first half of 2022.

All Client Units contributed once again to the robust result for the first half of 2023. In particular, the business with wealth management clients showed continued positive developments, with operating income growing to CHF 394.0 million from CHF 320.2 million in the first half of 2022 (2H 2022: CHF 325.6 million). This increase partly reflects the positive effects of higher interest rates. The Asset Management business contributed CHF 203.0 million of operating income to Group net profit, compared to CHF 247.1 million in the first half of 2022 and CHF 209.5 million in the second half of 2022. Digital Investing – the business with clients who primarily use our digital channels – contributed CHF 86.8 million of operating income to Group net profit. In the second half of 2022, Digital Investing recorded operating income of CHF 64.7 million, and in the first half of 2022, which reflected the very strong start to the year, operating income was CHF 120.9 million. The demand for structured investment solutions continued to normalize in recent months and has returned to the level seen in 2020. Vontobel's total operating income was CHF 696.1 million in the first half of 2023, compared to CHF 599.0 million in the second half of 2022 and CHF 686.1 million in the first half of 2022.

Seizing long-term growth opportunities – team of client advisors in Wealth Management to be expanded with more than 50 new advisors by end-2023

The cost/income ratio was 78.2 percent at the end of June 2023, up from 72.8 percent in the first half of 2022. In the medium term, Vontobel is targeting a cost/income ratio of less than 72 percent. The cost/income ratio for the first half of 2023 includes costs-to-achieve of several million Swiss francs resulting from efforts to sharpen the focus of the business portfolio. In 2022, Vontobel took measures to contain costs in view of deteriorating market conditions and set itself the goal of aligning its business portfolio even more closely with the Lighthouse Ambition to achieve gross cost reductions of CHF 65 million by the end of 2023. Rigorous efforts are underway to reduce the cost base. At the same time, Vontobel will continue to follow the principle of seizing long-term opportunities for growth that entail potential one-off costs. These growth opportunities will contribute to the realization of its strategic priorities and consequently to the Lighthouse Ambition 2030. Vontobel is pursuing a strategy that involves thinking in generations, not in quarters.

Vontobel's attractive business model and strong brand created opportunities to significantly expand client-facing areas in Wealth Management in order to drive future growth. Vontobel plans to hire more than 50 Relationship Managers in the course of 2023. In the first half of 2023, Vontobel was able to hire numerous wealth management experts from a large number of interested professionals, some of whom are now already working for Vontobel or will join the investment firm in the course of the year. Vontobel is holding further talks with wealth management experts who could serve clients in our Swiss home market and in selected focus markets in the future. At the end of 2022, a total of around 316 advisors served Vontobel's wealth management clients. This growth is already partly reflected by the cost/income ratio as of June 30, 2023.

Capital-light business model with conservative risk profile proves effective

Vontobel has a capital-light business model with a conservative risk profile, as reflected by the return on equity of 12.5 percent. In the first half of 2022, the return on equity was 14.6 percent. The return on equity for the first half of 2023 was therefore slightly below Vontobel's ambitious target of at least 14 percent. At the same time, the CET 1 capital ratio was strong at 17.3 percent as of June 30, 2023, up from 16.7 percent at the end of 2022. The Tier 1 capital ratio was 24.0 percent as of June 30, 2023, and thus increased compared to the end of 2022 (23.8 percent). Vontobel has set itself the target of achieving a CET1 capital ratio of more than 12 percent and a total capital ratio of more than 16 percent.

"At Vontobel, we are steering a steady course through this challenging environment. We know our strengths and we are also acting with tenacity, since we believe the changes, we are seeing are both permanent and profound. In the business with private clients, we are further strengthening our focus on mature and established markets. We have streamlined our business portfolio and are on track to achieve the target reduction in our cost base of CHF 65 million. We are continuing to consistently execute our strategy and are seizing opportunities. This will allow us to grow our team of client advisors in Wealth Management by more than 50 advisors by the start of 2024," stated Zeno Staub, CEO Vontobel.

Vontobel believes that the current uncertainty is set to persist, but the investment firm is well positioned to navigate this landscape. The war in Ukraine is continuing and geopolitical tensions are undiminished. Fears of recession still loom large and global inflation has not been tamed. This situation is further exacerbated by challenges such as demographic developments and climate change that the world has faced, at least in part, for decades. And finally, the developments of the last two years have left their mark on the financial sector. "Going forward, Vontobel will continue empowering investors to build a better future. And irrespective of the current environment, we remain confident that we will achieve our current ambitious 2024 mid-term targets across the cycle," stated Zeno Staub.

Media Relations

peter.dietmaier@vontobel.com
+41 58 283 59 30

urs.fehr@vontobel.com
+41 58 283 57 90

Investor Relations

peter.skoog@vontobel.com
+41 58 283 64 38

jessica.bruegger@vontobel.com
+41 58 283 73 58

Vontobel

At Vontobel, we actively shape the future. We create and pursue opportunities with determination. We master what we do – and we only do what we master. This is how we get our clients ahead. As a globally active investment manager with Swiss roots, we specialize in wealth management, active asset management and investment solutions. We harness the power of technology to deliver a high-quality, individual client experience and to deploy our investment expertise across multiple platforms and ecosystems. We empower our employees to take ownership of their work and bring opportunities to life. We do so based on the conviction that successful investing begins with the assumption of personal responsibility. We continuously scrutinize our achievements as we strive to exceed the expectations of our clients. The registered shares of the Vontobel Holding AG are listed on the SIX Swiss Exchange. The Vontobel families' close ties to the company guarantee our entrepreneurial independence. We consider the resulting freedom as an obligation to also assume our social responsibility. As of June 30, 2023, Vontobel held CHF 272.7 billion of total client assets. Around the world and in our home market, we serve our clients from 27 locations.

Legal information

This press release is provided purely for informational purposes and is expressly not directed at persons whose nationality or place of residence prohibits access to such information on account of existing legislation. The information and views contained in it do not constitute a request, offer, or recommendation to use a service, to buy or sell investment instruments, or to conduct other transactions. Forward-looking statements, by their nature, involve general and specific risks and uncertainties. It should be noted that there is a risk that forecasts, predictions, projections, and results described or implied in forward-looking statements may not prove to be correct.

Ratios

	H1 2023	H1 2022	H2 2022
Return on shareholders' equity (ROE) (%) ¹	12.5	14.6	7.8
Cost/income ratio (%)	78.2	72.8	84.7
Equity ratio at balance sheet date (%)	6.3	6.0	6.6
Basel III leverage ratio at balance sheet date (%)	5.0	5.0	5.0

1 Group net profit annualized as a percentage of average equity based on monthly figures, both without minority interests

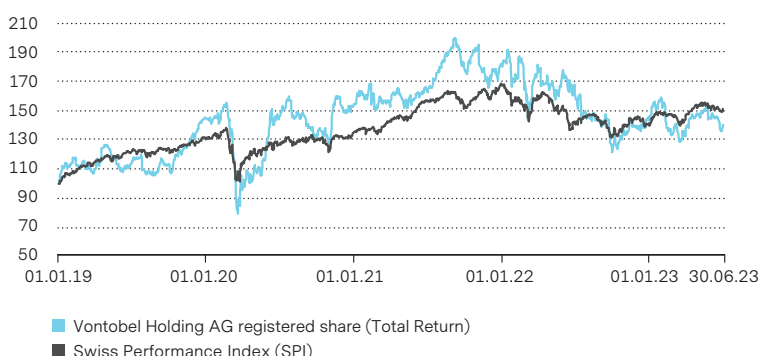
Share data

	H1 2023	H1 2022	H2 2022
Basic earnings per share (CHF) ¹	2.29	2.71	1.42
Diluted earnings per share (CHF) ¹	2.23	2.66	1.35
Equity per share outstanding at balance sheet date (CHF)	35.98	35.62	36.57
Price/book value per share	1.6	1.9	1.7
Price/earnings ² per share	12.4	12.4	21.7
Share price at balance sheet date (CHF)	56.70	67.10	61.30
High (CHF)	67.80	84.85	68.90
Low (CHF)	52.50	57.55	50.70
Market capitalization nominal capital at balance sheet date (CHF M)	3,224.8	3,816.3	3,486.4
Market capitalization less treasury shares at balance sheet date (CHF M)	3,164.7	3,741.1	3,383.9
Undiluted weighted average number of shares	55,750,049	55,765,783	55,443,862

1 Basis: weighted average number of shares

2 Annualized

Performance of Vontobel Holding AG registered share (indexed)



Source: Bloomberg

Share information

Stock exchange listing	SIX Swiss Exchange
ISIN	CH001 233 554 0
Security number	1 233 554
Par value	CHF 1.00
Bloomberg	VONN SW
Reuters	VONTZn.S
Telekurs	VONN

BIS capital ratios

	30.06.2023	30.06.2022	31.12.2022
CET1 capital ratio (%)	17.3	18.5	16.7
CET1 capital (CHF M)	1,155.5	1,186.5	1,052.7
Tier 1 capital ratio (%)	24.0	25.5	23.8
Tier 1 capital (CHF M)	1,605.3	1,635.9	1,502.3
Risk-weighted positions (CHF M)	6,691.1	6,414.5	6,304.1

Risk ratio

CHF M	H1 2023	H1 2022	H2 2022
Average Value at Risk market risk	9.1	6.7	8.3

Average Value at Risk 6 months for positions of Vontobel. Historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

Rating

	30.06.2023	30.06.2022	31.12.2022
Moody's Rating Bank Vontobel AG (long-term deposit rating)	Aa3	Aa3	Aa3

Operating income by Client Unit/ Center of Excellence

	H1 2023 CHF M	H1 2022 CHF M	H2 2022 CHF M	CHANGE IN % TO H1 2022
Asset Management	203.0	247.1	209.5	-18
Wealth Management	394.0	320.2	325.6	23
Digital Investing	86.8	120.9	64.7	-28
Centers of Excellence/ Reconciliation	12.4	-2.1	-0.9	690

Consolidated income statement

	H1 2023 CHF M	H1 2022 CHF M	H2 2022 CHF M	CHANGE IN % TO H1 2022
Operating income	696.1	686.1	599.0	1
Operating expense	545.8	505.7	512.0	8
Profit before taxes	150.3	180.4	87.0	-17
Group net profit	127.6	151.4	78.5	-16
<i>of which allocated to the shareholders of Vontobel Holding AG</i>	127.6	151.4	78.5	-16

Consolidated balance sheet

	30.06.2023 CHF M	30.06.2022 CHF M	31.12.2022 CHF M	CHANGE IN % TO 31.12.2022
Total assets	32,061.7	32,943.0	30,509.2	5
Shareholders' equity (excl. minority interests)	2,008.0	1,986.1	2,018.6	-1
Loans	7,139.8	7,115.8	7,462.3	-4
Customer deposits	11,453.7	15,207.3	13,240.9	-13

Client assets

	30.06.2023 CHF B	30.06.2022 CHF B	31.12.2022 CHF B	CHANGE IN % TO 31.12.2022
Assets under management	211.9	208.6	204.4	4
<i>of which under discretionary management</i>	127.8	133.4	124.6	3
<i>of which under non-discretionary management</i>	84.1	75.2	79.8	5
Other advised client assets	18.9	13.5	14.5	30
Structured products and debt instruments outstanding	10.0	6.9	7.7	29
Total advised client assets	240.7	229.0	226.6	6
Custody assets	32.0	27.0	27.9	15
Total client assets	272.7	256.0	254.6	7

Net new money

	H1 2023 CHF B	H1 2022 CHF B	H2 2022 CHF B
Net new money	-0.9	-1.0	-4.2

Personnel (full-time equivalents)

	30.06.2023	30.06.2022	31.12.2022	CHANGE IN % TO 31.12.2022
Number of employees Switzerland	1,810.7	1,738.3	1,801.1	1
Number of employees abroad	409.9	421.5	413.3	-1
Total number of employees	2,220.6	2,159.8	2,214.4	0